

Rent Policy

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Contents

1	Purpose and Applicability	4
2	References	4
2.1	External or Statutory Requirements	4
2.2	Internal Requirements and Forms	4
2.3	Definitions	5
3	Rent	5
3.1	Market Rent	5
3.2	Commonwealth Rent Assistance (CRA)	6
3.3	Subsidised Rent	6
4	Proof of Income and Assets	7
4.1	Statutory Payments	7
4.2	Wages and Casual Earnings	7
4.3	Self-employment	8
4.4	Assessable Supplement Payments	8
4.5	No Statutory Income	8
4.6	Variable Income	8
4.7	Property Assets	8
5	Rent Payments and Statements	9
5.1	Rent Payments	9
5.2	Quarterly Rent Statements	9
6	Rental Subsidy Review and Rent Changes	9
6.1	Market Rent Review	9
6.2	Rental Subsidy Review	10
6.3	Failure to provide details	10

7	Change in Circumstances	11
7.1	Decrease of Income	11
7.2	Increase of Income.....	11
7.3	Employment Participation Incentive (EPI)	11
7.4	Change of Household Members	12
7.5	Rent During Approved Absences	12
7.6	Nominal Rent	13
8	Rental Subsidy Non-disclosure and Fraud	13
9	Complaints and Appeals	14
9.1	Complaints	14
9.2	Appeals.....	14
10	Privacy and Confidentiality Statement	14

1 Purpose and Applicability

This policy describes how the Women's Housing Company Limited (WHC) sets, collects and reviews rent for Social, Transitional and Affordable Housing tenancies, to ensure legal and contractual requirements are met and the programs remain financially sustainable.

The policy applies to all Social, Transitional and Affordable Housing properties managed by WHC. The policy applies to all WHC staff, Social, Transitional and Affordable Housing applicants and tenants (unless specifically stated otherwise).

The **Charter of Rights and Responsibilities** guides the interactions between WHC, applicants and tenants. For other tenant charges, refer to the **Non-Rent Charges Policy**.

2 References

2.1 External or Statutory Requirements

This policy complies with the following external legislation or requirements:

- Housing Act 2001
- Community Housing Providers (Adoption of National Law) Act 2012
- NSW Residential Tenancies Act and Regulation 2010
- NSW Civil and Administrative Tribunal (NCAT) Act and Regulation 2013 and Rules 2014
- Housing Pathways Policies
- NSW Community Housing Access Policy
- NSW Community Housing Eligibility Policy
- NSW Community Housing Rent Policy
- FACS Housing NSW Rent and Sales Report (published quarterly)
- ATO GST and non-commercial rules – benchmark market values (long-term accommodation)
- Centrelink eServices, Centrepay and Electronic Verification of Rent (EVoR) Terms and Conditions
- Social Security (Administration) Act 1999

2.2 Internal Requirements and Forms

This policy refers to the following internal documents, which are available on the WHC website:

- *Rental Subsidy Application*
- *Centrelink Multiple Consent and Authority*
- *Absence from Property form*

2.3 Definitions

The following terms are used in this document, with specific meaning:

- “social housing” is subsidised rental accommodation for people earning very low or low income who meet the eligibility requirements under *Housing Pathways Policies*
- “transitional housing” is time-limited subsidised rental accommodation for people engaging with Specialist Homelessness Services (SHS) and working towards long-term housing options
- “affordable housing” is subsidised rental accommodation for people in paid employment earning very low to moderate income, managed in line with the *NSW Affordable Housing Guidelines*
- “capital property” is a property that is owned by the NSW Government and managed by a Community Housing Provider (CHP) or is owned by a Community Housing Provider
- “leasehold property” is a property that is leased by a CHP from the private rental market
- “ATO” is the acronym for the Australian Taxation Office
- “may” is an acceptable action or requirement but not mandatory
- “must” or “shall” or “will” designates a mandatory requirement or action
- “residential tenancy agreement” or “rental lease” or “lease” is the written agreement between WHC and the tenant with all terms and conditions of the tenancy

3 Rent

In line with the *NSW Community Housing Rent Policy*, WHC charges a maximum of Market Rent to tenants.

