



Australian Government



National Rental Affordability Scheme

June 2010

Issue 2

National Rental Affordability Scheme News

Message from the Minister

Welcome to the second issue of NRAS News.

Two years ago, when the Government committed more than \$1 billion to the National Rental Affordability Scheme, we hoped that new players would build up large portfolios of homes in different markets using a variety of financing strategies and partners.

We wanted to be flexible about the arrangements that applicants put in place. From unlisted property trusts and joint ventures to purely debt-funded projects, we are now seeing a wide range of successful business models and investment vehicles applying for NRAS incentives.

I have been delighted to see the relationships being developed between the business and finance sectors, the investment community, property developers and not for profit housing organisations – all contributing to the Scheme's success.

In the first two rounds we awarded 11,000 Incentives to around 80 organisations to build new homes all around Australia. In Round Three, to date we have received 16 large-scale NRAS applications for another 24,000 Incentives across the country.

There are so many excellent NRAS developments around the country.

The four-bedroom homes with gas hot water, built in robes and double garage built by the Gold Coast Housing Company in Bellmere, Queensland are perfect for families.

In the Blue Mountains, UnitingCare Ageing is building 18 new NRAS homes incorporating universal design standards to make them fully accessible for seniors and people with a disability.

From Coburg to Mandurah, NRAS is providing a real solution for families across Australia. Find out more about our NRAS projects in this issue of NRAS News.

Finally, I would like to take this opportunity to thank all of our National Rental Affordability Scheme participants. Your active involvement is making the Scheme successful and making life easier for many low income Australians who were previously struggling to make ends meet.

The Hon Tanya Plibersek MP
Minister for Housing, Minister for the Status of Women

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Hot Issues

Round Four applications – Now open

Round Four is now open for applicants who can deliver a minimum of 20 new NRAS homes for low and moderate income households.

The Round Four assessment process has been streamlined to ensure that assessment is timely, and that applications are assessed as they are received. Because NRAS aims to encourage large-scale investment in affordable housing, priority will be given to the assessment of applications to build 100 or more homes in the event that lots of applications are received at once.

Round Four applications close at **5pm AEDT on Tuesday 14 December 2010.**

Visit the FaHCSIA website at www.fahcsia.gov.au for a copy of the Round Four Application Guidelines and Application Form.



NRAS Incentive goes up

Each year the NRAS Incentive is indexed to the rental component of the CPI. Effective 1 May, the NRAS Incentive increased to \$9,140:

- \$6,855 – Australian Government contribution per dwelling; and
- \$2,285 – State or Territory contribution per dwelling.



Changing your NRAS project?

Requests to change an NRAS project must be considered and approved by FaHCSIA to ensure your project still complies with NRAS requirements. Change requests might include a variation to completion dates, alterations to dwelling specifications or being unable to meet conditions outlined in individual schedules. Please remember that changes to dwelling locations and substitutions must also be approved by FaHCSIA.

Formal requests to change your NRAS project must be submitted to helpdesk.nras.it@fahcsia.gov.au for consideration.

Need help working out if you need to submit a change request? Phone the NRAS Helpdesk on 1300 911 235 or email helpdesk.nras.it@fahcsia.gov.au for advice.



Round Three application reminders

- Make sure you use the 'free text' boxes to provide detailed information for each criterion on your application form.
- Your attachments should be clearly named and referenced with your Registration Number ID and your Legal Name. For example, if you had a Development Approval for Project 2 you would name the file attachment: *Registration Number ID – Applicant Legal Name – Project 2 Development Approval.*
- Round Three applications close at **5pm AEST on Tuesday 31 August 2010.**

Visit the FaHCSIA website at www.fahcsia.gov.au for more information about applying for Round Three.



NRAS Regulations – What's new, what's different?

The NRAS Regulations have recently been changed to improve the operation and administration of the Scheme. Highlights include:

- **Streamlined assessment process** – if an NRAS application does not meet one criterion, the other application criteria won't be assessed. It is therefore essential that all criteria are satisfied or your whole application may be declined. In some cases FaHCSIA may request further information or invite an applicant to vary their application.



