



NSW Aboriginal Housing
Office

Build and Grow Rent Policy

September 2022

Build and Grow Rent Policy

For the NSW Aboriginal Community Housing Sector

Introduction

The NSW Aboriginal community housing sector makes a significant contribution to housing Aboriginal people. Aboriginal community housing providers aim to deliver culturally appropriate housing services to Aboriginal people in a way that is consistent with the principles of self determination and self management. The NSW Government is working with the sector to improve housing conditions for tenants and the financial viability and long term sustainability of Aboriginal community housing providers.

The NSW Aboriginal community housing sector is the largest in Australia. The sector provides housing for around 23 percent of the Aboriginal people living in social housing in NSW. A unique feature of the sector is that Aboriginal community housing providers own their dwellings. The sector comprises Aboriginal Land Councils, who own 60 percent of the housing in the sector and Aboriginal Corporations who own 40 percent. The total number of dwellings in the Aboriginal community housing sector is currently around 4,400.

The Commonwealth Government has, through the National Partnership on Remote Indigenous Housing (NP), acknowledged the need to improve housing outcomes for Aboriginal people. Through the NP the Commonwealth Government is contributing funding to NSW to support backlog repairs to Aboriginal community housing owned properties.

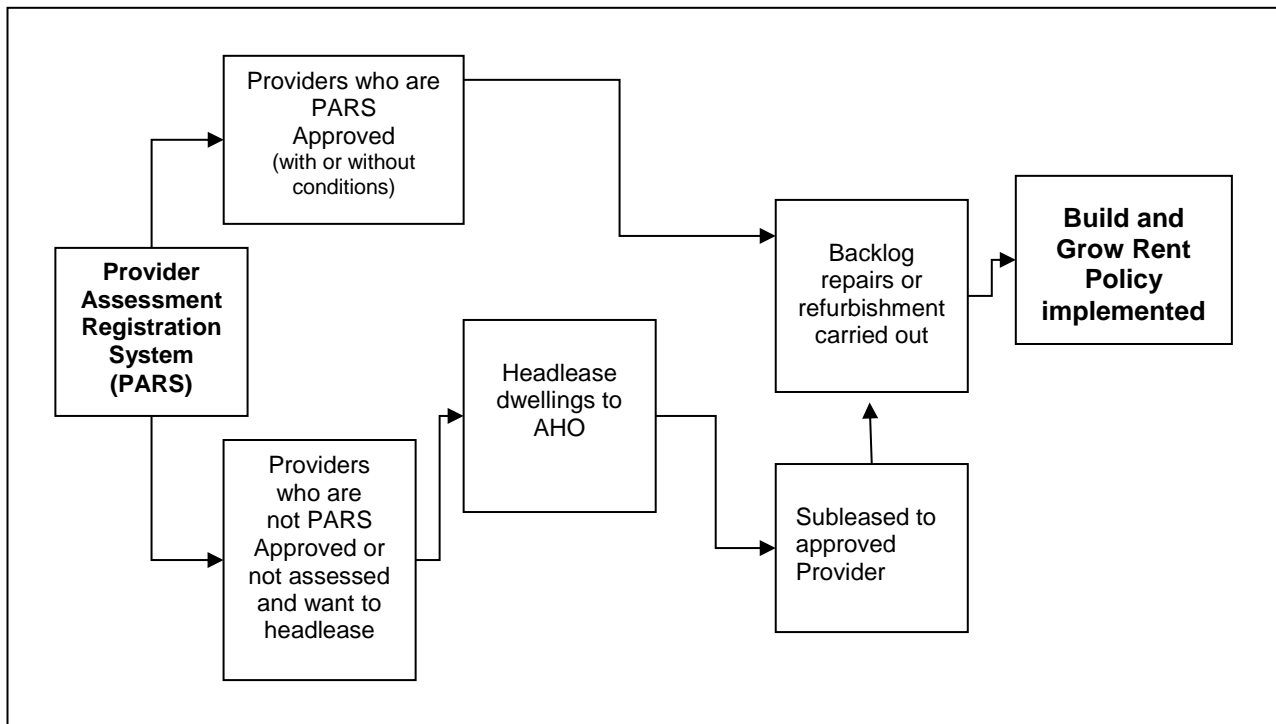
The Build and Grow Rent Policy aims to develop an Aboriginal community housing sector which is financially sustainable and better able to meet the housing needs of Aboriginal people in NSW. The Build and Grow Rent Policy also aims to ensure that rent charged is affordable for tenants.

