



Aboriginal
Housing
Office

A photograph of a woman with long, light-colored hair sitting on a grassy lawn. She is smiling and looking at two young children who are also sitting on the grass. They are all looking at a small dog, possibly a pug, which is sitting between them. The background is a blurred green lawn and trees. The image is overlaid with a teal and orange graphic design on the right side.

Aboriginal Community Housing Rent Policy (ACHRP) Overview



Aboriginal Community Housing Rent Policy

The Aboriginal Housing Office (AHO) is introducing a new Aboriginal Community Housing Rent Policy (ACHRP). This new policy provides a more consistent approach to setting rent for Aboriginal community housing. It also aligns to the way rent is calculated for mainstream community housing in New South Wales. Benefits of the new policy include:

Context	Goals
Introduces an equitable rent model	Delivers one of the AHO's commitments under Pillar 3 of Strong Family, Strong Communities. Addresses a key IPART recommendation.
It applies to all Tenants who are renting an AHO property	Ensures equity for all tenants. AHO tenants in AHO houses managed either by an ACHP or DCJ will pay the same rent.
It's an enabler to improving Aboriginal Community Housing in NSW	Develops an equitable and culturally appropriate social housing rent model to align with the rest of the social housing sector, and underpins investment back into the sector.
Improves Aboriginal Community Housing sustainability	Supports the financial viability of ACHPs through a sustainable rent model.





What makes up the ACHRP:



New way of calculating rent

If Gross Household Income (GHI) is under allowable thresholds, a subsidised rent based on 25% to 30% of GHI will apply. Where GHI is over the highest threshold, tenants will pay market rent. Thresholds are set by Dept. of Communities and Justice (DCJ).



Market rent

Market rent comes from the New South Wales Sales and Rent data produced each quarter by DCJ. This is the sole authoritative source of data on NSW rent movements. In the absence of market rent data, Housing Providers can nominate it.



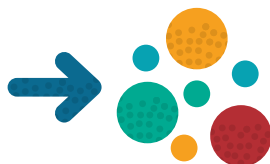
Rent review

Subsidy and rent reviews will be based on the new way of calculating rent. Tenants will need to keep their Housing Provider up to date on who lives in the house and how much they earn. This information will help set rent, but also maximise CRA.



Commonwealth Rent Assistant (CRA)

If eligible, tenants will be told what the maximum CRA they can receive for the rent amount they need to pay for the house. Rent payable includes this CRA amount. It is in the tenant's best interest to get CRA so their out of pocket contribution to rent is minimised.



Services Australia (Centrelink) opt-in

Tenants will be able to voluntarily opt-in to a service that allows their Housing Provider to collect income data from Centrelink. This facility means tenants will only have to advise about any changes to income earners in the house.



Managing change in rent

If household rent changes because of the new policy and income assessment, the Housing Provider and tenant will discuss how this change is going to be managed. Some rents will stay the same, some may go up and some may go down.

What makes up gross household income (GHI)

Work out the total gross household income

The rent paid by the tenant will depend on the gross assessable income in the house.

The Housing Provider will need to obtain, and keep current, all the income figures for all the people in the house that earn any income.

Tenants are obliged to let their Housing Provider know of any changes to household income within 21 days of it happening.

This would include things like:

- somebody in the house has left so the household income has reduced
- someone in the house got a job and their income has changed
- a child left school to start a job, and they still live in the house. Household income has gone up.

There are many income types (about 120). About half of these are counted as income, the other half aren't. We call this assessable or non-assessable income. DCJ publish this income data annually (or as it changes).

Examples of assessable income

Income that does contribute to gross household income	Income that does not contribute to gross household income
Abstudy	Abstudy Living Allowance
Age Pension	Carer Allowance
Carer Payment	Assistance for Isolated Children Scheme (AIC)
Commonwealth Rent Assistance (CRA)	Bereavement Allowances Bereavement Payments
Disability Support Pension (Centrelink)	Funeral benefits
Family Tax Benefits Parts A & B	Carer Supplement
Income Support Supplement (DVA)	Child Care Subsidy
JobSeeker	Disability Allowance (DVA)
Newstart Allowance	Family Tax Benefits Parts A & B taken through the taxation system or as a lump sum
Parenting Payment	Fares Allowance
Sickness Allowance	Isolated Children Scheme
Special Benefit	Language, Literacy and Numeracy Program Supplement
Youth Allowance	Permanent Impairment Payment (DVA)
Child support payments, maintenance or maintenance in kind	Remote area allowance
Earnings from a business	Travel and sustenance allowance, including car allowance
Salary/Wages	National Redress Scheme
Self Employed	Stolen Generations Reparations Scheme and Funeral Assistance Fund compensation payments
Work Cover Payments	Victims Support scheme

How we determine if tenants get a subsidised rent

Once we know the GHI, it is compared to the DCJ income thresholds (an example is shown in the table to the right). The thresholds determine if tenants are eligible for rent subsidy. These thresholds are updated every 6 months.

There are 4 possible outcomes of this comparison to the thresholds:

- 1 If the GHI is less than or equal to the equivalent amounts in column A, 25% of the GHI counts towards the rent calculation
- 2 If the GHI is between columns A and B, then a sliding scale subsidy between 25% and 30% of the GHI counts towards the rent calculation
- 3 If the GHI is between columns B and C, then 30% of the GHI counts towards the rent calculation
- 4 If the GHI exceeds the income threshold of column C, then the tenant will pay the market rent for the property.

CRA is not taken into consideration when determining the subsidy eligibility.

The example rent calculation on the next page demonstrates how this works.

