



April 2020

National Rental Affordability Scheme

Transfer of Provisional Allocations

Provisional allocations are allocations where no dwelling has been associated with the allocation or the dwelling for the allocation is being constructed. No incentives are payable for a provisional allocation. In order to maximise the number of National Rental Affordability Scheme (NRAS, the Scheme) rental dwellings available to people on low and moderate incomes, the National Rental Affordability Scheme Regulations 2020 (the Regulations) allow approved participants to request the transfer of a provisional allocation to another rental dwelling that is currently available to rent or to another approved participant who has suitable rental dwellings available to rent.

Conditions

Approved participants can request the transfer a provisional allocation to another dwelling, as long as the date of the certificate of occupancy for the dwelling covered by the allocation is no earlier than the agreed rental affordability date of the allocation. The new dwelling must also be in the same State or Territory as the provisional allocation to be transferred.

Transferring a provisional allocation to another approved participant

After a transfer request has been received by the Department of Social Services (the department), transferring a provisional allocation from one approved participant to another is a two-step process. The provisional allocation first needs to be transferred to another approved participant, and secondly, the allocation needs to be transferred to another rental dwelling. The process is as follows:

Step 1

Using the **Request to Transfer an Allocation from one Approved Participant to another Approved Participant**, the original approved participant will apply to the department for a transfer of the provisional allocation to another approved participant (the gaining approved participant) under section 21 of the Regulations. The department will assess the application and if approved, will complete the transfer of

the allocation to the gaining approved participant and will notify both the original and gaining approved participant of the decision to transfer the allocation.

Step 2

The gaining approved participant will then need to apply to the department to transfer the provisional allocation from one rental dwelling to another rental dwelling under section 20 of the Regulations, using the **Request to Transfer an Allocation to another Rental Dwelling (Substitution)**. The department will assess the application and if approved, will complete the transfer of the allocation to another rental dwelling and will notify the gaining approved participant.

Transferring a provisional allocation to another rental dwelling (section 20 of the Regulations)

Approved participants who request a transfer of a provisional allocation to another rental dwelling (without requesting that the allocation also be transferred to another person) will be subject to only step 2.

Prior to making a decision to transfer a provisional allocation to another dwelling, the department will consult with the relevant State or Territory government of the location where the new dwelling is located. Once the department receives a request to transfer a provisional allocation to another dwelling, the request is generally assessed and a decision made within 15 business days, except in certain circumstances where it may take longer. Providing accurate supporting documentation will assist in the timely processing of a the request.

Transferring a provisional allocation on Secretary's own initiative (section 22 of the Regulations)

Provisional allocations can be transferred to other approved participants on the Secretary's own initiative. This ensures that the provisional allocations previously approved under the Scheme can be utilised to deliver affordable rental dwellings in areas of need.

The Secretary must not transfer the allocation unless they are satisfied of the following:

1. the dwelling covered by the provisional allocation is not currently being rented to eligible tenants under the Scheme;
2. the required notice/s have been given to the original approved participant notifying of the proposed transfer;
3. the Secretary has invited the approved participant to provide a written submission within 28 days of the notice of proposed transfer being given;
4. the Secretary has taken into consideration any submissions made; and

5. the gaining approved participant is not disqualified, has the capacity to properly manage the allocations and is a suitable approved participant to hold the allocation.

If the Secretary transfers the allocation, the Secretary must give written notice to the original and gaining approved participants. This ensures that both original and gaining approved participants are informed of the status of any allocations they hold and may inform investors and associated parties of any changes in circumstances as required. The date of effect of the transfer must be on or after the date on which the notice is prepared

Further information

In most cases, it is unlikely that any investors would be affected by the transfer of a provisional allocation, however, if there are investors likely to be affected, the department will take steps to ensure their interests are protected.

Further queries on the transfer of provisional allocations can be sent to nras@dss.gov.au.