

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

**Treasury Portfolio**

Budget Estimates

2017 - 2018

**Division/Agency:** Social Policy Division

**Question No:** 268

**Topic:** Budget Measure 17/18 - National Housing Infrastructure Facility

**Reference:** Written

**Senator:** Cameron, Doug

**Question:**

1. Please provide examples of the types of local government infrastructure for which financial assistance will be available under the NHIF?
2. In which areas or regions do local governments provide power infrastructure? Do local governments in metropolitan areas provide power infrastructure?
3. Is it envisaged that the fund will provide finance for renewable energy generation?
4. How has the composition of the fund between concessional loans, grants and equity investments in the fund been arrived at?
5. Is the Fund intended to generate reductions in the cost of new housing?
6. If so, how will the Fund ensure that cost reductions are passed on to homebuyers?

**Answer:**

1. The National Housing Infrastructure Facility (NHIF) will provide financial support for the construction of critical infrastructure that will speed up the supply of housing. The type of infrastructure that is likely to be supported includes:
  - transport links such as roads;
  - water infrastructure such as wastewater/sewerage and stormwater;
  - power and electricity network infrastructure; and
  - site remediation works.Implementation details will be settled during 2017-18 informed by consultation with stakeholders.
2. There are significant differences in the roles of local government between the States which can include the provision of power infrastructure.
3. Implementation details, including the eligibility criteria, will be informed by consultation with stakeholders during 2017-18.
4. Implementation details, including the eligibility criteria, will be informed by consultation with stakeholders during 2017-18. Determination of the eligibility criteria may affect the funding assumptions made. The composition of the financing options has been developed with consideration given to the needs of local governments and responsible management of the Commonwealth Budget.
5. The most effective way to reduce pressure on house price growth is through ensuring adequate supply. The NHIF will speed up the supply of new housing by helping local governments address infrastructure bottlenecks that impede the development of housing.

6. The purpose of the NHIF is to speed up the supply of housing by providing local governments with infrastructure financing options. Boosting supply in constrained markets will help to moderate house price growth.