Dear approved participants

**Notification of amendment to the National Rental Affordability Scheme Regulations – rent reviews and regular update about incentive processing.**

NRAS Regulations amendment

As part of the Department’s continued efforts to streamline and simplify the *National Rental Affordability Scheme Regulations 2008* (the NRAS Regulations), we have reviewed Subregulations 16(7), 16(8) and 16(10). These subregulations restrict approved participants to only reviewing rents charged to NRAS tenants upon entering a new lease or at no more than 12-monthly intervals for existing leases and specify the information and data that must be provided to support any increase based on these rent reviews.

These regulations duplicate pre-existing state and territory legislation and add unnecessary complexity to the Scheme. To assist with streamlining the operation of the Scheme, these requirements have been repealed.

To simplify processing of the 2014-15 incentives, this change to the legislation is also retrospective in that it applies to the 1 May 2014 to 30 April 2015 NRAS year. This means that it will not be a requirement to provide evidence that you have complied with Subregulations 16(7), 16(8) and 16(10) in your 2014-15 Statements of Compliance if you have not already done so. Any Statements of Compliance lodged prior to the date the regulations took effect will automatically be assessed under the new regulations – approved participants will not be required to update these Statements of Compliance.

You will still need to comply with Subregulation 16(1C)(b) which states that the rent charged to NRAS tenants must be no higher than 80 per cent of the Market Value Rent for the property at all times. You will also need to continue to comply with Subregulation 16(2), which states that you must comply with all relevant State/Territory legislation.

The amendments are now available on the comlaw website ([www.comlaw.gov.au/Details/F2015L00772](http://www.comlaw.gov.au/Details/F2015L00772)). The full amended regulations will be available shortly and we recommend that you always download the most recent version for your reference.

2013-14 incentives processing update

As at 2 June 2015, the Department has received notification from all approved participants that all Statements of Compliance are ready for assessment. I can advise that 98 per cent of incentives potentially eligible for payment for the 2013-14 NRAS year have now been issued or are currently in the process of being issued.

2014-15 incentives processing update

The Department is currently receiving Statements of Compliance for the 2014-15 NRAS year. Processing has commenced and some incentives have been approved for issuing. However, a number of Statements of Compliance are failing the assessment process due to apparent errors in their supporting documentation. The most common errors found in the 2014-15 assessment process so far relate to market rent valuations for dwellings entering their first or fifth year in the Scheme. Please remember that under the Regulations, the market rent valuation must:

* relate to a day which is within 13 weeks (91 days) either side of the actual first available for rent date or the last date of the fourth year of the incentive period; and
* be submitted to the Department within 13 weeks (91 days) either side of the actual first available for rent date or the last date of the fourth year of the incentive period.

If the market rent valuation falls outside of 91 days either side of this date, it will not be valid and will fail the assessment process.

Should you require an extension of time to lodge market rent valuation documentation, you must complete the form available on the Department’s website and submit it for the delegate’s consideration. The ‘Application to Extend the Lodgement Date of the Market Rent Valuation Documentation’ form can be found under the subheading ‘Application Forms for NRAS Incentives’ on the ‘NRAS resources, documents and information page’ on our website ([www.dss.gov.au/nras](http://www.dss.gov.au/nras)).

Ensuring the accuracy of all of the documentation supporting your Statements of Compliance will expedite the assessment process so that incentives can be issued in a timely manner for 2014-15.

Yours sincerely

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NRAS and Gambling

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