- **More flexible location descriptions** – if you don't have exact addresses your application can instead use the postcode or region for your proposed NRAS dwellings.
- **Review mechanism for unsuccessful applications** – applicants who are not successful in their application for NRAS Incentives can now have the decision reviewed in a formal process.
- **Option for charities to receive a Refundable Tax Offset** – endorsed charities can now elect to receive their NRAS Incentives as a Refundable Tax Offset or a direct payment.
- **Broader powers to withdraw reserved allocations, including misleading advertising** – allocations can be withdrawn if the approved participant or their agent uses advertising that's considered to be misleading. This includes exaggerating tax and other financial advantages of an NRAS investment or stating the Government is underwriting or endorsing the applicant, dwelling or proposed investment.

You can download a copy of the NRAS Regulations from the Australian Government's ComLaw website at www.comlaw.gov.au

NRAS Milestones

Land releases – WA, NT and VIC

The Department recently approved land releases for NRAS in Broome North in Western Australia, Palmerston in the Northern Territory and the Ashwood-Chadstone Gateway and Moreland Station in Victoria. These sites were released by the State and Territory Governments for mixed residential developments.

Round Three attracts applications for 24,000 NRAS homes

FaHCSIA has now received 16 Round Three applications from large-scale investors proposing construction of almost 24,000 NRAS dwellings. Minister for Housing, Tanya Plibersek recently announced approval of the first two Round Three NRAS projects:

- **Yaran Residential Investments** has been approved to build 1,114 NRAS homes in Western Australia. Yaran's 47 projects will be spread across the Perth region from Mandurah in the far south to Merriwa in the outer north. Projects are also proposed for regional areas including Denmark, Mount Barker and Bridgetown in the south west.
- The **Australian National University (ANU)** is building 1,023 new units for students coming to Canberra to study. With 27.1 per cent of students coming to the ANU from other locations in Australia, the ANU's NRAS development will provide affordable accommodation options as well as relieving pressure on the already tight private rental market in Canberra.

For more information visit www.tanyaplibersek.fahcsia.gov.au

Happy end of NRAS year

Thank you for submitting your statements of compliance on time. Not only is your help much appreciated by the NRAS team, it also streamlines the processing and payment of your NRAS Incentives.

NRAS Incentives will be processed shortly and Approved Participants will be notified when their Refundable Tax Offsets and payments will be paid.

If you have not yet submitted your claim for the 2009-10 NRAS year please contact the NRAS Helpdesk on 1300 911 235 as soon as possible.

Don't forget that the gross income of the entire household must be assessed for NRAS compliance. Make sure you record the gross household income accurately so that your eligibility for payment of the NRAS Incentive is not affected.

NRAS in Action

Julia Farr Housing: 26 accessible NRAS homes in SA

Thanks to the Julia Farr Housing Association (JFHA) and the South Australian Government's Housing SA, 26 new NRAS homes are being built for people living with a disability.

With over 10 years experience in developing and managing community housing for people living with disability, JFHA specialises in providing and adapting quality, affordable and accessible homes.

A successful Round Two applicant, JFHA have been allocated NRAS Incentives for 26 NRAS homes being developed in partnership with Housing SA. The new homes are fully accessible and signal a significant move forward from the old 'group home' model for people living with a disability.

In their approach to property developments, it is integral to JFHA that people living with disability and their families have and exercise control over the key decisions in their lives; are included as active citizens in the life of the wider community; and are growing their capacity to live active lives of choice through access to experiences and support.

Eight NRAS homes have already been completed and are now tenanted by people living with a disability.

The homes have been designed to provide options for those who require increasing levels of personal support. A range of housing designs at each site supports people's changing circumstances and caters for tenants who don't need personal support to those with 24/7 support needs.

JFHA undertakes the role of landlord and tenants have separate support arrangements with service providers who best meet their personal needs.

JFHA understands that tenants come in all shapes and sizes, which impacts on their access needs. There is no such thing as a standard house and rather than risk over-engineering homes in an attempt to meet every circumstance, JFHA builds to a high level of universal

access then tailors the final product to meet individual needs.

Some of the special features of JFHA homes include:

- extra wide door frames to provide easy access for people using large electronic wheelchairs;
- extra large bathrooms with accessible fittings including lever-style taps, hand-held showers, grab rails, and accessible toilet facilities;
- large toggle-style electrical switches at accessible heights;
- adjustable kitchen bench designs;
- external sliding door tracks that are flush with the entrance level;
- overhead ceiling lifter provisions; and
- heavy duty wall materials resistant to accidental damage by wheelchairs.

Outside the home, landscaping includes raised garden beds with wide pathways and extra clearance for easy movement, accessible letterboxes and easy to open gate latches.