For many years rent setting for the Aboriginal community housing sector has been a mix of rents set to cover costs and historical rents set by organisations. There has been little history of paying rents based on income. The Build and Grow Rent Policy introduced a new rent setting approach. It requires Aboriginal community housing providers to charge household rent or property rent, whichever is lower, for two years as a transition to income assessed rents currently used by the NSW Community Housing sector.

The Build and Grow Rent Policy was implemented following:

- Registration through the Provider Assessment Registration System (PARS);
- Headleasing of dwellings to the AHO; and
- Completion of backlog repairs and refurbishment programs.

The diagram below illustrates the timeline to introduce the Build and Grow Rent Policy.



The Aboriginal Housing Office (AHO) will assist Aboriginal community housing providers and their tenants to understand the Build and Grow Rent Policy and provide training and support.

1. Purpose of the Build and Grow Rent Policy

The Build and Grow Rent Policy details the rent setting requirements for Aboriginal community housing providers. It aims to create a consistent level of housing affordability for tenants and sustainability for Aboriginal community housing providers across the Aboriginal community housing sector. It also recognises differences by location in terms of remoteness, household composition and levels of disadvantage across NSW.

2. Coverage of the Build and Grow Rent Policy

The Build and Grow Rent Policy applies to all properties leased to tenants under a Residential Tenancy Agreement and are:

- managed by an Approved Provider (Conditional or Unconditional) as defined by the PARS process
- Headleased to the AHO.

3. How Build and Grow Rents Will Be Set

The standard for rent determination is household rent or property rent whichever is the lower amount. Tenants will pay rent to the Aboriginal community housing provider who manages their property. To determine the rent a tenant pays, the provider will firstly set a property rent for each dwelling. The property rent is the most a tenant pays in rent. In most cases this will be set according to the local market. However, in some areas where there is no reliable means of determining a private rent the AHO will determine the property rent. For more information on how the property rent is set for each dwelling refer to Attachment 3.

After setting the property rent the provider will then calculate the household rent to be paid by the tenant (see Table 1 below). For most tenants rent will be based on the household composition and will be lower than the property rent.

The tenant will either pay the property rent or the household rent, whatever is the lower amount.

4. Household Rent

The household rent is determined by family type. The weekly household rents are aligned to the upper threshold rent assistance amounts published by Centrelink and are valid from 21st March 2022 to 20th September 2022. The household rent levels are detailed in **Table 1** below:

Table 1 – Household Rent - calculations by family type

Family Type	Weekly Household Rent
Single	\$162.30
Single 1-2 children	\$199.81
Single 3+ children	\$214.55
Couple	\$197.00
Couple 1-2 children	\$240.69
Couple 3+ children	\$255.43
Single (Job Seeker)	\$129.90
Single (Share)	\$162.85

5. Commonwealth Rent Assistance (CRA) for Eligible Tenants

Tenants who live in Aboriginal community housing properties are eligible to be assessed by Centrelink for Commonwealth Rent Assistance (CRA). CRA is provided to assist tenants to pay rent and is determined by household type and rent paid.

Table 2 below shows the weekly household rent amount, the estimated amount of CRA and the estimated amount a tenant would be paying out of their own pocket.

Table 2 - CRA for eligible tenants

Family Type	Weekly Household Rent*	Estimated weekly CRA*	Estimated out-of-pocket amount *
Single	\$162.30	\$72.90	\$89.40
Single 1-2 children	\$199.81	\$85.75	\$114.06
Single 3+ children	\$214.55	\$96.81	\$117.74
Couple	\$197.00	\$68.70	\$128.30
Couple 1-2 children	\$240.69	\$85.75	\$154.94
Couple 3+ children	\$255.43	\$96.81	\$158.62
Single (Job Seeker)	\$129.90	\$48.60	\$81.30
Single (Share)	\$162.85	\$73.36	\$89.49

**Valid from 21st September 2022 to 20th March 2023*

An example:

Tracey has two children and lives with them in a three bedroom house that has had backlog repairs completed. Tracey is eligible for CRA and her Aboriginal community housing provider will calculate her rent using the Build and Grow Rent Policy. Tracey will be paying **\$199.81** each week to the provider with **\$114.06** coming from her own pocket.

6. Calculating Rent for Existing Tenants

Existing tenants will have their rent assessed after completion of the backlog repairs or refurbishments. The Aboriginal community housing providers will use the Build and Grow rent calculator to determine the rent for existing tenants. Those tenants who are eligible for CRA will need to apply to Centrelink. The tenants on CRA will have their rent calculated every six months until full household rent or property rent, whichever is lower, is reached.

Where an existing tenant had been charged less than \$80 for rent, the new rent will be set at a minimum of \$80 and then increased with each rent review until full household rent or property rent, whichever is lower, is reached.

