



# Aboriginal Community Housing Rent Policy

**August 2021**

The *Aboriginal Community Housing Rent Policy* outlines the requirements for rent setting and rental policy for all AHO owned properties governed by a contractual arrangement between the AHO and an approved housing provider.



# Document approval

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# 1 Purpose of policy

## 1.1 Purpose

This policy outlines the requirements for rent setting and rental policy for all AHO owned properties governed by a contractual arrangement between the AHO and an approved housing provider.

## 1.2 Background and policy links

The AHO sees fair and appropriate rent setting as vital in supporting sector viability. To provide for a strong viable sector, and to align the sector with the rest of the social housing sector in NSW, the AHO is aligning to the *NSW Community Housing Rent Policy*. This policy applies an income-based approach for rent setting and ensures equity for tenants whilst providing sufficient rent revenue for housing providers.

## 1.3 Related policy

The following policies and guidelines are identified as linked to the Aboriginal Community Housing Rent Policy:

- AHO Housing Services Policy Framework
- AHO Housing Services Guidelines
- AHO Housing Eligibility Policy
- Employment Related Accommodation Policy Guidelines
- AHO Confirmation of Aboriginality Policy
- AHO Registration Policy
- AHO Provider Performance Framework
- NSW Community Housing Eligibility Policy
- NSW Community Housing Access Policy
- NSW Community Housing Rent Policy

# 2 Definitions

The table below is a list of terms, keywords and /or abbreviations used throughout this document.

Term	Definition
<b>ACHP</b>	Aboriginal Community Housing Provider, also identified in the <i>Aboriginal Housing Act 1998 (NSW)</i> as an Aboriginal housing organisation
<b>Affordable Housing</b>	Refers to housing that has been developed with some assistance from the NSW and/ or Commonwealth Governments including through planning incentives; can include a range of housing types and sizes including single or multi-bedroom units or houses as well studio apartments. It is only available in some locations and is delivered to a range of income groups, including very low, low and moderate income households.
<b>AHO</b>	NSW Aboriginal Housing Office
<b>Approved Provider</b>	An ACHP registered with the AHO.

<b>Term</b>	<b>Definition</b>
<b>CHP</b>	Community Housing Provider is an organisation that provides housing for people on a very low, low or moderate incomes or people with additional needs; is a not-for-profit organisation that focus their operations within a particular geographic region.
<b>CPI</b>	Consumer Price Index is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.
<b>CRA</b>	Commonwealth Rent Assistance; it is 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>DCJ</b>	NSW Department of Communities and Justice
<b>ERA</b>	Employment Related Accommodation; an AHO program that provides temporary accommodation to an Aboriginal person for the duration of their education or training until they become established in their new job.
<b>FTB</b>	Family Tax Benefits; are paid by Centrelink in two parts, A and B subject to eligibility. Eligibility is based on: <ul style="list-style-type: none"> <li>• having a dependent child or full time secondary student aged 16 to 19 who isn't getting a pension, payment or benefit like Youth Allowance</li> <li>• care for the child for at least 35% of the time</li> <li>• meet an income test</li> </ul>
<b>Gross household income</b>	Total income from all sources (before tax and deductions) received by members of the household
<b>IPART</b>	Independent Pricing and Regulatory Tribunal; provides independent regulatory decisions and advice to protect the ongoing interests of the consumers, taxpayers and citizens of NSW.
<b>Low income</b>	Between 50 and 80 percent of the median household income for Sydney, or the rest of NSW, as applicable
<b>Market rent</b>	Also known as property rent. AHO will assign the property rent according to the most recent quarterly rent and sales report published by DCJ Housing. Where market rent cannot be determined from the DCJ rent and sales report, or where the AHP determine the rent and sales report market rent is not appropriate, the AHP will set the property rent.
<b>Moderate income</b>	Between 80 and 120 percent of the median household income for Sydney, or the rest of NSW, as applicable.
<b>NRSCH</b>	National Regulatory System for Community Housing is the national registration of community housing providers; it aims to ensure a well governed, well managed and viable community housing sector that meets the housing needs of tenants and provides assurance for government and investors.
<b>NSWLS</b>	NSW Local Scheme; the registration scheme for Local Aboriginal Land Councils under the NRSCH
<b>Registered AHP</b>	As determined by the AHO Registration Policy, generally AHPs registered under the NRSCH or NSWLS
<b>Rent arrears</b>	Refers to rent that is more than 14 days overdue. Managing providers can issue non-payment termination notice once rent is 14 days or more in arrears as per the <i>Residential Tenancy Act 2010 NSW</i>
<b>Safe houses</b>	AHO dwellings targeted to victims of domestic violence; comprised of crisis, transitional and exit housing

