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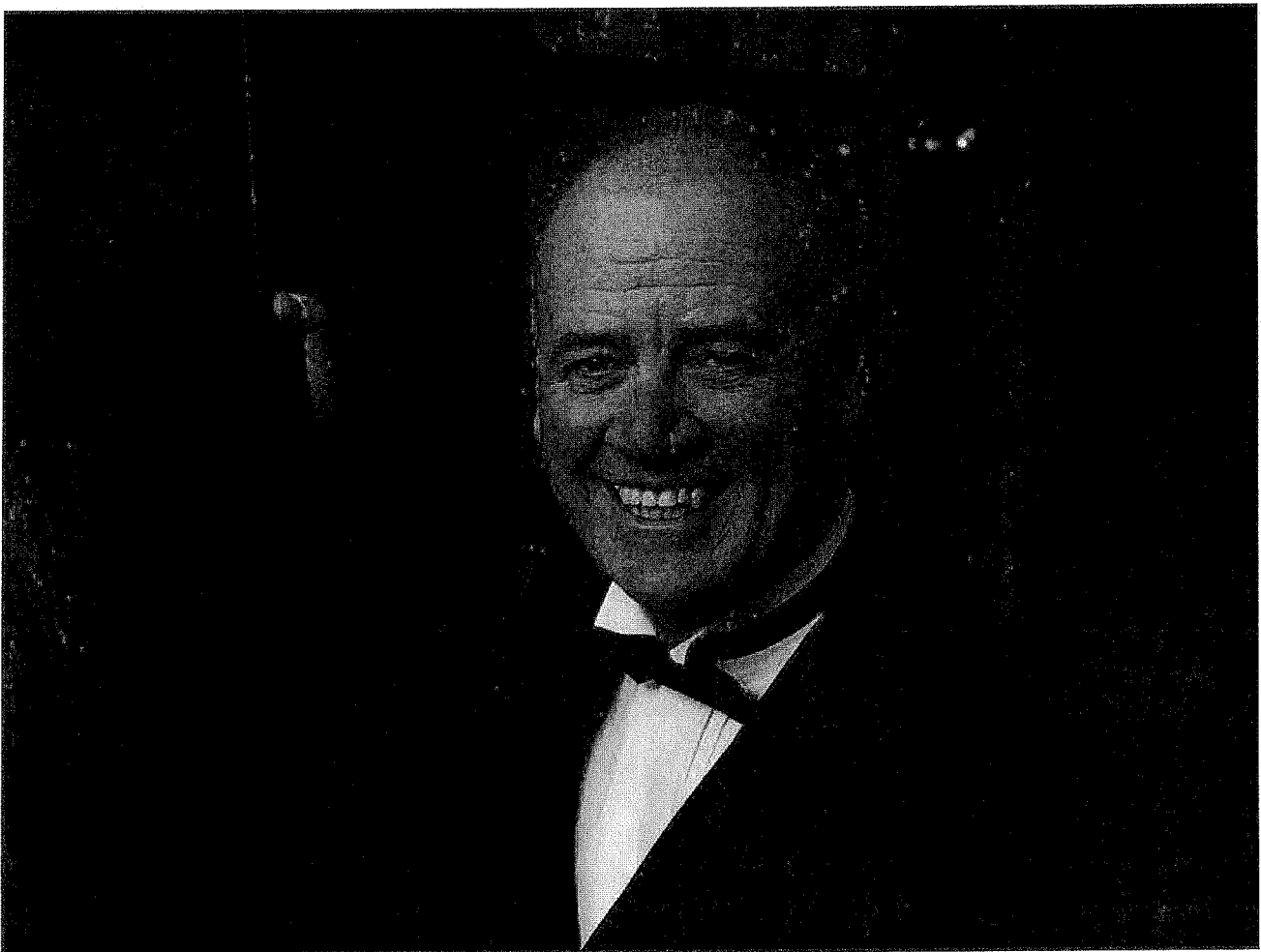
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The Courier ⁽¹⁾

UnitingCare chasing \$300K paid to property developer

By WILLIAM VALLELY

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Cliff Barclay

FEDERAL police are investigating corruption in an Australian government housing scheme, where Ballarat and regional charities have been subject to fraud by an insidious property developer.

The Courier understands the New South Wales-based property developer and broker, which The Courier has chosen not to name due to the ongoing probe, is being investigated for fraud where it allegedly told three charities – UnitingCare, Catholic Homes and St Laurence – it could provide government funds for social housing through the National Rental Affordability Scheme (NRAS).

The broker allegedly told the agencies it could secure \$100,000 over 10 years for each NRAS-accredited unit they built, but would have to pay the company \$15,000 for every unit that was successfully funded.

UnitingCare Ballarat paid the company almost \$300,000 in August 2013 to help fund a \$1.4 million development of its Sunways nursing home.

A letter to the state government, leaked to The Courier, details the financial peril faced by UnitingCare's Sunways facility, with executive director Ballarat Cliff Barclay saying the development was in jeopardy as the \$1.8 million they had expected for their 18 units from the government through NRAS would not be approved.

The letter goes on to say that the broker, which is an approved NRAS incentive provider, supplied fraudulent Department of Social Services (DSS) documents to UnitingCare claiming funds had been secured.

Mr Barclay told The Courier the company said if it couldn't secure government funds for UnitingCare, it would be refunded within 90 days of payment.

"We don't know where the money is . . . we're worried the company has ripped us off," he said.

"They made assurances and representations that the grants were actually through," said Mr Barclay, who added UnitingCare was yet to hear from the company.

The Courier understands a pool of NRAS grants was made available for student accommodation for the University of Ballarat, which UnitingCare was told could be transferred into social housing for people over 60.

"It leaves us not knowing what to do with these residents and the whole operation here," Mr Barclay said.

The Department of Social Services (DSS) on Wednesday posted a cautionary note on its website, urging developers to be wary of paying money for incentives.

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“The Department has become aware of unscrupulous persons/entities who purport to have NRAS incentives under the scheme, and who are selling the “incentives” to unwary investors, developers and charitable organisations,” the statement reads.

“The persons involved may have been falsifying correspondence from the Department as proof that they held incentives. In some cases, people have found they have paid a lot of money for nothing.”

The department did not respond to specific questions from The Courier about the developer-broker, instead asking the minister’s office to reply.

A spokesperson for Minister for Social Services Kevin Andrews said parts of the NRAS scheme were under police investigation.

“DSS is in the process of implementing more stringent processes to test compliance under the scheme and stamp out the possibility of non-compliance,” the spokesperson said.

The Courier contacted the NSW-based company numerous times but it declined to respond.

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