



NSW Aboriginal Housing  
Office

# Build and Grow Rent Policy

March 2019

**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 (ACHPs) 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 long term sustainability of ACHPs.

ACHPs manage an estimated 21% (or approximately 4,800) of properties tenanted by Aboriginal households in social housing in NSW. ACHPs own around 3,700 of these properties with the remaining 1,100 owned by State government agencies such as the Aboriginal Housing Office (AHO) and Land and Housing Corporation (LAHC). Of the sector-managed properties, around 51% are owned by Local Aboriginal Land Councils (LALCs).

For many years rent setting for the Aboriginal community housing sector has been a mix of rents set to cover operational and tenancy and property management costs for the organisation.

The Build and Grow Rent Policy was developed by the Aboriginal Housing Office (AHO) to help build an Aboriginal community housing sector that is financially viable. The Build and Grow Rent Policy introduces a rent setting approach to ensure that rent charged is consistent across the sector and is affordable for tenants. This requires ACHPs 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.

## Build and Grow Rent policy - Key words and Definitions

<b>Aboriginal Community Housing Provider (ACHP)</b>	Is an Aboriginal housing provider operating in New South Wales and is either an Aboriginal Corporation, Local Aboriginal Land Council (LALC), Aboriginal Cooperative or Association delivering and/or managing housing and housing related services
<b>Approved Provider</b>	An ACHP registered with the AHO through PARS, Regulatory Code (Community Housing's registration system), or SHAPE (NSWALC's registration system); currently is registered under the National Regulatory System for Community Housing (NRSCH) and in the case of LALCs, NSW Local Scheme.
<b>Build and Grow Rent Calculator</b>	A calculator developed by the AHO to help ACHPs calculate rents and provide tenants and providers with rental information.
<b>Capped rent</b>	The rent charged while the tenant is transitioning to the household rent, or property rent if this is lower. This is applied if a tenant is charged less than \$80 a week rent.
<b>Commonwealth Rent Assistance (CRA)</b>	A non-taxable income supplement payable to eligible people who rent in the private rental market or community housing to help them meet rental costs. Aboriginal community housing tenants can apply for CRA if they meet eligibility requirements.
<b>Community Housing Rent Policy</b>	Sets out the NSW Government's requirements for rent policies operated by community housing providers in NSW
<b>Existing Tenant</b>	Aboriginal community housing tenant who has a tenancy agreement with an ACHP before the introduction of the current Build and Grow Rent Policy.
<b>Family Type</b>	The number of people living in the property, defined by their relationship to each other.
<b>Headlease</b>	Where the owning organisation enters into an agreement with the AHO for the management of their properties under the Headlease Program
<b>Household Rent</b>	A rent charged by ACHPs based on household composition as

	set out in the Build and Grow Rent Policy.
<b>Housing Services Policy Framework (HSPF)</b>	Sets out the operational policy requirements for a range of housing services provided by ACHPs
<b>Provider Assessment Registration System (PARS)</b>	AHO's registration process under the Build and Grow Aboriginal Community Housing Strategy for ACHPs in NSW managed by the Registrar of Community Housing.
<b>New Tenant</b>	Any tenant of Aboriginal community housing who commenced a tenancy after the introduction of the Build and Grow Rent Policy by the ACHP.
<b>Out of pocket amount</b>	The amount the tenant pays out of their pocket towards rent after CRA (for eligible tenants).
<b>Property Rent</b>	Is also known as market rent. For remote, very remote, outer regional and discrete communities where market rent cannot be determined, the AHO will set the property rent. For all other areas, the ACHP will assign the property rent according to the current quarterly rent and sales report published by FACS Housing.
<b>Upper Threshold</b>	The amount of rent at which the maximum CRA is paid.
<b>Lower Threshold</b>	The lower amount of rent at which the minimum CRA is paid.

## 1. Purpose

The Build and Grow Rent Policy details the rent setting requirements for Aboriginal Community Housing Providers (ACHPs).

The intent of the policy is to:

- ensure consistency in the calculation of rents across the Aboriginal community housing sector
- create a consistent level of rent charged that is affordable for tenants
- enable ACHPs to maximise Commonwealth Rent Assistance (CRA)
- transition tenants to income assessed rents currently used by the NSW Community Housing sector within two years of paying household rent or property rent
- ensure ACHPs across the Aboriginal community housing sector are financially viable.

