



Australian Government



National Rental Affordability Scheme

August 2010

Issue 3

National Rental Affordability Scheme News

Message from Chris Lamont

A recent restructure within FaHCSIA has seen the creation of the Housing Delivery Group. This group was formed following the amalgamation of several areas responsible for housing and will have the combined responsibility for the delivery of not only the National Rental Affordability Scheme (NRAS) but the Housing Affordability Fund (HAF) and Social Housing Initiative (SHI). As the name suggests, the group is focussed on the delivery of housing under these initiatives.

In recognition of the groups' wider focus, readers will notice the inclusion of other housing material in future editions of NRAS News. I look forward to not only receiving any feedback you may have about NRAS, HAF or SHI but to also meet and hear of your successes in helping to address Australia's affordable housing shortage.

Key contacts within the group are:

Ross Bain – Branch Manager Social Housing Initiative
Marie Ball – Section Manager Housing Affordability Fund
Ray Jeffery – Section Manager NRAS Assessment Centre
Des Kirwan – Section Manager NRAS Program

Chris Lamont
Group Manager, Housing Delivery
FaHCSIA

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We visit some NRAS homes

NRAS Program Manager Des Kirwan recently visited several NRAS homes in Docklands, Melbourne. The site has seen the recent completion of 57 one and two bedroom units, with three of the units being modified to accommodate persons who live with a disability.

The Merchant development is the first affordable housing development at Docklands. The eight-storey development which is being built by Lend Lease, includes 133 apartments. A Victorian Government partnership with Housing Choices Australia (HCA), will see more than a third of the apartments being available to low to moderate income tenants.

The development provides a balanced mix of tenants with low and moderate incomes to key workers needing to be close to their employment. With its close proximity to retail shops, public transport, hospital and open park areas this is another example of NRAS delivering affordable rental accommodation in areas where it is needed the most.

'In partnership with the Office of Housing (Department of Human Services), Victoria Property Fund, Lendlease and VicUrban, HCA have produced a suite of beautifully appointed units', Mr Kirwan said.



Introducing Account Managers to help you manage NRAS projects

FaHCSIA has introduced an Account Manager model to help Approved NRAS Participants.

Account Managers have responsibility for the ongoing management of all NRAS participants in a State or Territory, and will be contacting you on a regular basis to ensure that you are on track to deliver your dwellings on time, and to ensure that your FOFMS reporting is up to date. An email has been sent to all Approved Participants providing the details of their Account Manager.

Approved NRAS participants are encouraged to liaise with their Account Manager should they require any changes to their accepted offer. The responsible Account Manager will then advise whether a formal change request is required and provide instructions as to how to commence the process, in line with the Change Request Proforma and NRAS Project Variation Guiding Principles.

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 or alterations to dwelling specifications, locations or participants.



Formal requests to change your NRAS project must be submitted to helpdesk.nras.it@fahcsia.gov.au using the NRAS Change Request Proforma.

Need help working out if you need to submit a change request? Phone your Account Manager or email helpdesk.nras.it@fahcsia.gov.au for further advice.



FOFMS access and updating primary contacts

The end of year process served as a timely reminder for all approved participants to ensure they have staff trained in the use of FOFMS.

Approved NRAS Participants who have not yet received the welcome pack, which includes instructions of how to access FOFMS as well as the training material, should contact the NRAS helpdesk on 1300 911 235 or by sending an email enquiry to helpdesk.nras.it@fahcsia.gov.au



NRAS Milestones

More Round Three announcements

Applications for Round Three were still being received by the NRAS Assessment Centre at the time this newsletter commenced circulation.

As at 18 August 2010, 25 Round Three applications were received proposing to construct 38,078 NRAS dwellings.

While not all proposals will be supported, the large number of applicants for this Round means that the Scheme is well on its way to meet the overall target of 50,000 new affordable rental dwellings.

