



Housing Australia Future Fund - unwind	
Party:	The Coalition
Summary of proposal: The proposal would terminate the Housing Australia Future Fund (HAFF). The proposal would be ongoing and start on 1 July 2025.	

Costing overview

The proposal would be expected to increase the fiscal balance by around \$2.6 billion and underlying cash balance by around \$2.5 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact primarily reflects a decrease in Public Debt Interest (PDI) payments, offset by a decrease in interest receipts from HAFF investments.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications over the period to 2035-36 is provided at Attachment A.

Consistent with [PBO Guidance 02/2015](#), public debt interest (PDI) expense impacts have been included in this costing because the policy involves financial asset transactions.

The Parliamentary Budget Office (PBO) reports financial impacts (Table 1 and Attachment A) via the major budget aggregates, the Fiscal balance (FB), Underlying cash balance (UCB), and Headline cash balance (HCB). The major aggregates are typically viewed as the most useful view into the cost of a proposal and the PBO typically reports on them. Due to the nature of the HAFF, however, the reporting of financial impacts via these aggregates alone is limited. To provide a more comprehensive view of the expected impacts of this proposal, a full breakdown of the accounting treatment of Government investment funds is provided at Attachment B.

The implications of this costing are sensitive to the performance of the affected investment vehicles, which is uncertain.

Table 1: Housing Australia Future Fund - unwind – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	578.9	655.1	685.1	710.2	2,629.3
Underlying cash balance	460.9	648.1	678.1	703.2	2,490.3
Headline cash balance	460.9	648.1	678.1	703.2	2,490.3

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are included in the totals.

Key assumptions and methodology

The Department of the Treasury provided the estimated profile of the HAFF as at the 2025 Pre-election Economic and Fiscal Outlook (PEFO). Financial implications are the reversal of this profile.

Financial implications were rounded consistent with the PBO's rounding rules.¹

Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

The Department of the Treasury provided the estimated profile for the HAFF as at the 2025 Pre-election Economic and Fiscal Outlook (PEFO).

¹ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

Attachment A – Housing Australia Future Fund - unwind – Financial implications

Table A1: Housing Australia Future Fund - unwind – Fiscal balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Non – tax revenue													
<i>Administered non-tax</i>													
<i>Interest earnings</i>	-432.0	-384.0	-383.0	-388.0	-389.0	-389.0	-389.0	-387.0	-386.0	-384.0	-382.0	-1,587.0	-4,293.0
Total – revenue	-432.0	-384.0	-383.0	-388.0	-389.0	-389.0	-389.0	-387.0	-386.0	-384.0	-382.0	-1,587.0	-4,293.0
Expenses													
<i>Administered</i>													
<i>Fund drawdown</i>	500.0	500.0	500.0	500.0	513.0	525.0	538.0	552.0	566.0	580.0	594.0	2,000.0	5,868.0
<i>Departmental</i>													
<i>Fund management</i>	34.9	35.1	35.1	35.2	35.2	35.2	35.2	35.1	35.0	34.8	34.5	140.3	385.3
Total – expenses	534.9	535.1	535.1	535.2	548.2	560.2	573.2	587.1	601.0	614.8	628.5	2,140.3	6,253.3
Total (excluding PDI)	102.9	151.1	152.1	147.2	159.2	171.2	184.2	200.1	215.0	230.8	246.5	553.3	1,960.3
<i>PDI impacts</i>	<i>476.0</i>	<i>504.0</i>	<i>533.0</i>	<i>563.0</i>	<i>595.0</i>	<i>629.0</i>	<i>666.0</i>	<i>705.0</i>	<i>747.0</i>	<i>791.0</i>	<i>855.0</i>	<i>2,076.0</i>	<i>7,064.0</i>
Total (including PDI)	578.9	655.1	685.1	710.2	754.2	800.2	850.2	905.1	962.0	1,021.8	1,101.5	2,629.3	9,024.3

