

National Housing Infrastructure Facility - Critical Infrastructure FACT SHEET

What is the National Housing Infrastructure – Critical Infrastructure Facility?

The National Housing Infrastructure Facility (NHIF) - Critical Infrastructure (CI) is a \$1 billion facility that provides finance for eligible infrastructure projects that will unlock new housing supply, particularly affordable housing. The NHIF offers concessional loans, grants and equity investments (or a combination of these financing options). The NHIF is administered by the Housing Australia on behalf of the Australian Government.

What are eligible infrastructure projects?

Eligible infrastructure projects are critical housing-enabling infrastructure and can include new or upgraded infrastructure for services such as stormwater, sewerage, water, gas, electricity, telecommunications or transportation (including roads). The NHIF CI can also be used for site remediation works, including the removal of hazardous waste or contamination, and onsite and linking infrastructure. The NHIF CI can be used for both 'greenfield' and 'brownfield' sites.

Eligible infrastructure projects do not include housing itself or community infrastructure such as parks, day-care centres or libraries. Additionally, the NHIF cannot be used for:

- the acquisition or refinance of land holdings, levies or contributions
- Feasibility, scoping or planning studies or consultancy costs
- Administrative costs associated with a project.

Partnership with NSW Land and Housing Corporation

In August 2020, Housing Australia finalised a \$100 million agreement with NSW Land and Housing Corporation (LAHC), allowing LAHC to access NHIF funding for critical infrastructure, accelerating the delivery of new social and affordable housing in NSW. \$100 million in loans and grants through the NHIF were provided to support infrastructure works to enable the delivery of 781 new social and affordable homes at significant development sites across Sydney.

Who can apply for the NHIF CI?

- Registered community housing providers
- State or territory governments or government-owned development corporations or utility providers
- Local governments or their investment corporations or utility providers
- Incorporated special purpose vehicles that have at least one eligible foundation member (as above).

To be eligible for the NHIF CI, an applicant must demonstrate that without Housing Australia NHIF CI financing, its project would be unlikely to proceed, or likely to proceed only at a much later date or with a lesser impact on new affordable housing.

Benefits of NHIF CI funding

Eligible applicants can apply for finance for a NHIF CI concessional loan or combination of NHIF CI concessional loan and grant.

The terms of NHIF CI financing are flexible with a range of loan concessions available to suit the applicant's project requirements. For example, Housing Australia CI may provide, but is not limited to, the following loan concessions:

- Longer loan tenor than offered by commercial financiers
- Lower interest rates than offered by commercial financiers
- Extended periods of capitalisation of interest beyond construction completion
- Deferral of loan repayments or other types of tailored loan repayment schedules
- Lower or different fee structures than those offered by commercial financiers
- Commercial structuring – flexibility in debt structuring e.g. sub debt.

How to apply

- ☑ Follow the [NHIF CI Eligibility and How to Apply Guidelines](#)

Example funding scenario

This scenario outlines how NHIF CI funding can support local government projects.

A local council applies for NHIF CI funding for **sewer infrastructure** – to provide sewage treatment and effluent recycling services for the community to facilitate future land development and population growth in the region.

Development in the council's region would be **unable to proceed without the provision of NHIF funding** and it is expected that **a minimum of 500 new housing outcomes would be delivered** following the completion of the sewer works.

The council **submits an NHIF CI EOI** through the Housing Australia website, which is followed by further discussions with the Housing Australia team and a formal application is lodged. After assessment, Housing Australia agrees to an **80% Concessional loan of \$21.5m and a 20% Grant**, with a loan **tenor of five years and interest capitalised for five years**.

The NHIF CI loan will be repaid through developer contributions and grant funding through the state's Treasury department.

Questions?

For more information on the NHIF, please visit www.housingaustralia.gov.au.

You can also email the team at enquiries@housingaustralia.gov.au.