While the tenant is transitioning to household rent or property rent, the rent charged is called "capped rent". Tenants who are not eligible for CRA will be charged a capped rent as determined by the provider.

If a tenant is receiving CRA, the out of pocket amount will increase at each six month rent review. In the process of calculating the new weekly rent, the increase in the out of pocket amount will also be calculated.

7. Calculating Rent for New Tenants

Tenants who sign a new tenancy with Aboriginal community housing providers will be charged full household rent, or property rent, whichever is lower.

8. Exceptions to the Build and Grow Rent Policy

Aboriginal community housing providers who are already charging a level of rent that meets or exceeds the proposed household rent are not required to change their rent policy.

Single tenants who live alone and are on Job Seeker will pay **\$129.90** per week in rent. The tenant will need to provide evidence that they are in receipt of Job Seeker

Family Type	Weekly Household Rent	Estimated weekly CRA	Estimated out of pocket amount
Single Job Seeker	\$129.90	\$48.60	\$81.30

9. Rent Reviews

Aboriginal community housing providers must review rent calculations for each household every six months, to ensure that accurate rents are determined for their tenants.

Tenants should be given notice of rent reviews and rent increases in accordance with the Residential Tenancy Act.

10. Rent Arrears

Aboriginal community housing providers who are registered under the PARS must have rental arrears management policies and processes in place. Providers need to ensure that tenants pay their rent in a timely manner. Where tenants fall into arrears, the provider will intervene early. Where the rent arrears are greater than two weeks, the provider will take formal steps to ensure the rent is brought up to date.

Where tenants have a temporary loss of income which may lead to rental arrears they should contact their provider to discuss their situation.

11. How the Rent Policy Will Be Applied to Head-leasing

Where an Aboriginal community housing provider is managing properties under a sublease, that sublessee will:

- collect the rent and hold it in a trust account
- pay all housing related costs for each property, including repairs, planned maintenance, insurance, rates, staffing and administration
- apply for subsidies under certain circumstances
- pursue necessary action through the Consumer, Trader and Tenancy Tribunal hearings
- return any operating surplus to the property owner at the end of the lease.

12. Appeals

Aboriginal community housing providers must have an appropriate process in place to manage complaints and appeals in relation to rent determination. This process should align to PARS requirements. Tenants who want to appeal their rent determination should first contact their housing provider.

13. Privacy and Confidentiality

Aboriginal community housing providers must ensure that all confidential and sensitive business information and records are kept secure and protected from unauthorised access or use. Aboriginal community housing providers must not release any confidential or sensitive information to a third party without the prior written consent or approval of the affected person or organisation.

Attachment 1: List of key words and definitions

Attachment 2: Commonwealth Rent Assistance – how it works

Attachment 3: Property Rent – how it is determined

Build and Grow Rent policy

Attachment 1:

List of key words and definitions

Build and Grow Rent Calculator	A calculator supplied by the Aboriginal Housing Office to calculate rents and provide tenants and providers with rental information.
Capped rent	While the tenant is transitioning to the household rent, or property rent if this is lower, the rent charged is called “capped rent”.
Commonwealth Rent Assistance (CRA)	Commonwealth Rent Assistance (CRA) is a payment made to people renting in non Government housing or private rental to help them meet rental costs. Aboriginal community housing is not counted as Government housing so tenants can apply for CRA.
Existing Tenant	Aboriginal community housing tenant who has a tenancy agreement with an Aboriginal community housing provider before the introduction of the Build and Grow Rent Policy.
Family Type	The number of people living in the property, defined by their relationship to each other.
Household Rent	A rent charged by Aboriginal community housing providers as set out in the Build and Grow Rent Policy.
Participating Aboriginal Community Housing Provider	An Aboriginal community housing provider that is PARS approved and registered with the Aboriginal Housing Office.

Provider Assessment Registration System (PARS)	<p>A registration process for Aboriginal community housing providers in NSW. The Registrar of Community Housing has been contracted by the AHO to manage PARS.</p> <p>To be eligible to go through PARS, an organisation must be an Aboriginal or Torres Strait Islander corporation; an Aboriginal Land Council; or a body corporate controlled by Aboriginal or Torres Strait Islander people (or both). The organisation must also be providing or intending to provide housing or housing related services, and manage property and tenants or intend to do so.</p>
New Tenant	Aboriginal community housing tenant who commenced a tenancy after their property manager introduced the Build and Grow Rent Policy.
Out of Pocket amount	This is the amount the tenant pays out of their pocket towards rent, excluding CRA.
Property Rent	<p>Property rent will be set by the AHO in those areas defined as: remote; very remote; outer regional and discrete communities. For all other areas the provider will assign the property rent according to the quarterly rent and sales report published by Housing NSW.</p> <p>(See Attachment 3 for details.)</p>
Transitional Rent Gap Subsidy	The rent gap subsidy is assigned by property and is the difference between the capped rent and the rent due for that property.
Upper Threshold Lower Threshold	<p>The upper threshold is the amount of rent at which the maximum CRA is paid.</p> <p>The lower threshold is the lower amount of rent at which the minimum CRA is paid.</p>