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

Table A2: Housing Australia Future Fund - unwind – Underlying cash balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Non-tax receipts													
<i>Administered non-tax</i>													
<i>Interest earnings</i>	-432.0	-384.0	-383.0	-388.0	-389.0	-389.0	-389.0	-387.0	-386.0	-384.0	-382.0	-1,587.0	-4,293.0
Total – receipts	-432.0	-384.0	-383.0	-388.0	-389.0	-389.0	-389.0	-387.0	-386.0	-384.0	-382.0	-1,587.0	-4,293.0
Payments													
<i>Administered</i>													
<i>Fund drawdown</i>	500.0	500.0	500.0	500.0	513.0	525.0	538.0	552.0	566.0	580.0	594.0	2,000.0	5,868.0
<i>Departmental</i>													
<i>Fund management</i>	34.9	35.1	35.1	35.2	35.2	35.2	35.2	35.1	35.0	34.8	34.5	140.3	385.3
Total – payments	534.9	535.1	535.1	535.2	548.2	560.2	573.2	587.1	601.0	614.8	628.5	2,140.3	6,253.3
Total (excluding PDI)	102.9	151.1	152.1	147.2	159.2	171.2	184.2	200.1	215.0	230.8	246.5	553.3	1,960.3
<i>PDI impacts</i>	358.0	497.0	526.0	556.0	587.0	621.0	657.0	695.0	736.0	780.0	839.0	1,937.0	6,852.0
Total (including PDI)	460.9	648.1	678.1	703.2	746.2	792.2	841.2	895.1	951.0	1,010.8	1,085.5	2,490.3	8,812.3

a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Table A3: Housing Australia Future Fund - unwind – Headline cash balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Non-tax receipts													
<i>Administered non-tax</i>													
<i>Interest earnings</i>	-432.0	-384.0	-383.0	-388.0	-389.0	-389.0	-389.0	-387.0	-386.0	-384.0	-382.0	-1,587.0	-4,293.0
Total – receipts	-432.0	-384.0	-383.0	-388.0	-389.0	-389.0	-389.0	-387.0	-386.0	-384.0	-382.0	-1,587.0	-4,293.0
Payments													
<i>Administered</i>													
<i>Fund drawdown</i>	500.0	500.0	500.0	500.0	513.0	525.0	538.0	552.0	566.0	580.0	594.0	2,000.0	5,868.0
<i>Departmental</i>													
<i>Fund management</i>	34.9	35.1	35.1	35.2	35.2	35.2	35.2	35.1	35.0	34.8	34.5	140.3	385.3
Total – payments	534.9	535.1	535.1	535.2	548.2	560.2	573.2	587.1	601.0	614.8	628.5	2,140.3	6,253.3
Total (excluding PDI)	102.9	151.1	152.1	147.2	159.2	171.2	184.2	200.1	215.0	230.8	246.5	553.3	1,960.3
<i>PDI impacts</i>	<i>358.0</i>	<i>497.0</i>	<i>526.0</i>	<i>556.0</i>	<i>587.0</i>	<i>621.0</i>	<i>657.0</i>	<i>695.0</i>	<i>736.0</i>	<i>780.0</i>	<i>839.0</i>	<i>1,937.0</i>	<i>6,852.0</i>
Total (including PDI)	460.9	648.1	678.1	703.2	746.2	792.2	841.2	895.1	951.0	1,010.8	1,085.5	2,490.3	8,812.3

(a) A positive number for the headline cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the headline cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

Attachment B – Housing Australia Future Fund - unwind – Accounting for Government investment funds.

Government investment funds

The Government's investment funds (the Funds) are reported on the Government's balance sheet as financial assets, consisting of cash and investments. Costings include the impact of PDI ([PBO Guidance 02/2015](#) and the [Charter of Budget Honesty Costing Guidelines](#)).

Creating new funds

A decision to create a new Fund or inject cash into an existing Fund involves increasing gross debt or reducing other cash holdings. There is no immediate impact on UCB, FB or HCB as this is a financing activity that only changes the composition of the balance sheet and not net worth.

Fund earnings

Fund earnings in the form of interest or dividends impact UCB, FB and HCB, whereas capital gains are classified as *other economic flows* with no impact on these aggregates (See Budget Paper No. 1 Australian Government general government sector operating statement).

Fund investments

Fund investments are generally determined under an investment mandate.

Where the Fund invests in:

- financial assets solely to generate a return, the investments do not immediately impact UCB, FB or HCB.
- equity or loans for policy purposes, cash flows from purchases and sales and principal payments and repayments are included in HCB. Concessional loans have an initial negative impact on FB that is reversed as the loan is repaid.

Fund Drawdowns

Drawdowns from the Fund for grant payments or to purchase non-financial assets have an immediate impact on UCB, FB and HCB.

Closing funds

A decision to close a Fund would not result in an immediate reduction on UCB, FB or HCB. This is because either the relevant cash and investments would still be reported as assets on the balance sheet (if investments are retained) or there would be no change to net worth (if the remaining funds were used to reduce the borrowing requirements).

There are ongoing impacts on UCB, FB and HCB to the extent that any reduction in PDI is larger or smaller than the reduction in Fund earnings from interest and dividends.