

# Housing Support Program (HSP) Priority Works Stream

FEDERATION FUNDING AGREEMENT – AFFORDABLE HOUSING,  
COMMUNITY SERVICES AND OTHER

<b>Table 1: Formalities and operation of schedule</b>																																				
Parties	Commonwealth South Australia																																			
Duration	This Schedule will commence on the day it is signed by the Commonwealth and South Australia. It will expire on 30 June 2029.																																			
Purpose	<p>This Schedule provides funding of \$1 billion to meet the upfront costs needed to bring forward new housing supply, including social housing. Funding per state is allocated on a per-capita basis, with a \$25 million floor for states which would otherwise be entitled to less than \$25 million.</p> <p>The Housing Support Program (Priority Works Stream) provides an opportunity for States and Territories (States) to fund new projects to expedite housing development to support meeting the National Housing Accord target of 1.2 million well located homes by mid-2029. The Program will also allow for limited direct funding of social housing.</p>																																			
Estimated financial contributions	<p>The Commonwealth will provide an estimated total financial contribution to States of \$1.0 billion (GST exclusive).</p> <table border="1"> <thead> <tr> <th colspan="7"><b>Table 1: Estimated financial contributions – To States</b></th> </tr> <tr> <th>(\$ million)</th> <th>2023-24</th> <th>2024-25</th> <th>2025-26</th> <th>2026-27</th> <th>2027-28</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><b>Estimated total budget</b></td> <td><b>67.4</b></td> <td><b>0.0</b></td> <td><b>0.0</b></td> <td><b>0.0</b></td> <td><b>0.0</b></td> <td><b>67.4</b></td> </tr> <tr> <td><i>Less estimated National Partnership Payments</i></td> <td>67.4</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>67.4</td> </tr> <tr> <td>Balance of non-Commonwealth contributions</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> </tr> </tbody> </table> <p>Note: Funding is subject to the requirements of clause 5a,b. Funding distribution is based on a \$25.0 million floor for Tasmania, the Australian Capital Territory and the Northern Territory with remaining funding allocated on a per capita basis across the other eligible States. Totals may not add due to rounding. Source for per capita calculations: ABS, <i>National, state, and territory population, September 2023</i>.</p>	<b>Table 1: Estimated financial contributions – To States</b>							(\$ million)	2023-24	2024-25	2025-26	2026-27	2027-28	Total	<b>Estimated total budget</b>	<b>67.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>67.4</b>	<i>Less estimated National Partnership Payments</i>	67.4	0.0	0.0	0.0	0.0	67.4	Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0	0.0	0.0
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Additional terms	<p>Role of the Commonwealth</p> <ol style="list-style-type: none"> <li>In addition to the requirements of Clause 19 of the Federation Funding Agreement – Affordable Housing, Community Services</li> </ol>																																			

and Other (FFA – AHCSO), the Commonwealth will be responsible for:

- a. Working with States to enable delivery of the Priority Works Stream of the HSP.

Role of the States and Territories:

2. In addition to Clause 20 of the FFA – AHCSO, the States will be responsible for:

- a. Putting in place appropriate processes to ensure that the Priority Works payment committed to be spent by 30 June 2026, with:

- i. projects equalling at least 60 per cent of total funding to be delivered by States by 30 June 2026;
- ii. the remainder of projects to be delivered by States by 30 June 2027;
- iii. extensions to projects can be sought where there are extenuating circumstances.

- b. Developing (and amending where required) an Implementation Plan in agreement with the Commonwealth and in accordance with **Attachment A** that details projects to be funded through this Schedule. The Implementation Plan will be consistent with the guidelines at **Attachment B**.

c. The Implementation Plan also sets out how the Program is expected to effect housing supply changes long-term. At a minimum, the Implementation Plan will outline for each project:

- i. The amount of funding committed to a project.
- ii. The scope and issues to be addressed by the project.
- iii. The expected way in which the projects will be delivered under this Schedule.
- iv. The estimated financial years in which these projects are expected to be completed and will be expected to take effect.
- v. The estimated extent of the project's effect on housing supply, including the number of well-located homes expected to be supported directly and indirectly by the project.
- vi. The estimated number of any social and affordable dwellings to be constructed by the project.

Media and publicity

3. As provided for under Clause 21 of the FFA – AHCSO, Parties must ensure prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Schedule. In addition to this, relevant Parties will:
- a. Advise the Commonwealth prior to any announcement, promotional material or publicity relevant to the HSP.
  - b. Erect signage consistent with the Australian Government Building Australia Signage Guidelines.<sup>1</sup>
  - c. Acknowledge financial contributions, roles, and cooperativeness under this Schedule in any announcement, promotional material, publicity or signage where it is appropriate and relevant.
  - d. Ensure appropriate Commonwealth, State and Territory Government representatives are invited to participate in any ceremonies, launches or similar events connected to a project listed in one of the appendices.