WHC has the authority to grant a rental subsidy in accordance with the *NSW Community Housing Rent Policy*. A rental subsidy is the difference between the rent paid by the tenant and the Market Rent.

People on very low, low or moderate incomes can apply for a rental subsidy to assist with the cost of Market Rent. The level of subsidy varies according to the type of tenancy and the income of the tenant.

3.1 Market Rent

Market Rent is the amount that a real estate agent or landlord would charge each week if the property were rented in the private market.

For Capital Properties, this amount is determined by reference to the *Rent and Sales Report*, published quarterly by the NSW Department of Family and Community Services (FACS) - Housing NSW. <http://www.housing.nsw.gov.au/about-us/reports-plans-and-papers/rent-and-sales-reports> Refer to Section 6.1 for additional information.

For Leasehold Properties, the Market Rent is the actual rent paid by WHC to property owners/agents.

The Market Rent is the rent amount shown in the Residential Tenancy Agreement issued by WHC, but is only payable by the tenant if they are not eligible for a rental subsidy.

Where tenants are not eligible for subsidised rent, WHC may in certain circumstances reduce the Market Rent that would otherwise be applicable. As WHC is a registered charity, to ensure that the non-commercial supply of housing is classified as ‘GST Free’, the Market Rent that may otherwise be applied in accordance with this policy may be capped at 74.9% of the relevant ATO benchmark rate, as published by the ATO https://www.ato.gov.au/Business/Bus/GST-and-non-commercial-rules---benchmark-market-values/?page=21#Table_5_Long_term_accommodation_weekly In no circumstances will a figure higher than the Market Rent be applied.

3.2 Commonwealth Rent Assistance (CRA)

Commonwealth Rent Assistance (CRA) is an income supplement paid by the Commonwealth Government to eligible people who rent in the private or community housing rental markets. People receiving a government pension, allowance or more than the base rate of Family Tax Benefit Part A may be eligible.

CRA payments are paid directly to eligible people via Centrelink. As this income supplement is designed to assist eligible people to pay their rent, in accordance with the *NSW Community Housing Rent Policy*, WHC includes 100% of CRA eligibility in the subsidised rent calculation.

3.3 Subsidised Rent

Subsidised Rent is calculated as a set percentage of gross household income, plus 100% of eligibility to Commonwealth Rent Assistance (CRA). In general, the rental subsidy represents a considerable discount to the Market Rent.

In order for WHC to determine if a tenant is eligible for a rental subsidy, the tenant must provide details of their income and assets to WHC.

Where applicable, if more than one adult is living in a household, income and asset details must be provided to WHC for the tenant and all household members aged 18 years and over. An example is when a tenant has a live-in carer.

Applications for a rental subsidy are made using the ***Rental Subsidy Application***, available on the WHC website.

The percentage of income charged as rent for Social and Transitional Housing tenancies depends on a range of factors, as follows:

	% of income charged as rent
The tenant	25%
All other persons living in the household aged 21 years or over	25%
Family Tax Benefit Part A & B	15%
All other persons living in the household aged 18 to 20 years inclusive, who are not the tenant	15%
All other persons living in the household aged under 18 years who are not the tenant	NIL
Commonwealth Rent Assistance (CRA)	100%

For subsidised rent applicable to affordable housing tenancies, refer to the ***Affordable Housing Policy***.

All tenants are notified in writing of their subsidised rent, including a copy of the rental assessment.

4 Proof of Income and Assets

Tenants agree to supply their income details to WHC under section 187 of the *NSW Residential Tenancies Act 2010*.

Income and assets assessable for the purpose of calculating subsidised rent are detailed in the *Housing Pathways Social Housing Eligibility and Allocations Policy Supplement*.

In summary, assessable income includes:

- Income from statutory payments
- Wages or casual earnings
- Self-employment
- Any assessable supplement payment

Assessable assets include property assets such as residential or commercial real estate.

