# 2.2.8
# Rebated Rent, Income Reviews & Market Rent

**Preamble**

Women's Housing Company (WHC) is a community housing association as part of the social housing system in NSW. WHC provides long term housing for single women and medium term housing through support partnerships.

As a social housing provider WHC is funded by Housing NSW and administered by the Community Housing Division to provide rent subsidies to eligible tenants.

Eligibility guidelines are stated by Community Housing Division's Rent Policy, Eligibility Policy and Access Policy.

It is the responsibility of Women's Housing Company to ensure that only eligible tenants are receiving a rent subsidy.

## POLICY

WHC provides **rent subsidies** to eligible tenants; this subsidy is the difference between the assessed tenant contribution, or rebated rent, and the market rent for the property. In order to qualify for this subsidy, tenants are required to provide information in regards to their income, investments and assets as requested. All verified information must have the correct spelling of the name of the tenant and the correct address of the tenant at a Women's Housing Company rented property.

Women's Housing Company maintains the right to withdraw a tenant's rent subsidy if the tenant fails to provide proof of all income, investments and assets as requested and within the time frames set.

WHC may initiate an investigation into **rent subsidy fraud** if the tenant does not provide evidence of all income, investments, and assets as requested or if the tenant provides contradictory or inconclusive income verification.

### Rebated Rent Assessment

Rebated rent is calculated for each tenant at the beginning of the lease with Women's Housing Company, and at regular intervals following this, as per the Community Housing Rent Policy guidelines; this is usually equivalent to 25% of the tenant's gross income plus 100% of their Commonwealth Rent Assistance entitlement. For tenants in Affordable Housing Properties rebated rent is calculated as per the relevant policies.

For most tenants, rebated rent is reviewed and recalculated twice a year through scheduled **income reviews**. Tenants will be notified by mail of an upcoming income review and will be requested to complete a declaration that they are applying for rental subsidy and to provide current asset and income details (tenants with a Centrelink payment as their sole source of income may provide consent for Women's Housing Company to acquire income details directly from Centrelink). Changes to rebated rent will be implemented as per the date stated in the income review letter with14 days notice provided (plus 4 days postage). It is the tenants responsibility to adjust their rental payments (including through Centrepay) in order to prevent rental arrears from occurring.

Tenants in the Blue CHP programs AHIF, SHGF1, & SHGF2 are exempted from 6 monthly reviews; reviews occurs annually for eligibility purposes prior to the renewal of their lease as per program guidelines.

For **income changes in between regular six monthly income reviews**, the tenant must notify Women's Housing Company **within 7 days** of the change. The tenant and the Housing Worker will agree a time frame for documentation regarding this to be submitted in order for the rent rebate to be reviewed. If notice is given as above, and documentation is submitted as agreed, rebated rent changes will be backdated to the date of the actual income change. If Women's Housing Company is notified after this 7 day, or if documentation is not submitted in a timely manner, then any rebated rent decreases will occur from the date that documentation is received by Women's Housing Company. If, due to income changes, the tenant's rebated rent is to increase then the rent will be backdated to the day the income increased irrelevant of the notice date. Tenants should note that not informing Women's Housing Company of income changes as they occur could result in the accumulation of rental arrears or the risk of an investigation into subsidy fraud.

It is the responsibility of the tenant to also inform Women's Housing Company of regular but small income changes, i.e. **variable income**, such as for tenants who have employment with shift penalties**,** casual contract work. In the case of variable income, Women's Housing Company may make an agreement with the tenant for income to be assessed quarterly in order to ensure rebated rental assessments remain accurate and rental arrears are not accumulated. In these scenarios, at the beginning of the quarter (or the beginning of the variable income period), the tenant and the Housing Worker will predict the average income up until the end of the quarter; this prediction will be used to assess expected rebated rent. At the end of each quarter, the tenant will be requested to provide income details for the entire period (usually in the form of original payslips) and the actual rebated rent will be calculated retrospectively; this calculation may result in minor arrears or credit of which the tenant will be informed in order for arrangements to address these to be made. The previous quarter will be used to predict the rent for the coming quarter unless alternate arrangements are made between the tenant and housing worker. All arrangements made will be documented in writing.

If a tenant's circumstances change resulting in no income then the procedure is as per **2.2.8.1 Tenants with No Income**.