Attachment 2:

Commonwealth Rent Assistance – How It Works

Commonwealth Rent Assistance (CRA) is a payment made to people renting privately to help them meet rental costs. CRA is not available to public housing tenants. Community housing is not public housing and so tenants who live in Aboriginal community housing can claim CRA.

Eligibility Criteria for Commonwealth Rent Assistance

To qualify for Rent Assistance a person must pay, or be liable to pay rent above the lower threshold rates set by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), and be living in Australia (except for a temporary absence).

Rent Assistance may be payable to:

- pensioners or
- people without dependent children receiving an income support payment who are:
 - partnered, or
 - aged 25 years of age and over, or
 - single and under 25 years of age (or aged under 21 years of age for those getting Disability Support Pension) who are living permanently or indefinitely apart from parents or guardians, or
 - ABSTUDY recipients.
- Family Tax Benefit (FTB) customers who receive more than the base rate, or if you have care of a child between 14 per cent and less than 35 per cent of the time you may not be entitled to receive Family Tax Benefit payments, but may be entitled to Rent Assistance if you meet the other Family Tax Benefit requirements¹.

There are a number of different family types, each with different lower and upper thresholds and maximum CRA payments. Where a tenant/s is eligible, CRA is paid with their regular Centrelink payments on a fortnightly basis.

Table 3 below details weekly payment amounts.

Table 3 - Weekly CRA information

Household Type	Maximum* CRA	Lower Threshold**	Upper Threshold***
Single	\$72.90	\$65.10	\$162.30
Single 1-2 children	\$85.75	\$85.47	\$199.81
Single 3+ children	\$96.81	\$85.47	\$214.55
Couple	\$68.70	\$105.40	\$197.00
Couple 1-2 children	\$85.75	\$126.35	\$240.69
Couple 3+ children	\$96.81	\$126.35	\$255.43
Single (Job Seeker)	\$48.60	\$65.10	\$129.90
Single (Share)	\$73.36	\$65.03	\$162.85

*The maximum amount of CRA paid to tenants by household type.

**The lower amount of rent at which the minimum CRA is paid.

***The upper amount of rent at which the maximum CRA is paid.

Note: These amounts are regularly updated.

Attachment 3:

¹ Note – not all Rent Assistance eligibility and payability information has been provided. For more information about Rent Assistance please refer to the brochure “Rent Assistance – Helping you pay your rent” located on Centrelink’s website, www.centrelink.gov.au

Setting Property Rents under the Build and Grow Rent Policy

Each property managed by a NSW Aboriginal community housing provider will have a property rent assigned to it after completion of backlog repairs or refurbishments funded through the Remote Indigenous Housing National Partnership (RIHNP).

In cities, large regional towns and coastal areas the local market rent² will be used to calculate the property rent. Property rent is defined as the rent that applies to the private rental market for particular types of properties in the local area.

In some locations where there is no comparable “market”, property rent is set by the AHO. These areas include remote NSW, very remote NSW, isolated discrete communities and some outer regional Local Government Areas where market rent is difficult to measure.

Table 4 (below) details the property rent amounts for the period 21st March 2022 to 20th September 2022. These amounts take into account that properties have been upgraded and should be of a good standard of amenity.

Table 4 – Property Rents - for Remote, Very Remote, Outer Regional and Discrete Communities

Number of Bedrooms	Remote and very remote properties	Outer Regional areas	Discrete Communities
1 bedroom	\$147	\$147	\$147
2 bedrooms	\$189	\$189	\$189
3 bedrooms	\$231	\$231	\$231
4 bedrooms	\$262	\$262	\$262

Property rents derived from Rental Bond Board data and increased based on the Average increase in Rents (1.20%) per the latest data from DSS.

The policy to set a property rent in remote, very remote, outer regional and discrete communities means that Aboriginal community housing rents will be consistent across NSW.

Tenants will either pay the property rent or the household rent, whatever is the lower amount - see Section 4 (above) for details of how household rents are calculated.

² Latest rent data by area can be found in the quarterly Rent and Sales Report published by Housing NSW at <https://www.facs.nsw.gov.au/resources/statistics/rent-and-sales>