

Housing Supports - Including Boarders' Contributions in the Calculation of Subsidies for Private and Social Housing

Initiative Sponsors:

Ministry of Social Development and Ministry of Housing & Urban Development.

This policy adjustment ensures that the board payments an individual receives are counted when calculating their eligibility for housing subsidies. Only those receiving board payments are affected by this change because they can use these payments to offset their housing costs.

Currently, if a person has three or more boarders, the board payments are considered when determining that person's entitlements to housing subsidies. This adjustment extends this consideration to the first and second boarders too.

This change also makes the welfare system fairer by treating boarders' contributions more consistently with how other earnings impact beneficiaries' entitlements. It also prevents the double counting of accommodation costs within a single household where the primary tenant and the boarder are both receiving a housing subsidy.

\$150.957 million in operating funding is expected to be saved by adjusting how contributions from boarders are considered when calculating the Accommodation Supplement, Temporary Additional Support, Special Benefit, and the Income-Related Rent Subsidy. These savings are partially offset by a capital implementation cost of \$6.894 million.

This policy adjustment will not change the housing subsidies of impacted individuals until 2026. Legislative amendment, and further policy design work, is required to implement this adjustment.

The financial impacts are:

OPEX Savings

- \$129.541 million in Vote Social Development, and
- \$21.416 million in Vote Housing and Urban Development

CAPEX costs

- \$6.894 million in Vote Social Development.

Vote Social Development Opex:

(\$m)	2023/24	2024/25	2025/26	2026/27	2027/28 & outyears	Total
Total Savings	-	2.017	(10.994)	(57.975)	(62.589)	(129.541)

Vote Social Development Capex:

(\$m)	2023/24	2024/25	2025/26	2026/27	2027/28 & outyears	Total
Total Costs	-	1.575	5.319	-	-	6.894

Vote Housing and Urban Development Opex:

(\$m)	2023/24	2024/25	2025/26	2026/27	2027/28 & outyears	Total
Total Savings	-	-	-	(6.040)	(15.376)	(21.416)

Why is the Government adjusting how housing subsidies are calculated for those who receive board payments?

- The adjustment means the earnings a person receives from board payments will be considered when calculating their housing subsidies. It recognises that people who can reduce their housing costs by taking on a boarder have an advantage over those without boarders who cannot utilise board payments to offset housing costs.
- Currently, the treatment of board payments is unfair and inconsistent. Beneficiaries can have their entitlements reduced if they receive other earnings, but board payments a person receives are not factored into the calculation of their housing subsidy if they have one or two boarders.
- This adjustment prevents accommodation costs from being double counted in the calculation of multiple housing subsidies where both a homeowner or primary tenant and their boarder receive Government housing subsidies.

Which housing subsidies will this adjustment affect?

- Accommodation Supplement, Temporary Additional Support, Grand-parented Special Benefit, Student Allowance Accommodation Benefit for Sole Parents (as calculated using the Accommodation Supplement rules), Away from Home Allowance (as calculated using the Accommodation Supplement rules) and the Income-Related Rent Subsidy.

When will the adjustment be implemented?

- It will begin to impact Accommodation Supplement, Temporary Additional Support, and Special Benefit recipients in early to mid-2026.
- Changes to the Income-Related Rent Subsidy will begin to impact recipients with any boarders over the course of a 12-month rollout, commencing early to mid-2026. The full effect of these changes will be realised after 14 months, due to the 60-day notice period required for changes to the Income-Related Rent that a social housing tenant pays.

How many people will be impacted by the adjustment?

- It is estimated that approximately 12,300 Accommodation Supplement recipients and 6,300 Income-Related Rent Subsidy recipients currently have boarders.
- Note these are only estimates, as an exact head count of people with boarders is not currently available.

How are payments from boarders currently treated?

- **One or Two Boarders:** If a person has one or two boarders, these board payments are not considered currently when calculating the person's housing subsidies.
- **Three or More Boarders:** If a person has three or more boarders, the board payments of the third and subsequent boarders are considered when calculating the person's housing subsidies.

Policy Adjustment

- The changes being made through this initiative will mean that the board payments from all boarders a person has will be considered when calculating the person's housing subsidies.