Examples of assessable income

House member types and weekly income allowance (as at July 2021)

Household member	Weekly Income Allowance		
	A: Lowest income limit or threshold = 25%	B: Moderate income limit or threshold 25% to 30%	C: Subsidy income limit = 30%
First adult	\$835	\$1,044	\$1,555
Each additional adult	\$220	\$275	\$415
First child	\$165	\$206	\$315
Each additional child	\$115	\$144	\$205
Example: 2 adults, 2 children <18	\$1,335	\$1,669	\$2,490

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 assessable gross household income is \$1,200 per week.

When compared to thresholds above, it's clear the gross household income (\$1,200) is less than the total of the Lowest Income limit (column A) (\$1,335). So, in this case, because the actual earnings are lower than this limit, only 25% of the gross household income contributes to the rent calculation (25% of \$1,200 = \$300). Note this does not mean \$300 is the rent payable.

If we increase the adults' total actual earnings to \$1,500 per week, this figure is now higher than the total of the Lowest Income limit of \$1,335 (column A), but lower than the total of the 30% Moderate limit (column B) which is \$1,669. Therefore, the rent paid will be based on 26.45% (approx) of the Gross Household Income.

Similarly, if actual weekly income is between the total in column B (\$1,663) 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.

Note: CRA is estimated in these examples. Actual CRA is calculated by the Commonwealth (Centrelink) at the time of assessing Tenant's eligibility. Providers should only take the CRA amount calculated by the AHO calculator as a guide.

Rent calculation

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

- **Where Tenants are eligible for subsidised rent**
Weekly Rent payable =

- A.** 25% to 30% of the 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 Family Tax Benefit (FTB) A & B payment (where this is applicable)
- D.** + 100% of weekly CRA entitlement

- **Where Tenants are 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.
- The calculation is influenced by Family Groups in the house, both number and type, relationship types, shared child care and CRA.

Example 1

Let's take the information from the previous 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 assessable gross household income plus FTB is \$1,200 per week.

That means the tenants will get the 25% of income rent subsidy.

Let's assume they live in Wagga Wagga in a 3 bedroom house and Market Rent is \$267 per week. Let's also assume they receive \$80 per week CRA.

Therefore the calculation would be:

- A.** 25% of \$1,000 = \$250
- B.** 15% of FTB \$200 = \$30
- C.** CRA = \$80

Total calculated rent = A + B + C which equals \$360 per week.

In this case, because the calculated rent (\$360) is more than the market rent (\$267), the tenants rent is \$267 per week.

Out of pocket rent after CRA is taken out is therefore \$187 per week.



Rent calculation – more examples

Example 2

A couple in Cobar, both on Aged Pensions earning \$600 per week between them, living in a 2 bedroom house where the market rent is \$100 per week. They receive \$38 CRA per week.

That means the tenants will get the 25% of income rent subsidy.

Therefore the calculation would be:

A. 25% of \$600 = \$150

B. 15% of FTB \$0 = \$0

C. CRA = \$38

Total calculated rent = A + B + C equals \$188 per week.

In this case, because the calculated rent (\$188) is more than the market rent (\$100), the tenants rent is \$100 per week.

Out of pocket rent (after CRA is taken out) is \$62 per week.

Example 3

Let's use a situation of a family in Redfern, mum and dad both on Newstart Allowances and earning \$600 per week between them. They have 5 children, 4 are at school and the oldest is 19 and working full time at McDonalds, earning \$390 per week.

The parents receive \$420 Family Tax Benefit per week. They live in a 4 bedroom house where the market rent is \$880 per week. They receive \$84 CRA per week.

The total income in the house is \$600 + \$390 + \$420 = \$1,410. The comparable threshold is \$1,680. Therefore they would receive a 25% of income rent subsidy.

Therefore the calculation would be:

A. 25% of \$600 = \$150

B. 15% of \$390 (< 21 yo income) = \$59

C. 15% of FTB \$420 = \$63

D. CRA = \$84

Total calculated rent = A + B + C + D equals \$356 per week.

In this case, because the calculated rent (\$356) is less than the market rent (\$880), the tenants rent is \$356 per week.

Out of pocket rent (after CRA is taken out) is \$272 per week.

Example 4

In the final example, we have a family living in a 3 bedroom house in Tamworth. Dad works in the mines and earns \$1,400 per week. Mum works part time in a café and earns \$250 per week. They have 2 school aged kids, and receive \$180 FTB per week. Market rent for the house is \$380 per week. CRA is \$84 per week.

The total income in the house is \$1,400 + \$250 + \$180 = \$1,830. This puts them into the 30% of income rent subsidy.

Therefore the calculation would be:

A. 30% of \$1,650 = \$495

B. 15% of FTB \$180 = \$27

C. CRA = \$84

Total calculated rent = A + B + C equals \$606 per week.

In this case, because the calculated rent (\$606) is more than the market rent (\$380), the tenants rent is \$380 per week.

Out of pocket rent (after CRA is taken out) is \$296 per week.

Summary

Rent Payable will equal the **lesser** of:

A 25–30% of Gross Household Income + 15% Family Tax Benefit + 100% CRA

or

B Market Rent



Where to get help?

Rent Questions

Contact your regional AHO representative:

Western

WesternCompliance@aho.nsw.gov.au

Northern

NorthernCompliance@aho.nsw.gov.au

Sydney/South East

SSECompliance@aho.nsw.gov.au

Policy Questions

Email: policy@aho.nsw.gov.au

Technical Support

Email: Ngamuru@aho.nsw.gov.au

Email the Ngamuru Support Team if you are experiencing any difficulties logging into the Ngamuru Provider Portal or would like to report any other system processing issues.

Copy of Documents

Go to Ngamuru Provider Portal Documents tab. View or obtain a soft copy of all supporting documentation from the Ngamuru system.