Income and assets evidence documents must not be more than one month old on the date they are submitted to WHC, and Centrelink income statements must be current showing the change in payments in line with the most recent indexation. An exception is given for Tax Returns, which must not be more than 13 months old.

All documents submitted must be originals. We will endeavour to return originals, however we strongly encourage you to keep copies for your own records as WHC cannot take responsibility for lost mail.

4.1 Statutory Payments

People in receipt of Centrelink payments can elect to provide statutory payment income evidence through the Income Confirmation Scheme. Authority for WHC to access income details in line with Centrelink eService Terms and Conditions can be made using the **Centrelink Multiple Consent and Authority** available on the WHC website.

For people not participating in the Income Confirmation Scheme, a current printed income statement from Centrelink or Department of Veteran Affairs must be provided to WHC.

For foreign pensions, a letter or statement from the relevant overseas government detailing the amount received, must be provided to WHC, if not available through Centrelink.

If in receipt of workers compensation benefits, a letter or statement from WorkCover or the Insurance Company detailing the gross amount received must be provided to WHC.

4.2 Wages and Casual Earnings

Tenants who receive a wage or casual earnings, must provide pay slips showing their current gross income per week:

- If the tenant works fixed hours per week, at least four (4) weeks of pay slips must be provided.
- If the tenant works casual hours (varies per week) and/or works regular overtime, at least 12 weeks of pay slips must be provided.

If pay slips are not available, WHC can accept a signed letter from the employer on letterhead, detailing the tenant's employment status and gross weekly income, applicable tax, other deductions and payee details.

4.3 Self-employment

Self-employed income is calculated based on the income earned from the previous financial year.

The following types of information must be provided by self-employed applicants and tenants as income evidence:

- Full version of a completed lodged Australian Tax Return from the Australian Tax Office website. This must include all pages of the tax return, which includes the individual's income, expenses and interest earned for the financial year, or
- A profit and loss statement from a registered chartered accountant, and
- Most recent three months bank statements showing transaction details from all investment organisations/banks for all accounts held for all business and personal accounts, including any savings and shares.

Note: WHC cannot accept a 'Notice of Tax Assessment' as evidence of self-employed income.

4.4 Assessable Supplement Payments

If in receipt of income from investments, child support, a lump sum compensation payment or other assessable income source, a letter or statement from the issuing organisation detailing the gross amount received must be provided to WHC.

4.5 No Statutory Income

The rental subsidy application will be assessed based on the statutory allowance the tenant or other adult household member would normally receive when:

- the tenant or adult household member has chosen not to apply for a statutory income to which they are entitled; or
- the tenant or adult household member is not eligible to receive a statutory income; or
- the tenant or adult household member is receiving a reduced statutory income and has no income from any other sources.

4.6 Variable Income

Where a tenant's income varies (e.g. different weekly shifts), WHC may average the tenant's income over a 3 or 6 month period for the purposes of subsidised rent assessment and may conduct quarterly rent reviews to assist with rental affordability.

4.7 Property Assets

If a tenant owns or has a share in a property that could provide a viable alternative to Social Housing, they are not eligible for Social Housing.

Where a tenant has a part share in a property, that share of any income generated by the property will be treated as assessable income.

Where a tenant has a part share in the property and there is no income derived, the value of the property share will be treated as a financial asset and deemed interest income will apply.

If a tenant owns a property overseas, any income generated by that property will be treated as assessable income.

5 Rent Payments and Statements

5.1 Rent Payments

A tenant's rent account must be maintained at two (2) weeks in advance.

WHC does not accept cash payments. Tenants can pay rent by any of the following methods:

- by Centrepay, which authorises an automatic deduction from a tenant's Centrelink payment into WHC's bank account; or
- by direct bank deposit/online transfer from a tenant's bank account to WHC's bank account. This can be automated, or can be set up to require authorisation for every payment; or
- by direct bank deposit over the counter at the Commonwealth Bank of Australia into WHC's bank account, using a deposit book provided by WHC.