JFHA is passionate about continuing to look at new sites which take into consideration proximity to public transport, shops, community and social amenities and we wish them every success for their NRAS developments.



Landscaping underway at a Julia Farr Housing Association NRAS home. Creating raised garden beds using metal tanks is a cost effective way to improve garden access for people using wheelchairs.

If you would like more information about JFHA's innovative NRAS projects, contact Mr Geoff Barber, Manager Business Operations at geoffb@juliafarr.org.au

Would you like to share your NRAS case study? Each issue NRAS News profiles an NRAS project to provide an opportunity for NRAS participants to share information and ideas. If you would like your story featured in NRAS News, please email nrasnewsletter@fahcsia.gov.au





NRAS Who's Who

*This issue, NRAS News spent some time with **Carol Croce**, Executive Director of the Community Housing Federation of Australia.*

What is the Community Housing Federation of Australia (CHFA)?

CHFA is the national peak body providing a voice for and representing community housing providers in Australia.

What is CHFA's involvement in affordable housing?

As community housing becomes a key player in the affordable housing market, CHFA's role is to ensure that appropriate policies are in place including:

- tenant eligibility for housing programs such as NRAS and the Nation Building Social Housing Initiative;
- tax policies;
- community housing national standards; and
- regulation of the affordable housing sector.

We continually disseminate information to our members to assist with the broader vision of where affordable housing sits in the national policy agenda and giving consideration to immigration, population growth and infrastructure and urban planning.

CHFA enables community housing sector participation in the affordable housing market by providing services to our members including master classes at CHFA's National Affordable Housing Exchange and our fortnightly housing e-bulletin, *National Bulletin*.

To register to receive *National Bulletin* email CHFA at chfa@chfa.com.au

Tell us about the Capacity Building Clearinghouse...

CHFA has been funded to provide a Capacity Building Clearinghouse as part of the Australian Government's NRAS Capacity Building Strategy.

The Clearinghouse aims to build the capacity of affordable and community housing sector. It's an internet based, 'one stop shop' for housing providers, investors and NRAS participants to access tools, resources and products relevant to their business, including the NRAS Financial Modelling Tool.

There's a discussion forum to share information and link private investors with not for profit housing providers and other organisations seeking partners for NRAS projects.

For more information visit the Clearinghouse at www.chfa.com.au

Why are you involved in affordable housing?

Affordable housing is a natural progression for community housing. Affordable housing adds to the continuum of housing options for those on lower to moderate incomes. Community Housing has expanded its portfolio to include those on moderate incomes who are struggling in the private rental market. Providing a broader portfolio of housing opportunities means people don't have to move from their homes just because they begin to earn more money.

I have been involved with housing for over ten years. The last couple of years have been particularly exciting as housing has finally made it to the top of the agenda at a Commonwealth level. Our work to promote the benefits of community housing is coming to fruition as Government and the general public see the valuable role community housing can play in providing safe, secure and affordable housing.



What is your personal vision for the affordable housing sector over the next 20 years?

There will be a steady and continual growth for community housing organisations in the affordable housing arena over the next 20 years, largely due to:

- transfers of housing stock from public to community organisations;
- development of new partnerships with the private sector to increase the supply of affordable housing; and
- development of new innovative housing products, particularly for home ownership such as community land trusts, shared equity arrangements and rent-to-own programs.

Growth is also likely to occur from the entry of new providers from the private sector, and possibly the public sector, through the development of arms-length management organisations.

CHFA's goal is to see housing recognised as a key component of national infrastructure, like health and education, rather than as a by-product of the welfare system. If you don't have a roof over your head and you are worried about where you are going to sleep at night, you cannot focus on other necessities like your health or educating your children. Housing is fundamental to the wellbeing of the nation and must be recognised as a national priority.

For more information visit CHFA's website at www.chfa.com.au



Feedback

We want your feedback

Email nrasnewsletter@fahcsia.gov.au if you'd like more information on a featured article or to let us know what else you would like to see in the newsletter.



Contributions

Your contributions to *NRAS News* are welcome. Do you want to let others know about your successes? Please send us your stories about progress on NRAS developments, tenants who have moved in and photos too. Email your story idea to nrasnewsletter@fahcsia.gov.au



Contact us

For information about NRAS phone 1800 334 505, email nras@fahcsia.gov.au or visit the NRAS website at www.fahcsia.gov.au by following the links through Housing and Homelessness.