Term	Definition
<b>Social housing</b>	Secure and affordable rental housing for people on low incomes with housing needs; it includes public, community and Aboriginal housing and excludes Affordable Housing governed under the Ministerial Guidelines for Affordable Housing
<b>Start Work Bonus</b>	A DCJ program which offers an incentive if a person in the household over the age of 18 commences employment and is approved under this program, the extra money from starting a new job will not be included for up to 26 weeks when rent is calculated. The rent to be paid will be the same rent as before the person started work.
<b>Subsidised rent</b>	Rent support for tenants on very low, low income and moderate income; is the difference between the rent paid by the tenant and the market rent
<b>Tenant</b>	The person who signed the lease/tenancy agreement.
<b>Very low income</b>	Less than 50 percent of the median household income for Sydney, or the rest of NSW, as applicable.

## 3 Scope and application

This policy applies to all AHO owned properties governed by a contractual arrangement between the AHO and an approved ACHP for the provision of social housing.

This also applies to AHO properties managed on an interim basis by mainstream CHPs or other agencies such as the Department of Communities and Justice (DCJ) through contractual arrangements with the AHO when management of these properties transfer across to an approved ACHP.

## 4 Legislation

The legislation that informs this policy includes:

- Aboriginal Housing Act 1998 (NSW)
- Residential Tenancies Act 2010 (NSW)
- Privacy and Personal Information Protection Act 1998 (NSW)
- Privacy Act 1998 (Commonwealth)
- Government Information (Public Access) Act 2009 (NSW)

## 5 Policy statement

The AHO expects providers managing AHO owned properties to set and manage rent in line with this policy. Where providers are using alternate rent models, the AHO requires them to transition to the *Aboriginal Community Housing Rent Policy* by 31 December 2022.

### 5.1 General policy requirements

ACHPs shall develop and implement rent policies consistent with this policy.

ACHPs are expected to ensure that tenants are made aware of their responsibility to pay rent. Specifically, ACHPs are to have structures in place to facilitate and support tenants to:

- pay rent on time;
- provide evidence of their household or household member's income when requested by an ACHP (a list of proof of income is provided in **Appendix A**);
- pay rent until the end of their lease/tenancy agreement;
- advise ACHP about any change to their household or household income within 28 days of the effect of that change; and
- be charged market rent if they
  - do not apply, or are not eligible for a rent subsidy; or
  - do not provide proof of income.

## 5.2 Determining rent subsidies

Tenants in social housing may be eligible for rent subsidy. Rent subsidy is a rent support for tenants on very low, low income and moderate income; it is the difference between the rent paid by the tenant and the market rent.

If a tenant is eligible for a rent subsidy, the proportion of income paid by the tenant as rent is determined by:

- the types of income which are assessed for rent setting purposes; and
- the percentage of each household members assessable income type that is paid in rent.

ACHPs must determine the subsidised rent of all tenancies based on:

- a percentage of the assessable household income; plus
- 100 percent of the household's entitlement to CRA.

## 5.3 Determining market rent

ACHPs must use rent data relevant to the type and location of the property, published quarterly in the Rent and Sales Report by DCJ. This can be accessed at <https://www.facs.nsw.gov.au/resources/statistics/rent-and-sales/dashboard>.

### 5.3.1 Varying market rents

ACHPs can vary the market rent to take local conditions into account where it is known that the actual market rent in a location differs markedly from and is lower than the market rent established on the basis of the *Rent and Sales Report* data, and where tenants paying market rent would be adversely affected.

Any such variations to market rent for AHO owned properties needs to be supported by documentary evidence. ACHPs must advise AHO Chief Executive when and if that happens<sup>1</sup>

ACHPs may also set market rent based on local conditions where a market rent for the dwelling in question is not available in the *Rent and Sales Report* data. As with above any such instances need to be supported by documentary evidence and AHO Chief Executive advised.

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<sup>1</sup> AHO's Provider Portal rent calculator will automatically send a notification to the AHO of any market rent variation

## 6 Setting and charging rent

### 6.1 Determine the household income

Rent paid by tenants will depend on the gross assessable income in the house. ACHPs will need to obtain, and keep current, tenant income figures. Tenants are obliged to keep the ACHP up to date within 28 days of any changes to household income.