Monitoring, reporting and evaluation

4. In addition to Part 4 of the FFA - AHCSO, the following reporting requirements also apply:
- a. The Commonwealth will report on the progress of projects publicly and to the Federal Parliament.
  - b. The Commonwealth and States will work together to provide a report on progress under this Schedule to the Council on Federal Financial Relations (CFFR). The timing of the report will align as far as possible with regular reports to CFFR on the National Housing Accord, and will be made public.
  - c. The Commonwealth and States will work together to evaluate the Priority Works Stream of the HSP against its aims, as well as the effectiveness of projects within the program. The outcomes and impacts of the HSP will in many cases not be known for a number of years after the completion of the program. The States must assist in the process of gathering information and conducting evaluation beyond the term of this Schedule.
  - d. The States will provide a Statement of Assurance to the Commonwealth during the operation of this Schedule in accordance with **Attachment C**, including:
    - i. Six monthly reporting on the progress of incomplete projects within that States Implementation Plan by project:

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<sup>1</sup> [Signage Guidelines | Infrastructure Investment Program](#)

- (1) How much of the allocated funding has been expended and committed.
- (2) The current state of progress of projects including estimates of the timetable for completion.
- (3) The estimated number of well-located homes which will or have been enabled by the projects by local government area.
- (4) The estimated number of people housed and households provided new housing enabled by the projects by local government area and by the overall program.
- (5) The number of social and affordable dwellings that have been constructed and are under construction by local government area.
- (6) The number of people housed and households provided new housing through social and affordable dwellings constructed by local government area and by the overall program.

ii. Information on housing which that State holds that can be reasonably provided to support the evaluation at Clause 4c, including:

- (1) The net number of residential land parcels created since 1 July 2024, by quarter.
- (2) The number of residential dwellings at the end of the reporting period.
- (3) The number of residential dwellings approved for development since 1 July 2024, by quarter.
- (4) The number of residential dwellings that have completed construction since 1 July 2024, by quarter.
- (5) The number of social and affordable dwellings in that state as at the end of the reporting period.
- (6) The number of dwellings that have commenced as a social or affordable dwelling in that reporting period and the number that have ceased to be a social or affordable dwelling.

e. The Statement of Assurance under Clause 4d will be approved by an Assistant Secretary or equivalent of the relevant State department or agency and provided to the Commonwealth by:

- i. 31 August of each year, for the previous 6-month reporting period 1 January to 30 June.
- ii. 28 February of each year, for the previous 6-month reporting period 1 July to 31 December.

- f. The States will provide a Post-Completion Report in a format specified by the Commonwealth within twelve months of the completion of a project listed in an Implementation Plan.
- g. The States will support the Commonwealth to respond to ad-hoc queries in relation to the HSP Priority Works Stream.

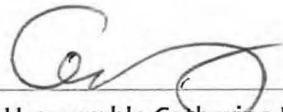
Financial arrangements

- 5. In addition to Part 5 of the FFA - AHCSO, the following requirements also apply:
  - a. Funding for the Priority Works Stream delivered under this Schedule is contingent on that States agreement to both the Heads of Agreement and Bilateral Agreements of the National Agreement on Social Housing and Homelessness.
  - b. Where a State does not meet conditions under Clause 5a, their allocated funding for the Priority Works Stream will be redistributed on a per capita basis amongst States that have met the conditions under Clause 5a. The minimum floor of \$25 million per State will be applied after the per capita redistribution. This may mean that States do not receive additional funding despite a re-allocation.
  - c. In the event that a project which is part of an Implementation Plan does not proceed to completion or completes under budget, a State may replace or add additional projects to the Implementation Plan.
  - d. The States must keep separate financial records, or arrange for another organisation to keep separate financial records, for each project listed in an Implementation Plan.
  - e. Expenditure above the amount allocated to the State on projects delivered through the Priority Works Stream as per this Schedule will be the responsibility of that proponent.
  - f. The States must put in place appropriate processes to ensure that payments made under this Schedule are only used for projects listed in an Implementation Plan.

Table 2: Performance requirements, reporting and payment summary			
Output	Performance milestones	Timeframe	Payment
Preparation for the delivery of the Housing Support Program Priority Works Stream	Signature of this Schedule	On Signature	\$67.4m
Implementation Plan	States to provide draft Implementation Plan for Commonwealth consideration.	30/09/2024	N/A
Reporting	States to provide biannual reports on progress against the Implementation Plan in accordance with Clause 4.	Biannual reports due on 31 August and 28 February for the duration of the agreement.	N/A
	States to provide Post Completion Report on progress against the Implementation Plan.	30/06/2028	N/A

The Parties have confirmed their commitment to this schedule as follows:

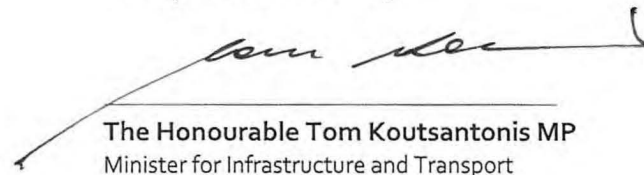
*Signed for and on behalf of the Commonwealth of Australia by*



**The Honourable Catherine King MP**  
Minister for Infrastructure, Transport, Regional Development and Local Government

4 June 2024

*Signed for and on behalf of the State of South Australia by*



**The Honourable Tom Koutsantonis MP**  
Minister for Infrastructure and Transport

7 June 2024

Template Implementation Plan

Project Name	Project Scope	Project Location (including LGA)	Project Outcomes (include numbers for well-located houses enabled and/or social and affordable houses constructed)	Constructing social and affordable housing?	Construction Commencement Date	Completion Date	Funding and Costs (\$million)					
							2024-25 Funding		2025-26 Funding		Total	
							Budget	C'th*	Budget	C'th*	Cost	C'th*
				Y/N								
				Y/N								
				Y/N								

\*C'th = Commonwealth funding. This should outline the proportion of the proposed costs to be funded by the Commonwealth.

## Housing Support Program – Priority Works Stream Guidelines

1. The Housing Support Program (Priority Works Stream) provides an opportunity for States and Territories (States) to fund projects to expedite housing development to support the meeting of the National Housing Accord target of 1.2 million well-located homes by mid-2029. The Program will also allow for limited direct funding of social housing.
2. The funding is available to states and territories who sign the Heads of Agreement of the National Agreement on Social Housing and Homelessness (NASHH) by 31 May 2024, and bilateral schedules of the NASHH by 5 June 2024.
3. Up to 25 per cent of a state's per capita portion of funding may be used flexibly for new social housing. This can include:
  - a. Direct provision of funding for new social housing, renovations or refurbishments of existing dwellings that are currently uninhabitable or by expanding existing social housing programs.
  - b. The purchase of new build properties or the conversion of non-residential properties for social housing where it increases both social housing and total housing stock; and
  - c. extensions or additions to social housing to expand bedroom capacity, particularly in remote and discrete communities.
  - d. Partnering with and/or direct funding to community housing providers or entities whose primary purpose is to improve housing outcomes for Aboriginal and Torres Strait Islander people where the objective is consistent with 3a-c.
4. The remaining 75 per cent of funding is for significant and high priority projects that address infrastructure barriers in delivering housing supply.
  - a. This may include trunk and non-trunk infrastructure such as roads, services, utilities, demolition, community infrastructure including public open space and decontamination and other necessary housing enabling works.
5. Overall, projects should meet the following aims:
  - a. demonstrated clear impact on delivering additional supply of well-located housing;
  - b. demonstrated to meet current and future needs and demands, including allowing for future population growth;
  - c. are located in areas with long-term resilience to natural disasters and climate change; and
  - d. are delivering outcomes prioritised and in accordance with the relevant State Development Plan or equivalent document.



6. All funding must be committed by States by 30 June 2026.
7. States will work to deliver the maximum number of projects possible by 30 June 2026, with no less than 60 per cent of projects to be delivered within two years (no later than 30 June 2026); and any remaining projects to be delivered within three years (no later than 30 June 2027).
8. Planned and/or already committed projects are not within scope.
9. States will be required to identify how many homes each project is expected to support, either directly or indirectly.
10. Individualised implementation plans must be agreed between the Commonwealth and state Ministers to acquit funding in accordance with the Federation Funding Agreement (FFA), with states providing 6 monthly reporting against these plans via a finalised reporting template provided by the Commonwealth.
  - a. The FFA and template will outline the necessary monitoring and reporting requirements to ensure the Commonwealth is able to maintain the appropriate oversight.
  - b. Where agreed projects have not gone ahead, states will be able to put forward alternative projects as part of this reporting, to be delivered within the agreed funding envelope and timeframes.

## Template Statement of Assurance

## Project progress

Project Number	Project Name	Description	To end of previous quarter			Forecast (Total)		Metrics - by LGA			
			Expenditure	Committed (inc Expenditure)	Progress	Expenditure	Outputs	Number of well-located homes enabled	Number of people housed and households provided new housing	Number of social and affordable houses constructed	Number of people housed in social and affordable housing
		<i>eg. The Housing First Pilot program aims to provide safe and secure housing for people with high and complex needs experiencing persistent homelessness.</i>									

## Outcome achievements

Quarter	Net number of residential land parcels created	Number of residential buildings	Number of residential dwellings approved for development	Number of residential dwellings that have completed construction	The number of social and affordable dwellings in that state as at the end of the reporting period.	Social and affordable dwellings added	Social and affordable dwellings removed
Q1 2024-25							
Q2 2025-26							