

# Media Release

For Immediate Release

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## NRAS CUTS WILL IMPACT ON HOUSING AFFORDABILITY

The Urban Development Institute of Australia (UDIA) opposes the Government's decision to cut the National Rental Affordability Scheme (NRAS) by 15,000 houses - or 30% - to help pay for the Queensland flood recovery effort.

"UDIA recognises that the Government faces difficult decisions in regard to funding the Queensland flood recovery, but does not believe that this should involve cutting a program which provides affordable housing to disadvantaged Australians" said the National President of UDIA, Mr Peter Sherrie.

"By cutting \$264m from NRAS, the Government will effectively be making some of the most financially vulnerable and disadvantaged Australians pay for the flood clean-up efforts. UDIA strongly urges the Government to make a commitment to restore the funding to the NRAS program once the 12 month flood levy/cost-cutting period has passed."

The NRAS program is an important element in addressing the housing shortage and affordability crisis in Australia. To solve Australia's growing affordability crisis and the shortage of housing, Governments and the private sector need to work together to get much more capital invested into affordable housing.

This is not the first time the Government has cut the NRAS program. The original target was 100,000 homes. The latest cut reduces this target to 35,000.

"For NRAS to make a noticeable impact, the Government needs to offer institutional investors certainty over time by demonstrating its long-term commitment to the scheme by implementing a more certain funding regime. Undermining the NRAS scheme risks damaging investor confidence about housing and exacerbating the affordability problem over time, not helping to fix it", Mr Sherrie concluded.

For further comment please contact Peter Sherrie on 0418127207.

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