### 6.2 Determine tenant's rent subsidy eligibility

The AHO is adopting the following thresholds in Table 1 to determine tenant's rent subsidy eligibility. The range of household income limit thresholds which, when reached, may trigger a rent assessment rate of between 25 – 30%. These limits align with those used by DCJ and DCJ determines the income limit thresholds.

Household member	Weekly income allowance		
	A: Moderate income limit (or threshold)	B: 30% limit (or threshold)	C: Subsidy eligibility limit (or threshold)
First Adult	\$ 835	\$1,044	\$1,555
Each Additional adult	\$ 220	\$ 275	\$ 415
First child	\$ 165	\$ 206	\$ 315
Each additional child	\$ 115	\$ 144	\$ 205

If a tenant's income is over the subsidy eligibility limit as shown in Table 1 Column C, the tenant is deemed ineligible for a rent subsidy.

Commonwealth Rent Assistance (CRA) is not taken into consideration when determining a tenant's subsidy eligibility.

### 6.3 Applying rent subsidy income limits

Where the tenant's income falls below the threshold as shown in Column C Table 1, the following steps are applied:

- Step 1: Add up the assessable income for each adult in the household. Do not include any CRA amounts.
- Step 2: Add up the income allowance for the household using the amount in Table 1.
- Step 3: Compare the amount at Step 2 with the assessable household income at Step 1. This comparison will show the applicable rent subsidy bracket that the household falls into.

#### 6.3.1 Rent assessment rules

For tenants eligible for rent subsidy, Table 2 provides the proportion of applicable rent subsidy for each income threshold to use when calculating actual rent payable.



Table 2: Rent assessment rules	
Condition	Rule
Gross assessable household income is less than or equal to the moderate income limit (column A in table 1)	Rent payable is 25% of income; see Section 6.4 for calculating actual rent payable.
Gross assessable household income is: <ul style="list-style-type: none"> <li>more than the moderate income limit, and</li> <li>Less than the 30% limit (column B in table 1)</li> </ul>	Rent payable is between 25% and 30% of income; see Section 6.4 for calculating actual rent payable. (Note this sliding scale percentage is calculated to two (2) decimal places e.g. 26.54%)
Gross assessable household income is <ul style="list-style-type: none"> <li>Equal to or more than the 30% limit, and</li> <li>Less than the subsidy eligibility limit (column C in table 1)</li> </ul>	Rent payable is 30% of income; see Section 6.4 for calculating actual rent payable.
Gross assessable household income is equal to or more than the subsidy eligibility limit (column C in table 1)	Rent payable is the market rent for the property. These households will not be entitled to a rent subsidy.
Rent payable is calculated as being more than the market rent	Rent payable is the market rent for the property
Maximum rent payable	Market rent for the property
No Market Rent data available from DCJ Sales and Rent report (or Market Rent deemed to be unrealistic)	ACHPs can set the Market Rent and provide some evidence to support it (e.g. rent listing for comparable property in the same location)
Commonwealth Rent Assistance (CRA)	AHO tenants and their household members may be eligible for CRA. Any rent amount payable (market, calculated or subsidised) is the full amount of rent owed. The CRA amount can contribute toward the rent amount. If a person in an AHO household is not eligible for CRA, then that person's rent payable will not include CRA.
Rounding	AHO rounds all subsidised rents to the nearest \$0.05.

**Example:** The household has an adult couple with two children. The adults earn \$1,000 per week (together) and receive another \$200 per week Family Tax Benefit. Their total actual earnings are \$1,200 per week.

The total of the Moderate Income limit (column A in Table 1) equals \$1,335. In this case because the actual earnings are lower than this limit, the rent paid will be based on 25% of the Gross Assessable Income.

If we increase the adults' total actual earnings to \$1,500 per week, this figure is now higher than the total of the Moderate Income limit of \$1,335 (column A in Table 1), but lower than the total of the 30% limit (column B) which is \$1,669. Therefore, the rent paid will be based on 27.48% of the Gross Assessable Income.

Similarly, if actual weekly income is between the total in column B (\$1,669) and column C (\$2,490), then the rent paid will be based on 30% of the Gross Assessable Income.

Finally, if the actual weekly income exceeds column C, then the rent paid will equal the Market Rent for the property.

