



Information for Successful Applicants

(Default Funding Offer)

Housing Support Program – Stream 1

June 2024

Introduction

The Australian Government's Housing Support Program (HSP) is one of a range of programs designed to help achieve the National Housing Accord's target of building 1.2 million new, well-located homes over 5 years from 1 July 2024. The Housing Support Program will support the delivery of increased housing supply by funding projects that seek to deliver enabling infrastructure, provide amenities to support new housing development or improve building planning capability.

This first funding stream (HSP 1) will provide funding to state, territory and local governments for projects that will **improve planning capability**.

The Intergovernmental Agreement on Federal Financial Relations (IGA FFR), [Federation Funding Agreement - Affordable Housing, Community Services and Other and Housing Support Program Schedules](#) determine the conditions applied to the funding.

This document summarises the terms outlined in the schedule, especially for Local Governments, who are not a party to the Federation Funding Agreement.

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1 About the Guide

The document is written from the point of view of the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department). When you see the terms “you” or “your” this refers to the successful funding recipient, known as a proponent, either a local government, state or territory. When you see the terms “we”, “us” or “ours”, this refers to the Department. You can find a glossary of common terms at the end of the Guide.

1.1 Contacting the Department

If you have questions in relation to the guide, please contact us by email at:

- PPDHousingSupportBranch@Infrastructure.gov.au

2 Timing of Project Delivery

HSP Stream 1 (HSP 1) projects should be delivered in accordance with the following timeline. If at any stage you anticipate being unable to meet one or more of the activity milestones, contact the Department at the earliest opportunity.

Activity	Timing
State or Territory signing the FFA Schedule (Default Payment Milestone 1)	Payment will be made to the State/Territory at the earliest available payment run after signing.
Commencement of project	No earlier than date of State/Territory signing the FFA Schedule. No later than 31 July 2024
Complete project and provide acceptable Post Completion Report (Default Payment Milestone 2)	No later than 31 May 2025

3 Milestones

3.1 Achievement of payment milestones

Payment will be made on the basis of achievement of milestones. Your milestone schedule and amounts will be in the Housing Support Program schedule to the Federation Funding Agreement - Affordable Housing, Community Services and Other, and in your Letter of Offer.

Milestones specifically applicable to HSP 1 have been designed to assist proponents to meet the timelines set out in the table above.

Projects will receive two milestone payments:

- Milestone 1 (set at 60% of HSP1 funding) will be activated on signing of related State or Territory FFA Schedule variation.

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- Milestone 2 (set at 40% of HSP1 funding) will be on completion of the project and must include a Post Completion Report which includes an updated total project cost based on actual and anticipated costs.

Claims for funding attached to milestones need to be provided on the form available from us. Additional guidance is available on the form.

All milestone claims should be accompanied by evidence supporting the claim that the milestone has been achieved.

3.2 Payment of milestones to Local Governments

Payments to Local Government Authorities will be managed by state and territory governments through the Housing Support Program schedule to the Federation Funding Agreement - Affordable Housing, Community Services and Other.

This means that where projects are local government led, payment will be made to the relevant state/territory government which will pass this payment on to the relevant local government. They may have additional requirements before funding can be paid, such as the provision of an invoice.

All Australian Government funding is Goods and Services Tax (GST) exempt.

4 Funding amount

The maximum funding amount for your project/s will be set out in your Letter of Offer. Funding is paid in whole dollar amounts only.

In line with the Program Guidelines for HSP1, the Australian Government percentage funded for State and Territory projects cannot exceed 50% of total project costs, up to the amount listed in your Letter of Offer. For Local Government projects, the Australian Government percentage funded will be up to 100% of total project costs, up to the amount listed in your Letter of Offer. Your Letter of Offer will confirm the percentage of the project costs that will be funded by the Australian Government.

All funding amounts and claims for funding are GST exclusive.

4.1 Projects over budget

Notwithstanding circumstances which may give rise to changes to projects (see section 7 for more details), all costs over the original project budget are the responsibility of the proponent. Where a project goes over budget, additional funds from the Australian Government will not be provided.

4.2 Projects under budget

In the event a funded project is completed under budget, the Australian Government will pay the percentage of funding outlined in your Letter of Offer based on the actual final cost of the project. This will mean for projects completed under budget, you will not receive the maximum funding listed in your Letter of Offer.

5 Funding eligibility

Where you have doubt about the eligibility of proposed costs, please contact us for advice.

5.1 What is eligible for funding

As a general principle, costs eligible for funding will be determined as part of the application assessment process. Proponents may include costs which are internal to the proponent, where those costs can be attributed to the project. For example, it is possible to claim the costs of a project manager already employed by a Local Government, where the time spent by that person on the project can be identified. We may require you to provide evidence justifying the claimed amount.

Once a project has been assessed as successful, funding should only be used to meet the cost categories identified in the application. Funds should not be used to pay for any goods or services not identified as part of the proposal.

For example, if your application only specified labour hire and a project manager as the costs of the project, you should not use funding to pay for a software licence without consulting with us.

5.2 Acquittal of project funds

As part of the Post Completion Report requirements, we will be seeking an acquittal of costs incurred and funding used against the cost estimates submitted with your original proposal.

