

The Hon. Wayne Swan MP

Deputy Prime Minister and Treasurer

The Hon. Tony Burke MP

Minister for Sustainability, Environment, Water, Population and Communities

Cheaper rent for thousands of Australians through the National Rental Affordability Scheme

Thousands of low to moderate income households will have access to more affordable rental accommodation under the next round of the Gillard Government's National Rental Affordability Scheme (NRAS).

Deputy Prime Minister and Treasurer Wayne Swan and Sustainability Minister Tony Burke today announced NRAS round four which will deliver over 200 projects to build more than 17,000 properties for low to moderate income households to rent below market rate.

- NSW: more than 4700 properties (including in areas affected by this year's floods); taking the number of properties supported under the program to 6,800
- Queensland: more than 5600 properties (including in areas affected by this year's floods and other natural disasters); taking the number of properties supported under the program to 11,200
- Victoria: more than 900 properties; taking the number of properties supported under the program to 6,900
- WA: up to 2300 properties to date; taking the number of properties supported under the program to at least a 5,000
- SA: more than 400 properties to date; taking the number of properties supported under the program to at least 1,800
- Tasmania: more than 1000 properties; taking the number of properties supported under the program to 1,600
- Northern Territory: more than 400 properties taking the number of properties supported under the program to 1,600
- ACT: more than 1500 properties, taking the number of properties supported under the program to 2,600

"Paying the rent is a major cost of living pressure for those on low incomes and this program is an important way to free up the rental market and put downward pressure on rents," Mr Swan said.

"Over the next five years the Gillard Government will invest \$15 billion on rental assistance through the construction of new public housing and rental assistance."

The National Rental Affordability Scheme is about increasing supply of new affordable rental housing, reducing rental costs for low and moderate income households and encouraging investment and innovative affordable housing.

It also provides a welcome boost to the domestic construction industry where conditions remain soft due to the lingering impacts of the Global Financial Crisis, and the withdrawal of stimulus.

“We provided support to domestic construction when the worst of the Global Financial crisis hit and initiatives like NRAS, continue to provide an ongoing pipeline of work for the sector,” Mr Swan said.

All these properties are newly constructed under the NRAS program – either recently completed and never previously occupied, or a new construction to be completed.

The scheme is being delivered in partnership with state and territory governments and works by providing annual financial incentive payments to the business sector and community organisations to construct and rent new dwellings to eligible low and moderate income households at a rate that is at least 20 per cent below the prevailing market rates over 10 years.

“Before Labor came to office there were no programs aimed at improving the availability of affordable rental properties,” Mr Burke said.

“The National Rental Affordability scheme is about addressing the shortfall of affordable rental properties across Australia and helping families afford to rent a home.

“While there are many issues affecting underlying housing affordability, the Gillard Government is making an unprecedented investment to increase the supply of affordable housing across the nation – and families are saving thousands of dollars every year in rent as a result.”

The Government has committed to support 50,000 NRAS properties, with up to 35,000 dwellings across the country by 30 June 2014, and the remaining 15,000 by 30 June 2016.

To date 4,178 privately-owned dwellings are tenanted or available for rent across the country under the National Rental Affordability Scheme.

The privately-owned developments range from studio apartments right through to large family homes, and are located in areas identified by state and territory government partners where affordable rental accommodation is most needed, particularly in areas with employment, transport, schools and other services available nearby.

The projects also incorporate sustainable building design to maximise energy efficiency and provide a comfortable environment with reduced running and infrastructure costs for tenants.

NRAS complements other Government initiatives to improve the community's access to affordable housing, including the \$450 million Housing Affordability Fund and the \$100 million Building Better Regional Cities program.

The assessment of NRAS applications is undertaken jointly between the Australian, state and territory governments, with state and territory governments determining the number of dwellings to be supported in each area based on local needs and priorities for affordable housing.

A full list of successful applications will be available as agreements with NRAS proponents are finalised by Friday 7 October at www.environment.gov.au.

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