In order to ensure accurate rental subsidy calculations, Women's Housing Company will regularly **audit rebated rent calculations**. This will happen internally through random audits of documentation received and subsequent assessment. Additionally, Women's Housing Company will request a copy of all tenant's income tax assessments annually (with the November review) for audit purposes. Tenants who do not have to complete an income tax assessment will need to submit a declaration statement to this effect. Tenants who do not return an income tax assessment may be investigated for rent subsidy fraud.

Women's Housing Company will conduct **Market Rent Updates** for capital properties annually according to figures obtained from the Housing NSW Rent & Sales Report. Market Rent Updates for leasehold properties are issued from the Real Estate agencies as relevant. Tenants will be advised in writing of changes to the market rent of their property with at least 60 days notice (plus 4 days postage).

## PROCEDURE

### Initial Rebated Rent Calculation

Whilst completing the Offer Checklist for a nominated applicant, the Housing Worker will verbally confirm the applicant's income and provide information regarding eligibility, expected rebated rent, and bond. The Housing Worker will arrange with the applicant to provide evidence of all income details or to complete a Centrelink Customer Consent Record at the viewing of the property offered.

The Housing Worker will, prior to signing the lease with the new tenant, assess the rebated rent as per the Community Housing Rent Policy Guidelines or other relevant guidelines (e.g., BlueCHP rental affordability scheme guidelines; see appendix A) To assist with this, all income will be entered into the TMS database and assessed at the appropriate rate (usually 25%; non-assessable income will be entered and assessed at 0%); the Commonwealth Rent Assistance entitlement will also be calculated and included at 100% in the rebated rent (note exceptions outlined below). The initial rebated rent will be entered into TMS and the housing worker will print out the income assessment summary.

At the lease signing, the Housing Worker will provide the following to the tenant:

- Summary of Income – Rent Assessment
- Details of Rent Rebate Form
- A rent deposit book
- A completed Centrepay deduction form (if relevant)
- A copy of the Centrelink Income Statement (if obtained electronically)

## Income Changes

If a tenant's income changes it is the tenant's responsibility to inform Women's Housing Company of this change as soon as possible; usually within 7 days.

If a tenant informs Women's Housing Company of a decrease in their income within 7 days and provides documentation for this within a suitable period (as agreed with the Housing Worker) then the Housing Worker will reassess the rebated rent and back date the rent change to match the income change date. If the tenant does not inform Women's Housing Company of their decreased income within 7 days or does not provide documentation in a suitable timeframe as requested, then the Housing Worker will reassess the rebated rent and effect a rent change as of the date that required documentation was received.

When a tenant informs Women's Housing Company of an increase in their income, the Housing Worker will reassess the rebated rent and back date the rent change to match the income change date.

If a tenant reports that they have regular but minor income changes (such as for tenants with shift work penalties or casual income) then the Variable Income procedure will be followed.

Once rent has been reassessed by the Housing Worker, the tenant will be provided with written documentation including:

- The effective date of the rent change
- Summary of Income – Rent Assessment
- Details of Rent Rebate Form
- Notice of arrears/credit
- A completed Centrepay deduction form (if relevant)

## Income Review

Regular income reviews will occur in mid May and mid November each year (exceptions: BlueCHP programs AHIF, SHGF & SHGF2).

Rebated rent change dates will be set by the Operations Manager (usually 3rd Monday of May/November). The Operations Manager will update the income review letter outlining date of Rebated Rent Change, date of Rent Change notice (18 days prior to change), and date for Income details and evidence/Centrelink consent to be returned. Income review letters will be created in bulk via TMS mail merge and mailed out with a minimum 64 days notice (as per Market Rent Change policy).

Tenants are required to return their application for a rent subsidy, if required, along with all income documentation requested and Centrelink consent, as appropriate, in the timeframe outlined. The Administration Team date stamp all income details as received and pass on to the relevant housing worker.

Housing Workers will review income information received and will, on the working day following the due date for documentation, send a reminder letter to tenants who have provided no, or incomplete, documentation.

Housing Workers will assess income and rebated rent in the timeframe outlined in correspondence with the tenants.

Housing Workers will notify tenants of rent changes by mail with notices sent 14 days (plus 4 days postage) prior to the effective rent change date. This notification will include:

- Summary of Income – Rent Assessment
- Details of Rent Rebate Form
- A completed Centrepay deduction form (if relevant)
- A copy of the Centrelink Income Statement (if obtained electronically)

## Variable Income Review

It is the responsibility of the tenant to inform Women's Housing Company of variable income however the Housing Worker will also monitor for this. Once the worker is notified/aware of variable income, the tenant is advised in writing of the need for more regular income reviews than the scheduled 6 monthly reviews. In most circumstance this will be arranged as quarterly reviews however alternate arrangements may be made through consultation with the Operations Manager.