It also recognises differences by location in terms of remoteness, household composition and levels of disadvantage across NSW.

## 2. Coverage

The Build and Grow Rent Policy applies to all AHO-owned properties leased to tenants under a Residential Tenancy Agreement including community owned properties and are:

- managed by an AHO Approved Provider, and/or
- headleased to the AHO.

## 3. Requirements

The Build and Grow Rent Policy requires ACHPs to determine:

### 3.1 Property rent for the dwelling

The property rent or market rent is determined through the Rent and Sales Report published by FACS Housing and can be accessed at:

<https://www.facs.nsw.gov.au/resources/statistics/rent-and-sales>.

### 3.2 Household rent based on family type as defined by Centrelink

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 updated every six (6) months. The household rent levels are detailed in **Table 1** below:

**Table 1 – Household Rent - by family type**

Family Type	Weekly Household Rent
Single	\$152.67
Single 1-2 children	\$187.72
Single 3+ children	\$201.62
Couple	\$185.23
Couple 1-2 children	\$226.29
Couple 3+ children	\$240.19
Single (Newstart)	\$122.18
Single (Share)	\$153.04

The above table is valid from 21 March 2019 to 20 September 2019

### 3.3 Tenants eligibility for the Commonwealth Rent Assistance (CRA)

Tenants and other household members who live in Aboriginal community housing properties can 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. Tenants who are eligible for CRA will have to apply to Centrelink.

**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	\$152.67	\$68.60	\$84.07
Single 1-2 children	\$187.72	\$80.57	\$107.15
Single 3+ children	\$201.62	\$91.00	\$110.62
Couple	\$185.23	\$64.60	\$120.63
Couple 1-2 children	\$226.29	\$80.57	\$145.72
Couple 3+ children	\$240.19	\$91.00	\$149.19
Single (Newstart)	\$122.18	\$45.73	\$76.44
Single (Share)	\$153.04	\$68.95	\$84.09

\*Valid from 21 March 2019 to 20 September 2019

## 4. How Build and Grow Rents Will Be Set (Rent Setting)

The Build and Grow rent is determined by household rent or property/market rent, whichever is the lower amount.

To determine the rent a tenant pays, the provider will:

- identify property rent for each dwelling based on its location
- determine family type and the corresponding household rent payable and
- calculate the household rent to be paid by the tenant

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, whichever is the lower amount.**

## 5. Calculating Build and Grow Rent (Rent Charged)

### 5.1 Existing Tenants

Existing tenants will have their rent reviewed and assessed consistent with the AHO Housing Services Policy Framework (HSPF)<sup>1</sup>. Under the HSPF, ACHPs managing AHO housing are required to apply the AHO Build and Grow Rent Policy or the NSW Community Housing Rent Policy.

The ACHP will use the Build and Grow Rent Calculator to determine the new rent for existing tenants if they are applying the Build and Grow Rent Policy.

<sup>1</sup> The HSPF sets out the minimum requirements for a range of housing and housing related services provided by ACHPs registered with the AHO. More information on the AHO Housing Services Policy Framework is at <file:///H:/Chrome%20Downloads/AHO-Communications-Housing-Services-Policy-Framework-Policy-June-2017.PDF>  
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### 5.1.1 Capped Rent

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

For tenants eligible for CRA, the out of pocket amount will increase at each six (6) month rent review. In the process of calculating the new weekly rent, the increase in the out of pocket amount will also be calculated using the Build and Grow Rent Calculator

### 5.2 New Tenants

Tenants who sign a new tenancy agreement with ACHPs will be charged full household rent, or property/market rent, whichever is lower. Full household rent is the amount relative to family type as shown in **Table 2**.

ACHPs will not be required to use the Build and Grow Rent Calculator to calculate rent for these new tenants.

## 6. Exceptions to the Build and Grow Rent Policy

Where the full household rent, which captures the maximum CRA, is reached but is considerably lower than the property rent, the provider is required to, at the next rent review, **transition the tenant to the Community Housing rent<sup>2</sup> or property/market rent**, whichever is lower. This is consistent with the intent of AHO’s Housing Services Policy Framework.

