

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2014-15 Additional Estimates Hearings

Outcome Number: 4.1 Housing and Homelessness Question No: SQ15-000033

Topic: National Rental Affordability Scheme

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Senator Seselja, Zed asked:

Government was given an assessment that said there was some potential misuse. Was action taken at the time to prevent that? Did that entail changes to the scheme; if so, what were they?

Answer:

The potential misuse of incentives was identified by the Department as part of a risk assessment for the National Rental Affordability Scheme in 2010. It was noted in the assessment that the participant may receive a payment for nominating developers' dwellings to the National Rental Affordability Scheme. As a result, administration of the scheme was strengthened in 2010 by implementing an account management function to better monitor the delivery of dwellings by participants.

Following further concerns, the Department wrote to all participants on 29 May 2013 on this matter. It also published advice on its website that reserved incentives are not assets that can be traded between parties under any private arrangements and may be withdrawn by the Department if fees are charged. The administrative arrangements regarding fees were further tightened in 2014 through changes to the *National Rental Affordability Scheme Regulations 2008*.