



THE HON PAUL FLETCHER MP

Minister for Families and Social Services

THE HON SARAH HENDERSON MP

Assistant Minister for Social Services, Housing and Disability Services

MEDIA RELEASE

19 December 2018

Ethan exits National Rental Affordability Scheme in a win for mum and dad investors

Ethan Affordable Housing Limited has left the National Rental Affordability Scheme (NRAS) sector.

This is part of the Liberal National Government's continuing work to clean up the mess Labor created when it established the National Rental Affordability Scheme (NRAS) in the Rudd Gillard Rudd Government years.

In a win for mum and dad investors, all of its allocations have been transferred to Questus Funds Management Limited.

Minister for Families and Social Services, Paul Fletcher, said this transfer removes Ethan as an active provider in NRAS. Ethan has ceased managing NRAS allocations and will no longer receive NRAS incentives.

"This outcome follows regulatory changes we made on November 7 to the operation of NRAS," Mr Fletcher said.

"Ethan's 2,053 allocations are valued at up to \$15.6 million per NRAS year. Over the coming weeks, the Department of Social Services will issue incentive payments relating to Ethan's former allocations to Questus, who will pass them on to investors."

Mr Fletcher said Labor's poor design of NRAS meant there were no effective protections in place for mum and dad investors.

"Kevin Rudd's NRAS 1.0 was a very shoddy piece of public policy. Not only have mum and dad investors suffered as a result, much of the housing stock built under NRAS has not been fit-for-purpose for families to occupy," Mr Fletcher said.

"Remarkably, Bill Shorten this week announced that if Labor comes to Government it will introduce NRAS 2.0 – which means more of the same."

Mr Fletcher said the Government recognised that it was imperative for investors to receive the incentive payments they are entitled to as soon as possible.

“The necessary legal steps to achieve this outcome have taken some time – but this has been important to protect investors’ interests,” Mr Fletcher said.

“Investors will not need to do anything - the transfers will be made by the Department of Social Services.

“The Department has been working with Questus to help ensure the transition works smoothly for investors and the interests of investors are looked after, first and foremost.”

Minister Fletcher said investors who have property management agreements with Ethan will now also be able to terminate these without penalty on 90 days’ notice.

“Our focus has been to get on with the job of making a range of regulatory and legislative changes to better protect investors, and improve the operation of the scheme.”

Assistant Minister Henderson said prior to the legislative amendments made by this Liberal-National Government, investors had no adequate recourse under the NRAS legislative framework.

“This is the Liberal-National Government working to protect the mum and dad investors who are the backbone of NRAS,” Ms Henderson said.

ENDS

Media contact:

Minister Fletcher - Craig Regan 0408 448 527 | Craig.Regan@dss.gov.au

Assistant Minister Henderson - Jennifer Freind 0438 514 981 | jennifer.freind@dss.gov.au