Transitioning tenants to the Community Housing Rent or property/market rent means that ACHPs are able to maximise their rental revenue once full household rent is reached. Under the Community Housing Rent Policy rent is determined based on a percentage of assessable household income plus 100 percent of the household’s entitlement to CRA.

ACHPs are not required to change their rent policy where the rent currently collected meets or exceeds the proposed household rent under the Build and Grow Rent Policy.

### 6.1 Minimum \$5 Rent

ACHPs will charge the minimum amount of \$5 rent per week where a tenant or household member:

- is not eligible for Centrelink benefits, for example, because they are in custody, or
- enters a nursing home, rehabilitation centre, respite care, refuge (or other safe place) and is required to pay for that accommodation.

Tenants must substantiate all claims for the minimum \$5 rent. This rent charged will apply for a maximum period of six (6) months.

## 7. Rent Collection

ACHPs are to collect rent on a weekly basis either through:

- cash paid directly to the managing provider
- direct debit,
- EFTPOS or
- Centrepay (Rent Deduction Scheme).

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<sup>2</sup> Further information on the Community Housing Rent Policy is at [file:///H:/Chrome%20Downloads/NSWCommunityHousingRentPolicy%20\(2\).pdf](file:///H:/Chrome%20Downloads/NSWCommunityHousingRentPolicy%20(2).pdf)  
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The frequency of rent collection can be varied depending on the arrangement entered into between the tenant and ACHP. Rent payment can be made on a fortnightly or, in rare circumstances, monthly basis. Ideally, rent should be collected on a weekly basis.

ACHPs must record and issue a rental receipt for all rent collected.

## 8. Rent Reviews

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

It is the tenant's responsibility to advise their housing provider of any change in their income and/or family circumstances within 21 days of the effect of that change. The housing provider must immediately reassess the rent level for a tenant following notification that the household income has changed.

Tenants should be given notice of rent reviews and rent increases in accordance with the *Residential Tenancies Act 2010*.

### 8.1 Existing Tenants

For tenants who are currently on a capped rent, the ACHP will use the Build and Grow Rent Calculator to determine the rent increase for the tenant at each rent review until the maximum CRA threshold and property/market rent is reached.

### 8.2 New Tenants

For new tenants, rent increase at each rent review will be consistent with the *Residential Tenancies Act 2010* and the organisation's policy, until property/market rent or 25 to 30 per cent of total household income is reached, whichever is lower.

## 9. Rent Arrears

Rent arrears refer to rent that is more than 14 days overdue.

ACHPs who have contractual arrangements with the AHO must have rent arrears management policies and processes in place, consistent with the AHO Housing Policy Services Framework.

Providers need to ensure that tenants pay their rent in a timely manner. Where tenants fall into arrears, the provider must intervene early. Where the rent arrears are greater than two weeks, the provider must take formal steps to ensure the rent is brought up to date by making a payment arrangement with the tenant/s in arrears.

**Where tenants have a temporary loss of income which may lead to rental arrears, they should first contact their provider to discuss their situation and negotiate an agreed payment plan.**

## 10. Appeals

ACHPs must have an appropriate process in place to manage complaints and appeals in relation to rent determination, consistent with the AHO's Housing Services Policy Framework HSPF. Tenants who want to appeal their rent determination should first contact their managing housing provider.

## 11. Privacy and Confidentiality

ACHPs must ensure that all confidential and sensitive business information and records are kept secure and protected from unauthorised access or use, consistent with the AHO HSPF. ACHPs 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.



## Appendices

- i) **Commonwealth Rent Assistance – how it works**
- ii) **Property Rent – how it is determined**
- iii) **Build and Grow Rent – how it is calculated**

## Appendix I 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 Human Services (DHS), and be living in Australia (except for a temporary absence).

Rent Assistance may be payable to:

- pensioners
- 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) A & B 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 requirements<sup>3</sup>.

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, valid as of March 21, 2019.

**Table 3 - Weekly CRA information**

Household Type	Maximum* CRA (\$)	Lower Threshold** (\$)	Upper Threshold*** (\$)
Single	68.60	61.20	152.67
Single, 1-2 kids	80.57	80.29	187.72
Single, 3+ kids	91.00	80.29	201.62
Couple	64.60	99.10	185.23
Couple, 1-2 kids	80.57	118.86	226.29
Couple, 3+ kids	91.00	118.86	240.19
Single (Newstart)	45.73	61.60	122.18
Single (Share)	68.95	61.11	153.04

\*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.

