

# Boarding House Financial Assistance Program



The **Boarding House Financial Assistance Program** provides grants to help owners and operators of boarding houses undertake essential fire safety works. These grants improve fire safety for boarding house residents, and help retain boarding houses that provide long-term low-cost housing.

## Grants for fire safety

The NSW Government provides grants for boarding house owners to undertake fire safety work in:

- small boarding houses (accommodating 12 people or less), when they spend at least \$500 per room on essential fire safety work
- large boarding houses (accommodating more than 12 people), when they spend at least \$1,500 per room on essential fire safety work.

Grants are also available for fire safety work for owners:

- extending existing boarding houses to create additional bedrooms
- constructing new boarding houses
- of boarding houses licensed under the *Youth and Community Services Act* that house two or more people with disabilities.

## Works that can be funded

Grants are available for essential fire safety measures, such as automatic sprinkler systems, emergency warning and intercom systems, and hose reels.

Items you may include in your grant request are:

- construction certificate fees for the relevant works
- design/consultant costs for fire safety systems
- establishment and connection costs for fire alarm systems.

**In most cases, there is a grant limit of \$50,000 per boarding house, and**

only one application will be considered for each boarding house. In exceptional circumstances, higher funding may be considered, subject to Housing NSW's approval.

## When upgrading boarding houses

Grants will be provided at 100% of the costs for essential fire safety works required by your local council, for a maximum of 25 rooms.

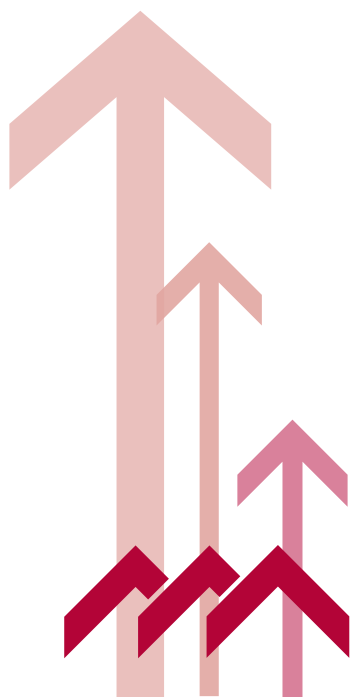
## When extending existing or constructing new boarding houses

Grants for fire safety work associated with extensions to existing boarding houses to provide additional bedrooms, and the construction of new boarding houses, will be based on a proportion of the gross floor area and total construction costs of the new works (excluding fitout and furnishings).

- For developments with construction costs (excluding fitout and furnishings) of less than or equal to \$1,250 per square metre, the grant will be 8% of the total construction costs.
- Where construction costs are over \$1,250 per square metre, a flat rate of \$100 per square metre will be used to calculate the grant.

## When upgrading mixed-use premises

Premises must be rated as 'residential' under Section 516 of the *Local Government Act*. However, where a boarding house is part of a 'mixed-use premises' the grant will be calculated on the proportion of the total floor area dedicated to boarding house accommodation.



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## How to demonstrate you provide long-term low-cost accommodation

When **upgrading and extending existing premises**, you must sign a statutory declaration to state that all residency and tariff criteria (see below) have been complied with.

When **constructing a new boarding house**, you will be required to enter into a Deed of Agreement with Housing NSW, formally agreeing that in exchange for grant funds the premises will be retained for long-term low-cost accommodation in the following year.

## Criteria you must satisfy

To be eligible for a grant, you must satisfy the following criteria.

**1. Your proposed fire safety work must be required and approved by your council.**

**2. The work must fall into one of the following categories.**

- a) You are spending more than \$500 per room on the fire safety upgrading of a boarding house that accommodates 12 or less people, and has a gross floor area under 300 square metres. The cost per room is calculated by dividing the total cost of the works by the number of rooms. For example, if the work costs \$3,500 and you have five rooms, the cost per room is \$700.
- b) You are spending more than \$1,500 per room on the fire safety upgrading of a boarding house that accommodates more than 12 people, or has a gross floor area of over 300 square metres. The cost per room is calculated by dividing the total cost of the works by the number of rooms. For example, if the work costs \$30,000 and you have 15 rooms, the cost per room is \$2,000.
- c) You are extending your boarding house to add extra bedrooms.

d) You are building a new boarding house.

**3. You should be able to meet all the following criteria.**

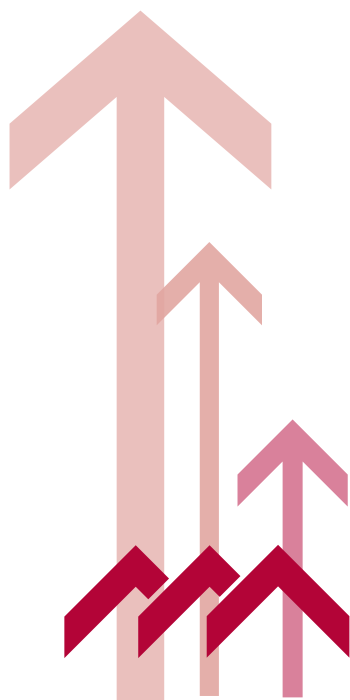
- The boarding house has residential rating with the local council.
- The fire safety upgrading work has been undertaken after 1 January 2005 for an application submitted to Housing NSW in 2008.
- The boarding house provides permanent long-term accommodation. This means at least 80% of bedrooms must be occupied by a long-term resident (a person who has resided in the boarding house for three consecutive months or any period totalling three months in a year).
- The boarding house provides low-cost accommodation. This means that for applications submitted during 2008, rental tariffs were:

**during the year ended 31 December 2007, for at least 80% of the accommodation available to boarding house residents:**

- where full board and lodgings were provided, no more than \$277 per week for single accommodation or \$463 per week for family or shared accommodation.
- where less than full board and lodging were provided, no more than \$185 per week for single accommodation or \$309 per week for family or shared accommodation

**during the year ended 31 December 2008, for at least 80% of the accommodation available to boarding house residents:**

- where full board and lodgings were provided, no more than \$283 per week for single accommodation or \$472 per week for family or shared accommodation
- where less than full board and



lodging were provided, no more than \$189 per week for single accommodation or \$315 per week for family or shared accommodation.

