

# Remote Rent Framework

## Background

The Northern Territory (NT) Government has implemented the Remote Rent Framework (the Framework) which is easier for tenants to understand and easier to administer. Territory Families, Housing and Communities (TFHC) has implemented these changes following significant consultation with key external stakeholders.

Consultation has been occurring since 2018 when the NT Government asked TFHC to investigate options for a new rent model, noting significant and increasing rent arrears associated with the income-based model.

The income-based rent model is difficult for tenants to understand, with complex paperwork obligations, making it difficult for them to pay the correct rent on time. It is also challenging to administer due to large geographical distances and changing household dynamics.

Key stakeholders, including Aboriginal housing providers, peak bodies and legal advocates participated in a stakeholder Advisory Group working in partnership with the NT Government to review different rent frameworks across Australia and internationally and provide advice about a new approach.

On 7 December 2021, the NT Government approved the implementation of the Framework. Rent will be charged at \$70 per week, per bedroom capped at \$280 for four or more bedrooms.

The Framework commenced on 6 February 2023 and applies to tenants living in the 72 prescribed remote communities, and Tennant Creek community living areas.

As part of recent consultation, Alice Springs town camps have now been removed from the Framework. This is in recognition of the Local Decision Making agreement and plans for the management of Alice Springs town camps to transition to management by a community housing provider.

### Principles were developed to guide the group in assessing options for a new Framework to:

- be easier for tenants to understand
- apply fairly and consistently across households
- be affordable and appropriate for remote tenants
- be easier to administer and less resource-intensive
- reduce tenant debt
- decrease the number of enquiries and formal complaints about rental rates
- increase rent revenue
- improve the financial stability of public housing
- meet legislative requirements.

## The Framework

The Framework will result in a simplified tenancy management system that is easier to understand and more efficient to administer.

Changes have included:

- waiving historical remote rental debts of \$69.7 million up to 11 December 2021
- ending previous arrangements for Room to Breathe expansions
- ceasing the requirement for bonds and rent rebates.

Tenants will be charged based on how big their house is:

- 1 bedroom = \$70 per week
- 2 bedroom = \$140 per week
- 3 bedroom = \$210 per week
- 4 bedroom = \$280 per week
- all houses with 4 or more bedrooms will still only pay \$280 per week.



## Remote Rent Safety Net

A Remote Rent Safety Net (the Safety Net) is available to ensure that tenants do not enter rental stress.

Tenants may apply for the Safety Net where the total rent payable represents more than 25 per cent of their total assessable household income.

Total assessable household income is the weekly gross (pre-tax) earning of all household members aged 18 years and over.

Where a household is accessing the Safety Net and their total assessable household income changes, any changes in rent payable will be applied from the date of notification.

At the commencement of the Framework, the Safety Net was applied automatically to eligible tenants.

Housing staff will work with recipients of the Safety Net to confirm their individual circumstances and determine ongoing eligibility for the Safety Net.

There may be circumstances where a household will need to be on the Safety Net for an extended period.

Households that are approved to be on an extended Safety Net will be reviewed on a 12-month basis to ensure that they remain eligible for the Safety Net to be applied.

All tenants are able to apply for the Safety Net at any time and can access the application form online.

### Reasons for an application of the Safety Net include:



- tenants awaiting a transfer to a smaller house they can afford
- tenants who are a single parent, with children under 18 living at the premises
- tenants who require in-home care due to disability
- tenants need to remain at the premises due to cultural reasons.

## Rent payment arrangements

Every tenancy in urban and remote housing has identified head tenants (Primary Clients) who are signatories to the tenancy agreement. This is a requirement under the *Residential Tenancies Act 1999*.

It is important to note:

- there is often more than one head tenant.
- head tenants are responsible for paying rent and determining how other members of the household contribute.
- all tenants aged 18 years and older can make payments directly to TFHC – this is no change from the current situation.

# Communications

- Our dedicated website has downloadable information, including in-language materials.
- Our community visit schedule is published on our website and on Bushtel.
- Social media, radio and print advertising of the Framework commenced in 2022.
- Additional stakeholder briefings are continue to be held.

## Case Study 1

Mary lives alone in a one bedroom public housing dwelling. She is listed on the lease as the Primary Client.

### Income (weekly)

Mary
\$315 (Job Seeker)
\$9 (Remote Area Allowance)
<b>Total household income: \$324</b>

- Under the previous rebated rent model, this household was charged \$56 rent/week
- Under the Framework the rent will be \$70/week
- This is an increase of \$14/week for the household.

## Case Study 2

Sally lives in a five-bedroom house with her partner John and three children, all under 18 years of age.

Sally is listed as the Primary Client and John and the children are on the lease as recognised occupants.

### Income (weekly)

Sally	John
\$315 (Job Seeker)	\$96 (Family Tax Benefit)
\$9 (Remote Area Allowance)	\$287 (Parenting Payment Partnered)
	\$11 (Remote Area Allowance)
<b>Total household income: \$718</b>	

- Under the previous rebated rent model, this household was charged \$87 rent/week
- This household is eligible for the Remote Rent Safety Net, and the rent is capped at 25 per cent of the total assessable household income
- Under the new Remote Rent Safety Net the rent will be \$179.50/week
- This is an increase of \$92/week for the household.



## Case Study 3

Peter, Claire and Tom live in a three bedroom house. Peter is a Primary Client, Claire is a Co-Client and Tom is a recognised occupant.

### Income (weekly)

Peter	Claire	Tom
\$425 (Aged Pension)	NIL income recorded	\$307 (Family Tax Benefit)
\$9 (Remote Area Allowance)		\$22 (Maintenance)
		\$296 (Job Seeker)
		\$20 (Remote Area Allowance)
<b>Total household income: \$1079</b>		

- Under the previous rebated rent model, this household was charged \$184/week
- Under the Framework the rent will be \$210/week.
- This is an increase of \$26/week for the household.

## Summary

- The Framework commenced on 6 February 2023
- Dwelling based rent model (\$70 per bedroom, per week – max \$280 per week)
- The 72 prescribed remote communities, and Tennant Creek community living area tenancies are included in new model
- The Remote Rent Safety Net will prevent rent stress (rent capped at 25 per cent of total assessable household income).
- As part of recent consultation, Alice Springs town camps have now been removed from the new framework.