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Committee Secretary
Senate Standing Committee on Community Affairs
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Social Services Legislation Amendment (Housing Affordability) Bill 2017

The Housing Industry Association (HIA) welcomes this opportunity to make a brief submission on this Bill. HIA's interests are particular to that part of the Bill concerning the National Rental Affordability Scheme.

HIA has been involved in NRAS since its inception and has actively supported the scheme as an important tool for addressing the housing needs of those who do not qualify for social housing support but who struggle to meet the housing costs of the private rental market.

From HIA's perspective the amendments to the NRAS legislation outlined in the Bill are supported.

HIA is particularly pleased that the Bill confirms the ability of NRAS participants to transfer properties within the scheme when, for example, an NRAS property is sold. This measure will ensure that the Scheme can meet its maximum capacity to deliver affordable housing solutions over the intended lifetime of the program.

Providing for changes to the Regulations to cater for changed conditions of eligibility are also supported. With the program extending for ten years it is desirable to be able to adjust the scheme promptly to address unforeseen changing market conditions.

The clarification of the need for NRAS providers to charge rents 20 per cent below market rents at all times (and not on average), goes to the heart of the rationale for the NRAS approach. It would be entirely counter to the objective of NRAS to provide affordable housing to those otherwise in housing stress if the provider were able to charge above the rental discount level at any stage during the year.

More generally HIA is supportive of any measures to improve the operation of NRAS as it has the potential to be a cost-effective solution to housing affordability challenges. If it is well administered and proven to be cost-effective then this will improve the prospects of a future expansion of NRAS or some similar public-private partnership to provide affordable housing.

If you would like to discuss these comments, please do not hesitate to contact me

Yours sincerely
HOUSING INDUSTRY ASSOCIATION LIMITED

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