

MEDIA RELEASE

4th September 2026

Kanofski Report into Housing Australia says Canberra Bureaucracy is putting HAFF funded housing delivery at risk

CEO of the Urban Taskforce, Tom Forrest, said today that a new Report prepared by the admired senior public servant, Ken Kanofski (of KordaMentha), warned that without an urgent acceleration of the approvals process for HAFF funding applications, there is a significant risk that the housing will not be delivered before the end of the National Housing Accord period in June 2029, and, as a result, breach Housing Australia's (HA) contractual terms.

The key Recommendations include:

- Urgently review HAFF Round 3 processes to streamline or remove unnecessary information requests, clarifications or activities;
- Delegate transactions approvals once program and project risk and controls have been improved;
- Ensure that internal resourcing can support timely transaction approvals; and
- Expand HAFF contingency planning to define specific actions and trigger points.

This report identifies an urgent need for “revisit the board’s skills mix ... to better align with the evolution of Housing Australia”.

That is polite public service speak for “sack the board”!

HA has a problem and Ken Kanofski has pulled no punches. With reference to HAFF Funding Round 3 (or FR03) he states:

“The time taken from project application to contract close must be reduced to preserve the HAFF project delivery period available before 30 June 2029. Housing Australia expects more than 100 FR03 projects to require approval by early 2027, which increases the risk of a material processing and governance peak and backlog.” p.15

“Stakeholders indicated that delays arise from repeated application information requests and clarifications, sequential review processes, limited delegations, and capability of some CHPs during contract negotiations and valuation processes. For example, valuation discussions can add three to four weeks to the timeframe and may trigger further approval requirements. Board approval of individual transactions adds a minimum 14 days to relevant senior-debt transactions.” p.15

“Housing Australia should urgently streamline FR03 assessment and contracting by removing duplicative or immaterial process requirements ... To support streamlined timeframes, approval delegations should be reconsidered to support the Board focus on managing the broader portfolio” p.15

To highlight the level of bureaucratic oversight delaying decision making, Kanofski smashed the current processes set by the Board of Housing Australia, saying:

“Under current practice, over 100 FR03 projects are expected to require Board Investment Committee and Board approval over the next six months, more than four times the 2025 transaction volume, in half the timeframe.

Approval activity is expected to peak between October 2026 and January 2027 at more than 20 projects per month. With four to five Board meetings scheduled during this period, approximately 20 projects will likely require approval at each meeting, placing a substantial burden on both the Board and its Investment Committee.

Concurrently, approval delays reduce the time available for project delivery and increase the risk to achieving the HAFF and NHAF 30 June 2029 target, particularly for projects awaiting approval.” p.18

Then Kanofski proffers some basic governance advice to this hapless Board:

“Board approval should be reserved for exceptional transactions, with the Board otherwise relying on assurance, exception and performance reporting for oversight.” p.18

But it gets worse.

The pending Bathla collapse has sent the frighteners through the private finance sector and many are looking for any opportunity to revise the financial terms associated with funding to CHPs.

Keep in mind, Housing Australia required that the initial expressions of interest, which were submitted from 30 January 2026, had to have Development Application Approval, and effectively lock in the cost of construction, the sale price to the CHP, and the financing terms (as at 30 June 2026).

HA advised that contracts would be negotiated in August and September. This date was then pushed out to October 2026. Ken Kanofski has revealed that even with massive change to the governance process at HA, contracts are unlikely to be finalised until some time between the end of October 2026 and the end of January 2027.

That bureaucratic delay means that the delivery of those homes before the end of the Accord period (30 June 2029) is unlikely. The risk is that this could be a trigger for financiers to withdraw and the entire program would be threatened.

Bank Boards do not assess or approve individual loan applications, Investment Committees do. It's time the HA Board took note of Kanofski's blunt critique:

“Given the increasing focus on Housing Australia’s HAFF and NHAF programs, the Board’s agenda has tended to focus on approving individual transactions rather than adopting a whole-of-program view. This limits oversight of program-wide risks, confidence in achieving delivery targets, and the need for contingency measures or risk remediation.

“Board approval should be reserved for exceptional transactions, with the Board otherwise relying on assurance, exception and performance reporting for oversight.”

The new Chair, Ann Sherry, needs to take urgent action to divert the Board from its obsession with micro-management of HAFF Round 3 applications, or risk killing the program.

End

The Kanofski Review can be found at: <https://treasury.gov.au/sites/default/files/2026-08/p2026-800608.pdf>

*The comments and analysis above can be attributed to **Tom Forrest**, CEO, Urban Taskforce*

Media Enquiries: Tom Forrest, Chief Executive Officer: 0429 460 863

Follow us:   

*The **Urban Taskforce Australia** is a property development industry group, representing Australia’s most prominent property developers and equity financiers.*