

Media Release

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NRAS Should Be Improved, Not Scrapped

Recent media criticism of the National Rental Affordability Scheme (NRAS) has failed to recognise its broader achievements as a key part of the solution to Australia's poor housing affordability.

The Urban Development Institute of Australia (UDIA) is calling on the Government to make changes to improve the operation of NRAS and ensure that the program, which is fundamentally sound, isn't unnecessarily abandoned.

UDIA National President Cameron Shephard said that the scheme plays an important role in improving the supply of affordable housing.

"Australia has for many years suffered from a severe shortage of affordable housing, particularly at the lower end of the market," said Mr Shephard.

"This is contributing to homelessness, and putting an increasing number of lower and moderate income households under undue financial strain."

"It's absolutely essential for the Federal Government take action to improve the supply of affordable housing, and the National Rental Affordability scheme provides a cost effective way to achieve that.

In its 2011 State of Supply report, the National Housing Supply Council estimated that there was a national shortage of almost half a million dwellings affordable to low income households, and warned that the situation would worsen with inaction.

"Since its establishment in 2008, NRAS has delivered 14,575 new homes for low and moderate income households, and is currently on track to provide 23,884 more."

"It would be extremely disappointing to see the scheme end, considering how successful it has been to date, and also given the growing housing affordability problems facing Australian cities."

"UDIA acknowledges that there is room for improvement in the administration of the scheme, however the program has been successful in delivering thousands of affordable new homes, and the Government's focus should be on ensuring that what is already a good scheme becomes even better," concluded Mr. Shephard.

For further information please contact:

Cameron Shephard, UDIA National President, 08 9217 3600 / 0418 934 399

Liam Foley, UDIA National – 02 6230 0255