The link in **Appendix B** identifies what is included as assessable income and **Appendix C**, the rate that is applicable.

## 6.4 Rent calculation

The next step, after determining gross household income, and the subsidy level (25% to 30% or none), is to calculate the actual rent payable, as follows:

- Where the tenant is eligible for subsidised rent

**Weekly Rent payable =**

- a. 25% to 30% total of weekly gross household income (tenant, live-in partner regardless of age and those household members 21 years and over)
- b. + 15% of sum of other member's weekly household income (for those aged between 18-20 years old)
- c. + 15% of weekly FTB A & B payment (where this is applicable)
- d. + 100% of weekly CRA entitlement

- Where the tenant is not eligible for rent subsidy, market rent applies

**Weekly Rent payable** = market rent (as identified in the *Rent and Sales Report*)

**Rent payable including CRA** must not exceed market rent. Where calculated rent is higher than market rent, rent payable will equal market rent.

## 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).

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 regularly review the level of rent paid by a tenant to:

- determine whether the tenant remains eligible for a subsidy (every 6 months)
- align with the changes in the CPI
- ensure that changes in tenant's circumstances are reflected in the rent charged.

It is the tenant's responsibility to advise their ACHP of any changes in their income and/or family circumstances within 28 days of the effect of that change.

ACHPs must immediately reassess the rent level for a tenant following notification that the household income has changed.

## 9 Rent arrears

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, ACHPs should contact the tenant as soon as they are made aware to discuss their situation and negotiate an agreed payment plan.

## 10 Requirements for specific circumstances

This policy does NOT apply to rent setting for the following types of housing:

### 10.1 Affordable Housing

The *NSW Affordable Housing Ministerial Guidelines* will apply when setting, charging, collecting and reviewing rent and in managing rent arrears.

### 10.2 Employment Related Accommodation (ERA)

Tenants in ERA housing are issued with fixed term residential tenancy agreements as specified in the *ERA Guidelines*. Rent must be set in accordance with these Guidelines. Any rent reviews and increases will only be undertaken consistent with the *Residential Tenancies Act 2010 (NSW)*.

### 10.3 Safe Houses

Tenants are issued with fixed term residential tenancy agreements where rent set and any rent reviews and increases will only be undertaken consistent with the *Residential Tenancies Act 2010 (NSW)*.

## 11 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*. Tenants who want to appeal their rent determination should first contact their managing housing provider.

## 12 Roles and responsibilities

The roles and responsibilities for the implementation of this policy are as follows:

- Housing providers managing properties under a contractual arrangement with the AHO are responsible for ensuring this policy is adhered to and that their own policy documents are consistent with policy set by the AHO.
- The AHO Director, Housing and Client Services is responsible for ensuring that this policy is being adhered to by contracted housing providers consistent with the Provider Performance Framework.

## 13 Monitoring, evaluation and review

It is the responsibility of the AHO Policy and Evidence Unit to monitor and update this policy when required.

This policy will be reviewed when any significant new information, legislative or organisational change warrants amendments to this document.

## 14 Support and advice

Support and advice about this policy can be obtained from:

- Policy and Evidence Unit or
- AHO Regional Offices

If reviewing a printed version of this document, please refer to the AHO website to confirm that it is the most recent version of the policy.

# 15 Appendix A - Proof of income

Each tenant is responsible for collecting the income details of household members and providing these details to the housing provider so that their rent can be assessed.

When applying for a rent subsidy a tenant must declare all assessable income and provide proof of the amount received by their spouse/partner and each other member of their household aged 18 years and over.

AHO is adopting DCJ's the same acceptable proof of income for various income/asset types, and this is available in the DCJ Tenancy Charges and Account Management Policy Supplement found at

<https://www.facs.nsw.gov.au/housing/policies/tenancy-charges-account-management-policy-supplement#rent>

Tenants who fail to supply income details by the due date for return of the required information will not be eligible for a rent subsidy and they will be required to pay market rent.

## 15.1 Examples of proof of income and assets

Examples of acceptable documents to demonstrate proof of income extracted from DCJ Tenancy Charges and Account Management Policy Supplement at the time of writing are shown in the table below<sup>2</sup>. The ACHP and or AHO may request further documentation or evidence to support the proof of income requirements.

