

**Senate Economics Legislation Committee**  
ANSWERS TO QUESTIONS ON NOTICE

**Treasury Portfolio**

Additional Estimates

2016 - 2017

**Division/Agency:** Social Policy Division  
**Question No:** 301  
**Topic:** Bond Aggregator Taskforce  
**Reference:** Written  
**Senator:** Cameron, Doug

**Question:**

1. Will the Bond Aggregator Taskforce be provided with parameters about the number of new affordable rental dwellings that a bond aggregator would be expected to assist in financing over a specified timeframe?
2. If so, how many and over what timeframe?
3. The Affordable Housing Working Group said in its final report that a bond aggregator won't close the financing gap for social housing completely. The Working Group said that a sustained increase in investments by governments is required to stimulate affordable housing production and attract private and institutional investment.
  - a. What is meant by sustained increases in the investment by governments?
  - b. Would capital grants form part of an increase in government investment? If so, by what mechanism?
  - c. Would expenditure on Commonwealth Rent Assistance form part of an increase in government investment?

**Answer:**

1. The number of dwellings that the bond aggregator will support will be determined by a range of factors including the final design of the bond aggregator and supporting measures by governments.

An affordable housing bond aggregator would allow a financial intermediary to attract greater private sector investment into affordable housing. This would give affordable housing providers access to cheaper and longer term debt, freeing up capital for the construction of new affordable housing. The bond aggregator design would aim to support a pipeline of sufficient scale to attract large institutional investment into affordable housing.

2. Not applicable. See 1.
- 3a. Sustained means, not one-off.
- 3b. Capital Grants are one form of Government investment.
- 3c. Subsidies are one form of Government investment