6 Reporting

All proponents are obliged to report on the status of their project/s. Reporting requirements for State and Territory governments, including on behalf of local governments, are contained in the Housing Support Program schedule to the Federation Funding Agreement - Affordable Housing, Community Services and Other.

Local Governments may have separate reporting obligations imposed on them by their State or Territory Government for their specific project/s. The frequency and format of these reports will need to be negotiated and agreed between these parties.

Reporting is expected to fall into three essential categories:

- Regular project reporting - completion of a report at intervals to be advised by us which will include data such as progress, estimated funds spent against funds received, emerging issues, forecasts of time to completion and other relevant measures.
- Milestone reporting - completion of forms required to support the achievement of scheduled works (refer to section 3 above for more information). The number and frequency of these reports will align to the agreed milestone schedule which will be set out in the Housing Support Program schedule to the Federation Funding Agreement - Affordable Housing, Community Services and Other.
- Post Completion Report – completion of the Post Completion Report to support the completion of the project. This report will include the updated total project cost based on actual and anticipated costs of funds and confirmation of scope.
- Event based reporting - where a proponent should notify us of a material change to a funded project. Examples of events which are likely to impact the delivery of a project include weather events, natural disasters or pandemic events. Similarly, changes to funding sources, changes to scope, timeframe or cost are all events which may require notification. Please send queries to the email address noted in section 1.1 above.

7 Changes to projects

It is possible to vary the name, scope, timeframe and funding for your project.

Changes to projects should be requested in writing at the time the need for change is identified. We have a form on our website which can help you do this.

Changes to projects will be negotiated between the Department and your State or Territory before seeking authority from relevant Ministers.

8 Withdrawal of projects

You may request to withdraw a project. We have a form on our website which can help you do this.

We may also suggest that a project is withdrawn.

In the event a withdrawal occurs, the Housing Support Program schedule to the Federation Funding Agreement - Affordable Housing, Community Services and Other sets out details of the financial (if any) implications for the State or Territory government.

Financial implications (if any) for Local Governments will be a matter between the Local Government and their State or Territory Government.

9 Events, announcements, promotions and publicity

You should advise us prior to having an event, releasing a media release or other publicity. You should acknowledge the contribution of the Commonwealth in any media. You may also need to invite representatives of the Commonwealth to any events and make any media releases joint media releases.

10 Procurement

In undertaking your project, you must comply with the rules and guidelines in your State or Territory for the expenditure of public money and the procurement of goods and services. In addition, the Federation Funding Agreement - Affordable Housing, Community Services and Other includes conditions requiring compliance with Building Code 2016 and ensuring that financial contributions to a building project are only made where a builder is accredited under the Australian Government Workplace Health and Safety Accreditation Scheme, subject to certain financial thresholds.

10.1 Financial records

We encourage you to keep separate financial records for each HSP project, in order to be able to accurately report on costs.

11 Glossary

Term	Definition
Australian Government Funding	The amount committed to the project by the Australian Government.
Commencement Date	The expected start date for the project activity.
Commencement of Project	<p>The project commences with the first activity which incurs the expenditure of funds solely towards delivery of the project.</p> <p>To clarify, money does not need to be expended, just the activity which will require payment at a later stage. Ordering of materials can be the commencement of a project. In the same way, an internal resource commencing work that is exclusive to the project is also the commencement of a project.</p>
Commonwealth	The official title of the Australian nation. For the purposes of this program under s7(3) of the <i>COAG Reform Fund Act 2008</i> , the Commonwealth is represented by the Minister.
Complete Project	<p>A project is complete when all elements of its scope have been delivered and it is able to be successfully used by the intended users.</p> <p>To clarify, it is not required to be used to be considered complete. A project to build trunk water pipes can be complete, even though the downstream pipes are yet to be completed. A pilot project would be complete when the report evaluating that project is finalised.</p>
Federation Funding Agreement (FFA)	Federation Funding Agreements are an agreement between the Commonwealth and States and Territories for the Commonwealth to grant money to a State or Territory. The Housing Support Program is funded through the Affordable Housing, Community Services and Other Agreement . Information and conditions unique to the Housing Support Program will be a schedule to that agreement.
Local Government	<p>Local government has the same definition as a local governing body at section 4 of the <i>Local Government (Financial Assistance) Act 1995 (Cth)</i>.</p> <p>As at January 2024 this meant:</p> <ol style="list-style-type: none"> a local governing body established by or under a law of a State, other than a body whose sole or principal function is to provide a particular service, such as the supply of electricity or water; or a body declared by the Minister, on the advice of the relevant State Minister, by notice published in the <i>Gazette</i>, to be a local governing body for the purposes of this Act.

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Term	Definition
Proponent	The organisation which has applied for funding and is ultimately responsible for the delivery of the project.
The Department	The Department of Infrastructure, Transport, Regional Development and Communications and the Arts or its successors responsible for the Housing Support Program.
The Minister	The Minister is the Minister for Infrastructure, another portfolio Minister or a delegate of the Minister for Infrastructure.
The Program	The Housing Support Program
We and us	The Department of Infrastructure, Transport, Regional Development and Communications and the Arts or its successors responsible for the Housing Support Program.
Withdrawal	A project is withdrawn when you and us agree that the project will no longer go ahead. A withdrawal of the project can be initiated by either you or us.
You and yours	The proponent that applied for the project, whether that is a Local Government Authority, State or Territory.