Income/Asset Type	Proof of income
Benefits and allowances paid by Centrelink or the Department of Veterans' Affairs	<ul style="list-style-type: none"> <li>• As provided through the Centrelink Income Confirmation Scheme</li> <li>• An income statement from Centrelink or the Department of Veterans' Affairs</li> </ul>
Child support, maintenance or maintenance in kind	<ul style="list-style-type: none"> <li>• Documents from Centrelink or Child Support Agency about the amount and frequency of payments made or received, including in-kind payments.</li> <li>• As provided through the Centrelink Income Confirmation Service.</li> <li>• Documents detailing a private arrangement.</li> </ul>
Income from bank accounts and investments, trust accounts, and other financial assets	<ul style="list-style-type: none"> <li>• As provided through the Centrelink Income Confirmation Service.</li> <li>• A recent letter or statement from a bank/ investment organisation about savings/investments etc., providing details of the amount, annuity, or shares held and income or dividend received.</li> <li>• A bank statement, account records and statements of Term Deposits.</li> <li>• Letter or statement from an investment organisation providing details of the dividend or income received.</li> <li>• A letter or statement showing the origination, date and source of the funds, and disbursement arrangements.</li> </ul>

<sup>2</sup> ACHPs should refer to the link provided for the latest Proof of Income requirements.

	<p>Note: Acceptable documents are required for any funds held in any and all bank, credit union, or other financial institution, including accounts which a tenant or household member operates as Trustee, either within or outside Australia.</p>
Overseas pensions	<ul style="list-style-type: none"> <li>• As documented in a recent assessment obtained through the Centrelink Income Confirmation Service (ICS).</li> <li>• A letter or statement from an overseas government detailing the amount and frequency received. The document must be translated into English.</li> </ul> <p>Note: DCJ will assess amounts in Australian dollars at the foreign exchange rate provided by Commonwealth Bank at the date of assessment.</p>
<p>Property assets (Real estate), including land, commercial or residential premises, interest in deceased estate or inheritance.</p> <p>For property owned or part-owned by the tenant or household member in Australia or overseas</p>	<ul style="list-style-type: none"> <li>• As provided through the Centrelink Income Confirmation Service.</li> <li>• A completed DCJ Details of Land and Property Ownership Form, with associated documents.</li> <li>• A certified copy of a Certificate of Title, a mortgage document or other title documentation.</li> <li>• Documents showing percentage of ownership, the value of the property or a recent valuation by a certified valuer, and any income received from the property</li> </ul>
Self-employment	<ul style="list-style-type: none"> <li>• A profit and loss statement completed by an accountant within the last six months, or</li> <li>• An income taxation return for the most recent financial year.</li> <li>• Note: a tax assessment Notice is not acceptable.</li> <li>• Each partner in a business who is also resident in the household must provide their individual documents relating to the business partnership.</li> </ul>
Special purpose payments	<ul style="list-style-type: none"> <li>• As provided through the Centrelink Income Confirmation Service (ICS).</li> <li>• A letter from a university or other organisation in relation to the value of prizes, scholarships or study grants received.</li> </ul>
Wages/salary/superannuation/self-managed superannuation fund, Compensation, and other income	<ul style="list-style-type: none"> <li>• As provided through the Centrelink Income Confirmation Service (ICS).</li> <li>• Employment Income Details form completed by the employer/s.</li> <li>• Where acceptable to DCJ, payslips with year to date earnings and other details as outlined in the DCJ Employment Income Details form.</li> <li>• Employer statement or letter confirming personal and payment details, nature and period of employment and all other details as outlined in DCJ Employment Income Details form.</li> <li>• Where acceptable to DCJ, an electronically generated statement of earnings.</li> <li>• A letter or statement from WorkCover or the insurance provider detailing the amount and frequency of any income received, including any lump sum payments received.</li> <li>• Recent letter or statement from the superannuation fund including the payment amount, type, and the payment period start and end dates</li> </ul>

## 15.2 Participation in the Income Confirmation Scheme (ICS)

### **Tenants must opt-in:**

The AHO rent calculator has an interface to Centrelink's ICS. If a tenant or household member receives payments from Centrelink, they can agree to allowing the Housing Provider (and AHO) to obtain that information direct from Centrelink through the ICS. If the tenant agrees to participate in the ICS, the Housing Provider may use Centrelink's advice of their assessable income to determine eligibility for a rent subsidy.