The initial letter to the tenant regarding variable income review will include:

- An outline of the variable income review policy and procedure
- The dates of quarterly review periods (set annually by the Operations Manager)
- A request for written estimation of average income for the initial quarter (this may be discussed verbally with the Housing Worker but will require written confirmation)
- An outline of the reporting requirements for variable income (i.e., original payslips provided on the dates specified)
- A copy of the variable income reporting form

Each quarter, the Operations Manager will update the income review letter outlining the end date of the reporting quarter, the due date for submitting income documentation (14 days plus 4 days postage following the end of quarter), and the process for assessment and notification of rent rebate change and relevant credit/arrears. Variable income review letters will be created by individual Housing Workers and mailed out with a minimum 18 days notice prior to end of quarter.

Tenants are required to return their application for a rent subsidy, if required, along with all income documentation requested in the timeframe outlined.

Housing Workers will review income information received and will, on the working day following the due date for documentation, send a reminder letter to tenants who have provided no, or incomplete, documentation.

Housing Workers will assess income and rebated rent in the timeframe outlined in correspondence with the tenants.

Housing Workers will notify tenants of rent changes by mail. This notification will include:

- Summary of rent paid over the previous reporting period
- Summary of Income over previous quarter including assessment of ‘average income’
- Summary of Income – Rent Assessment
- Details of Rent Rebate Form (for previous quarter)
- Details of credit/arrears accrued and time frame for addressing these
- Estimation of rebated rent for next quarter (assessed amount for previous quarter)
- Indication of end date of next quarter (the final quarter review will include end dates of all quarters for the coming year)
- A completed Centrepay deduction form (if relevant)
- A copy of the Centrelink Income Statement (if obtained electronically)

Tenants may end quarterly variable income reviews (and return to 6 monthly reviews) upon providing evidence that their income has stabilised.

## Blue CHP AHIF, SHGF, & SHGF2 Income Review

Tenants housed through Blue CHP Affordable Housing Programs will be exempted from the scheduled income reviews outlined above. Income reviews for Blue CHP Affordable Housing Tenants will occur prior to the lease expiry date in order to assess the tenant’s eligibility for lease renewal. Correspondence will be sent to tenants, a minimum of 64 days prior to their lease expiry, outlining the annually reviewed eligibility criteria (including reference to income eligibilities set by the Community Housing Eligibility Policy), the requirement of an income assessment to establish ongoing eligibility, the date of their lease expiry and the due date for income details to be submitted. Tenants will be informed by mail 14 days (plus 4 days postage) prior to the end of their lease of their ongoing eligibility and future lease conditions including rental obligation or will be provided a Notice of Termination.

## Rebated Rent Audits

The Operations Manager will conduct regular audits of rental assessments throughout the year. These audits will compare documentation provided with assessments made in order to ensure overall accuracy.

Women's Housing Company will request income tax assessments from all tenants annually with the November income review. Income tax assessments will be reviewed for match with other income documentation received. If concerns exist regarding match between income tax assessment and other income documentation, more thorough reviews may be made. The Operations Manager will audit random tenant rental assessments against the details provided in the income tax assessment to ensure accuracy.

## Rental Subsidy Fraud

If a tenant is suspected of not providing accurate income details or of informing Women's Housing Company of income changes then an investigation into rental subsidy fraud may be initiated. The Housing Worker will consult with the Operations Manager and, if required, an investigation will occur as per **2.2.9.1 Rent Subsidy Fraud**.

## Market Rent Updates

Prior to the initiation of the November Income Review the market rents for all capital properties are updated by the Operations Manager according to the most recent Rent & Sales report published by the Housing NSW.

Tenants are informed of these market rent changes within the correspondence regarding the November Income Review annually. Tenants will be provided with 60 days (plus 4 days postage) notice.

Real Estate agencies send periodical Market Rent increases for leasehold properties. The Administration Team date stamps these increases and passes them on to the relevant Housing Worker. A copy of the notice is passed on to the finance team to adjust rent payments from WHC to the Real Estate. The tenant is also provided with a copy of this notice and a cover letter outlining the changes by the relevant Housing Worker.