

**Opening Statement by the Parliamentary Secretary to the Minister
for Social Services to the Senate Community Affairs Committee**

Supplementary Estimates Hearing

Outcome 4 – Housing

24 October 2014

Chair, I have a brief opening statement regarding unscrupulous entities trading in National Rental Affordability Scheme Incentives.

The government expresses its profound concern about allegations of possible fraudulent activity relating to the National Rental Affordability Scheme (NRAS) incentives in Ballarat and Geelong.

The Department has formally referred to police allegations that unscrupulous persons and/or entities have wrongfully claimed they have NRAS incentives that are then on-sold to unwary investors. Over recent weeks we have become aware of criminal and civil complaints also being made by parties affected by the alleged events.

It has also been alleged that some parties have falsified correspondence from the Department in order to convince potential investors that the incentives are legitimate. This may mean that in some cases investors may have paid large sums of money for nothing.

The government warns investors, developers and charitable organisations to be wary of committing any funds towards a dwelling under NRAS without first verifying with the Department that the property in question is indeed eligible for an incentive.

NRAS was a poorly designed scheme; one that the previous government rushed and one that the current government was concerned about.

The Government has
In the case of NRAS I've been particularly concerned about the 'grey-market' in traded incentives that has emerged.

That is why from Tuesday 23 December 2014, applicants who won a reserved allocation through an application round will be required to 'use it or lose it'.

In almost all circumstances, applicants will not be able to sell a reserved allocation to another developer or have it transferred to another dwelling.

Now that allegations of fraudulent activity in Ballarat and Geelong are under investigation by law enforcement, it would not be appropriate for me to comment on those specific matters further.

Those who believe they may be affected should seek independent advice.

Additional information is available on the Department's NRAS website, www.dss.gov.au/nras.