### **Income changes – Tenants to report:**

If income changes, the ICS does not automatically provide the Housing Provider or AHO with their updated income details from Centrelink. Therefore, if a member of a social housing tenancy participates in the ICS, they must inform Housing Provider within 28 days of any changes to their income. They do not need to provide further details of a Centrelink pension or allowance change, as Housing Provider will then request this electronically using ICS.

### **Additional income:**

If a tenant or household member participates in the ICS and has an income in addition to their Centrelink payment, they may need to give Housing Provider proof of this income separately if Housing Provider is not able to obtain that information from Centrelink in an acceptable form.

Notwithstanding that Housing Provider obtains a client's income information through the Centrelink ICS, Housing Provider may request additional evidence from the tenant to verify the household income.

### **Rent reviews:**

The Rent Calculator allows for single and bulk rent reviews. In the case of any Tenant that has opted into the ICS interface, the calculator will automatically retrieve the latest income data from Centrelink and produce a fresh rent calculation based on that data.

### **Termination of service:**

As the interface is between Centrelink's ICS and AHO's Ngamuru systems, AHO will manage access to the service. Housing Providers must adhere to the guidelines of use of this service and any breach will result in the termination of same.

## 16 Appendix B - Assessable income and assets

Income and assets are assessable for people who are aged 18 years and over, or the client and/or their partner if either are under 18 years of age.

Detailed information on assessable income and assets can be accessed at:

<https://www.facs.nsw.gov.au/housing/policies/tenancy-charges-account-management-policy-supplement#rent>.

## 17 Appendix C - Determining subsidised rent in social housing

The table below shows the percentage of income payable by different members of a household:

Assessment Rate	Tenant/Other Household Member
25-30%	The tenant, their spouse or live-in partner, irrespective of their age All other persons living in the household who are aged 21 years or over
15%	People living in the household aged 18 to 20 years inclusive who are not the tenants, their spouse or live-in partner
15%	Family Tax Benefit Part A & B which are not taken through the taxation system (excluding FTB Energy Supplements)
Nil	Persons living in the household aged under 18 years who are not the tenant, their spouse or live in partner are not assessed for rent-setting purposes



## 18 Appendix D - Policy Transition arrangements

### 18.1 Current AHO Housing Tenants managed by an ACHP

The new income model for rent calculation is consistent with the NSW Community Housing Rent Policy. The AHO recognises that some existing tenants will be paying less now than the amount of rent that this new policy will calculate. Whilst it is important that community housing rents are equitable, the new policy cannot unduly impact Aboriginal households negatively.

To this end the AHO will allow a transition from current rent to income based rent on the following basis:

- 1) Calculate rent payable under this policy.
- 2) Compare rent payable to rent currently being charged.
  - a) If the tenant is currently being charged more rent than is payable under the calculations in this policy, their rent should be reduced to be in-line with this policy.
  - b) If the tenant is currently being charged less rent than is payable under the calculations in this policy, then their rent should be increased accordingly. ACHPs have discretion to manage the increase to ensure they:
    - achieve a complete transition to the income based rent model as quickly as possible,
    - whilst not placing undue financial strain on any household.

### 18.2 Current AHO Housing Tenants managed by DCJ

Current DCJ tenants in AHO houses are already subject to the income model for rent. The rent calculator used by ACHPs uses the same logic as the DCJ calculator. Hence rent figures should be the same.

Where discrepancies arise in the implementation of this policy and the NSW Community Housing Rent Policy, this Policy will prevail.

### 18.3 LAHC Transition properties

The Land and Housing Corporation of NSW will be transitioning ownership of some properties to the AHO. A condition of the transfer is that no tenant will be adversely affected. Therefore, rent at the time of transition will not change where the tenant would be disadvantaged as a result of the introduction of this policy.

### 18.4 New AHO tenancies

After the implementation date of this policy, any new tenancy (irrespective of the housing provider managing the property) will be subject to the rent calculations contained in the policy. This includes an existing AHO tenant that relocates or moves into a different property.

## 18.5 Transferring tenants with pre-approved commitments

Commitments to tenants pre-approved by DCJ, which are live at the time of transfer, must be honoured by the ACHP for the length of the pre-approved period. This includes DCJ pre-approvals which allow the tenant to:

- be absent from their dwelling for a specified period of time, and/or
- pay an agreed minimum rent for a specified period of time, and/or
- participate in the Start Work Bonus, or similar, program.

At the end of the pre-approved period, the ACHP may adopt its own policy for further assessing the client's needs.