

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**Treasury Portfolio**  
Budget Estimates  
2017 - 2018

**Division/Agency:** Social Policy Division  
**Question No:** 271  
**Topic:** Budget Measure 17/18 - National Housing Infrastructure Facility: Fund Governance  
**Reference:** Written  
**Senator:** Cameron, Doug

**Question:**

1. Why is the NHIF going to be administered by the National Housing Finance and Investment Corporation rather than the Department of Infrastructure and Regional Development?
2. The fact sheet included among the Budget papers for this measure states that applications for assistance “will be assessed by the independent board of the National Housing Finance and Investment Corporation”. Is that correct?
3. The fact sheet also states that, “The government will be able to direct the NHIF to invest in particular projects where this addresses a significant housing supply issue.” Doesn’t that mean the NHFIC board won’t be independent?
4. What effect could a perception of a lack of NHFIC board independence have on investor confidence in the affordable housing bond issues which will be the core business of the NHFIC?
5. In what circumstances would the government direct the NHIF to invest in a particular project?

**Answer:**

1. Decisions on financial assistance to local governments by the National Housing Infrastructure Facility (NHIF) will be made by an independent Board that will be governed by an investment mandate. This will ensure that financial assistance decisions are transparent and subject to rigorous financial analysis and due diligence requirements. Full implementation details including on issues such as the investment mandate will be informed by consultation.
2. Please refer to part 1 above.
3. While the NHIF will be administered by an independent Board, the Government will be able to direct the NHIF to invest in particular projects where this is in the national interest. For example, the Government will be able to direct the NHIF where this addresses a significant housing supply issue.
4. The structure and governance arrangements of the NHIF will ensure effective and independent decision making. The NHIF will leverage the commercial and administrative expertise of the private sector through an independent Board which will make investment decisions in accordance with an investment mandate. Applications for financial support will be assessed and decided by the independent Board.
5. The Government will be able to direct the NHIF where this addresses a significant housing supply issue. The detailed circumstances will be developed and informed by consultation.