<sup>3</sup> Note – not all Rent Assistance eligibility information has been provided. For more information about Rent Assistance eligibility please refer to <https://www.dss.gov.au/housing-support/programmes-services/commonwealth-rent-assistance#2>  
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**Appendix ii:  
Setting Property Rents under the Build and Grow Rent Policy**

Each property managed by an ACHP will have a property rent assigned to it. In major cities and inner regional areas, the local market rent<sup>4</sup> 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 21 March 2019 to 20 September 2019. 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**

	<b>Remote and very remote properties</b>	<b>Outer Regional areas</b>	<b>Discrete Communities</b>
<b>1 bedroom</b>	\$140	\$140	\$140
<b>2 bedrooms</b>	\$180	\$180	\$180
<b>3 bedrooms</b>	\$220	\$220	\$220
<b>4 bedrooms</b>	\$250	\$250	\$250

Property rents derived from Rental Bond Board data

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, whichever is the lower amount - see Section 5 (above) for details of how household rents are calculated.

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<sup>4</sup> 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/download?file=664499>

## Appendix iii

### Examples of How Build and Grow (B&G) Rent is set for existing tenants

#### 1. Single on Newstart

Adam is single, lives alone and is on Newstart. He will need to provide evidence to his managing ACHP that he is in receipt of Newstart. He receives \$560.00 per fortnight or \$280.00 per week from Centrelink. Adam is currently paying a weekly rent of \$100.00

##### 1.1 B&G Rent

Using the B&G rent calculator the ACHP calculates that for Adam:

- his new weekly rent will be \$122.18
- his CRA entitlement is \$45.73
- his estimated out of pocket rent amount is \$76.44, and
- his estimated out of pocket rent increase is \$5.54.

Family Type			Single Newstart			
Total Weekly Household Income			\$280.00			
Current Weekly Household Rent	Estimated weekly CRA	Estimated out of pocket amount	New Weekly Rent	Estimated weekly CRA	Estimated out of pocket amount	Estimated out of pocket RENT INCREASE
\$100	\$29.55	\$70.45	\$122.16	\$45.73	\$76.44	\$5.54

#### 2. Single 1-2 children

Tracey has two children and lives with them in a three bedroom house. The property/market rent for the Tracey's property is \$350 per week. Tracey is on single parent pension and receives the base parenting pension and a parenting supplement estimated at \$900.00 per fortnight or \$450.00 per week. Tracey is eligible for CRA and is currently paying \$150 rent per week.

##### 2.1 B&G Rent

Using the B&G rent calculator the housing provider calculates that for Tracey:

- her new weekly rent will be \$187.72.
- her CRA entitlement is \$80.57
- her estimated out of pocket rent amount is \$107.15, and
- her estimated out of pocket rent increase is \$9.43.

Family Type			Single 1-2 children			
Total Weekly Household Income			\$420.60			
Current Weekly Household Rent	Estimated weekly CRA	Estimated out of pocket amount	New Weekly Household Rent	Estimated weekly CRA	Estimated out of pocket amount	Estimated out of pocket RENT INCREASE
\$150	\$52.86	\$97.14	\$187.72	\$80.57	\$107.15	\$9.43

#### 3. Couple with 3+ children

David and Rose have four children, three under 12 years of age and one under 15 years of age. They live with their children in a four bedroom house with a market rent of \$450.00. David and Rose receive the disability pension for a couple and are eligible for Family Tax Benefits A & B and CRA. Their total household income is estimated at \$1,200.00 per week. They are currently paying a weekly rent of \$200.

##### 3.1 B&G Rent

Using the Build and Grow Rent Calculator the housing provider calculates that for David and Rose:

- their new rent will be \$240.00
- their estimated rent assistance is \$90.86
- their out of pocket rent amount is \$149.15 and
- their out of pocket rent increase is \$10.00

Family Type			Couple 3+ children			
Total Weekly Household Income			\$1131.61			
Current Weekly Household Rent	Estimated weekly CRA	Estimated out of pocket amount	New Weekly Rent	Estimated weekly CRA	Estimated out of pocket amount	Estimated out of pocket RENT INCREASE
\$200	\$61.75	\$138.25	\$240.00	\$90.86	\$149.15	<b>\$10.00</b>