The tariffs will be updated each year, to correspond to those issued by the Office of State Revenue for land tax exemption.

Under this program, boarding houses licensed by the Department of Ageing, Disability and Home Care are eligible for financial assistance, provided they meet all the other criteria.

### **Premises and works not eligible for grants**

The following premises are not eligible for a grant:

- backpacker or tourist accommodation, or premises that include any tourist accommodation
- premises operated on land rated by the council as other than 'residential' under Section 516 of the *Local Government Act*
- premises owned by Commonwealth, State or local governments
- premises that have other sources of government funding covering fire-related upgrading and building work.

Works that are not eligible for a grant include:

- costs associated with applying for the grant, including feasibility studies, building estimator's fees, quantity surveyor's fees, the cost of quotes
- the demolition and disposal of existing structures
- work other than essential fire safety upgrading, such as cosmetic work, painting, additions or unrelated structural work
- hire of casual day labour that is not on a trade or contract basis (all tradespeople and contractors must have an ABN)

- landline rental for back-to-base alarm connections
- costs of fire drills, periodic inspection, maintenance and certification of 'essential services' required by the council
- work done under an Owner-Builder Permit.

### **Payment of grants**

Grants will be paid over five years. One-fifth of the grant will be payable on final inspection and approval of the building works (ie. occupation certificate). The remainder will be payable in four equal annual instalments where the applicant has demonstrated that the premises have continued to provide long-term, low-cost rental accommodation in the previous 12 months.

To obtain the grant each year, you must complete and submit a declaration form obtained from Housing NSW, confirming the low-cost residency status of the premises.

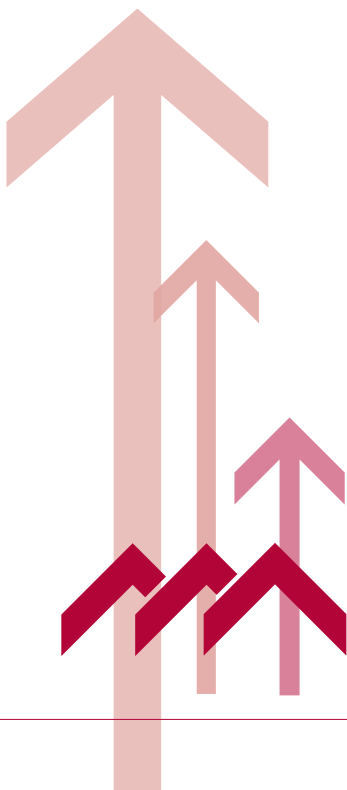
### **Grants for completed works**

If you have already upgraded the fire safety of your premises, built a new boarding house or constructed an extension to an existing boarding house to provide additional bedrooms, you must apply within three years of completion.

**This means you can apply for a grant up to a maximum of three years in retrospect, provided all other criteria are met.**

For an application to be submitted in 2008, you must have:

- applied for a construction certificate from the council for fire safety upgrading works after **1 January 2005** or
- had a final council inspection of fire safety upgrading works after **1 January 2005**.



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If the council was not involved, provide documentary evidence that all works being claimed as expenditure occurred after **1 January 2005**, and were undertaken at your expense.

### The application process

When applications for retrospective works are processed, one-fifth of the grant will be payable on approval, followed by a further four annual instalments paid to you provided that you continue to satisfy all the criteria for low-cost long-term accommodation.

When upgrading works are in progress, you will also be eligible to apply for a grant.

- Discuss with your local council the extent of fire safety works to be undertaken, and if a development application or construction certificate must be submitted.
- Check if you comply with the eligibility criteria.
- Get quotes for the works, or assemble receipts for work completed, and complete the grant application form. This is available on the Housing NSW website – [www.housing.nsw.gov.au](http://www.housing.nsw.gov.au) – or by telephoning (02) 8753 8000.
- Confirm with the council that the works are essential for fire safety upgrading, and complete the declarations as to eligibility. A Fire Safety Order for the premises issued by the council is sufficient evidence for this requirement.
- The council will send the form and supporting documentation to Housing NSW, who will check the quotes or receipts and confirm that you are eligible for a grant.
- When the works are approved, the council will forward confirmation to Housing NSW for payment of the first instalment of the grant.

### Tax on grants

The Australian Taxation Office has ruled that fire assistance grants will be subject to taxation. Applicants should seek advice as to the taxation implications of grants.

### GST

The boarding house financial assistance grant is calculated exclusive of GST. To receive the 10% GST component, you must submit a tax invoice to Housing NSW detailing the total cost of works to be funded and a separate GST subtotal. The invoice should include your ABN number and confirmation that you are GST registered.

### High costs

All quotes for works will be reviewed by Housing NSW and compared to similar works for other premises. If, after consultation with you, costs exceed average or typical costs, the grant will be limited based on an application of typical, rather than quoted, costs.

A similar limitation will apply to applications for completed works.

### More information

For more information, please contact The Boarding House Financial Assistance Program, Housing NSW.

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