Recent Round Three approvals / announcements:

- Queensland Affordable Housing Consortium (QAHC) has been approved to build 1,602 NRAS homes. 70 of these properties will be located in Victoria with the remainder being delivered across Queensland through multiple projects.
- Ethan Affordable Housing Limited (EAHL) has been approved to build 2,370 NRAS homes. 1,200 of these homes will be located in the Northern Territory and 1,170 will be located in Victoria.
- Port Phillip Housing Association is the first applicant to be offered Incentives under the land release component of Round Three. Their offer will see 211 NRAS homes built in Victoria.



NRAS Reference Group established

An NRAS Reference Group has been established. The group will provide advice on the implementation of the National Rental Affordability Scheme including:

- Risk management for the Scheme, including future changes to regulatory and quality frameworks to give effect to government policy.
- Communication to stakeholders



- Targeting players likely to be able to develop NRAS projects that demonstrate the full potential of the Scheme.
- Links with other sectors not yet fully engaged in NRAS.

The NRAS Reference Group provides an expert panel and will assist in the delivery and operation of the National Rental Affordability Scheme.

Members of the group were selected for their expertise in:

- Institutional finance or banking – Fiona Reynolds
- Affordable housing – Julian Disney
- Construction and development – Simon Norris
- Governance, Regulation and Risk Management – Trevor Danos
- Housing Delivery – Chris Lamont

Where appropriate, recommendations and developments influenced by the NRAS Reference Group will be made available through NRAS News.



New Tenant Survey coming soon

A new tenant survey will be conducted which will collect important information to gauge the housing journey of NRAS tenants. The survey will consist of approximately 20 questions aimed at identifying things like what previous accommodation tenants lived in prior to living in an NRAS home, their housing experience since moving into an NRAS home, and the type of work / occupation of those NRAS tenants who are working.

It is anticipated that this survey will commence in September and run for approximately four weeks.

Tenant participation in the survey is voluntary. However, we do ask any NRAS tenancy managers who may be contacted by tenants about the survey to encourage their participation.



Refundable Tax Offset Certificates issued

Following the completion of end-of-year processing, all Incentive amounts have been calculated and Refundable Tax Offset certificates issued to those nominated to receive them.

If you have not yet been advised of your 2009-10 NRAS Incentive amount or have not received your Refundable Tax Offset Certificate please contact the NRAS Helpdesk on 1300 911 235 as soon as possible.





Above: Construction well underway at the Gladstone Heritage Village. These NRAS homes are being built by the Gladstone Central Committee on the Ageing.



NRAS Myth Busting

This is a new feature of NRAS News aimed at dispelling the myths associated with the Scheme. In this edition we focus on two reoccurring concerns.

1. Applications won't be assessed until after the NRAS Round closes.

We have received multiple enquiries from parties interested in the Scheme who are somewhat reserved about putting in an application because of the perception that it will not be looked at until the relevant NRAS Round closes.

This is certainly not the case. Applications are assessed as they are received and take, on average, 8 weeks before an outcome is known. Understandably, the larger the application the longer it takes to be assessed.

Every application is required to be supported by the relevant State or Territory in which dwellings are proposed. Some States and Territories take longer than others to provide their input into each application and may result in slightly longer assessment periods.

2. Banks will not lend for NRAS purchases.

FaHCSIA has received many enquiries from individuals who are experiencing difficulties obtaining finance to purchase an NRAS property.

Bank sources have indicated that this is not due to the requirements under the NRAS program but instead relates to the terms of the contract for the sale of the property, the terms of which are determined by the Approved NRAS Participant. This is particularly an issue with respect to head lease arrangements.

Banks have indicated that clauses in sale contracts which add costs or create delays for banks in the event that the property needs to be sold as a result of a loan default, can act as a deterrent when the banks are assessing the loan application.

The banking sector has indicated they would prefer sale contracts use plain English and make it clear what happens in the event the bank needs to foreclose on an NRAS property. While banks will not provide guarantees loans will be approved because they



contain a plain English clause they have indicated it will make the assessment of NRAS loan application easier – for both parties.



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



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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.



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