People in receipt of Centrelink payments can elect for WHC to establish and update their Centrepay deduction. Tenants can also give authority to WHC to advise Centrelink of the rent amount payable by the tenant, to support the tenant to receive their correct CRA entitlement. This information is communicated in line with *Centrelink Centrepay and Electronic Verification of Rent (EVoR) Terms and Conditions*. Tenants can provide their authority using the **Centrelink Multiple Consent and Authority** available on the WHC website.

For people not participating in Centrepay or EVoR, payment of rent and receipt of CRA must be arranged by the tenant directly with Centrelink and their financial institution.

Where a tenant's rent is not paid in full and on time, the rent account will fall behind. This debt owed to WHC is referred to as Rent Arrears. WHC will take action to notify the tenant and provide options for the tenant to clear the debt. Refer to the **Arrears Management Policy**.

5.2 Quarterly Rent Statements

WHC issues rent statements on a quarterly basis. Tenants may also request a rent statement at any time.

It is the tenant's responsibility to review each statement to ensure that the correct amounts have been credited to their account. If any anomalies are identified, the tenant must provide evidence of deposits made in order for WHC to review the matter and make adjustments if required.

6 Rental Subsidy Review and Rent Changes

6.1 Market Rent Review

WHC reviews the Market Rent of Capital Properties every six months. This amount is determined by reference to the most recent quarterly *Rent and Sales Report*, published by NSW Department of Family and Community Services (FACS) - Housing NSW. The median rent applicable to the type, size and location of property is used as Market Rent.

For Leasehold Properties, the Market Rent is the actual rent paid by WHC to property owners/agents. This amount may change from time to time at the discretion of the property owner/agent, in accordance with the *NSW Residential Tenancies Act 2010*.

Changes in Market Rent are communicated to tenants in accordance with the *NSW Residential Tenancies Act 2010*.

6.2 Rental Subsidy Review

WHC conducts income assessments and rental subsidy reviews for continuous tenancies every six months, generally in line with the indexation of Centrelink benefits.

For fixed term tenancies, rental subsidy reviews are managed in line with the lease renewal process.

A rental subsidy review can also be conducted to cater for a change in circumstances; see section 7.

In order to assess ongoing eligibility for a rental subsidy, WHC requires each tenant to complete the **Rental Subsidy Application** and provide evidence of income and assets for themselves and any household member aged 18 years and older by the specified due date.

Tenants are notified in writing of any changes to their subsidised rent, including a copy of the rental assessment.

Where a tenant is not eligible for a rental subsidy, the Market Rent will be applied.

Tenants in receipt of Centrelink payments can elect to provide authority for WHC to update Centrepay to ensure the new rent amount is deducted from the effective date of the change, in line with *Centrelink Centrepay Terms and Conditions*. This authority can be made using the **Centrelink Multiple Consent and Authority** available on the WHC website.

Tenants not providing Centrepay deduction change authority to WHC, and those paying via direct deposit or online transfer, must make arrangements to ensure the new rent amount is paid to WHC in line with the effective date of the change.

6.3 Failure to provide details

Tenants who do not return a completed and signed **Rental Subsidy Application** by the specified due date, along with verification of household income, will no longer be eligible for a rental subsidy.

Market Rent will be applied from the original effective date of the schedule rent review, which is at least 60 calendar days after the letter was sent notifying the tenant of the change of Market Rent.

Market Rent will continue to be charged until or unless all the required information is provided and results in the tenant being eligible for a rental subsidy.

If the tenant is subsequently deemed eligible for a rental subsidy, the application of a rental subsidy will be reviewed based on the circumstances surrounding the reasons why the information was not returned by the original due date, and may be back-dated to the date the changed Market Rent was applied, at the discretion of management. This will be managed in accordance with the **Complaints and Appeals Policy**. Appeals relating to application of Market Rent can be made at any time up until the next rental subsidy review date.

7 Change in Circumstances

As a condition of their tenancy obligations, tenants are responsible for notifying WHC of any changes in circumstances that could affect their eligibility for a rental subsidy or the amount of their rental subsidy. Notification and evidence must be provided to WHC within 21 calendar days of the change.

Changes can include (but are not limited to) a change or cancellation of statutory benefits, starting employment, loss of employment, change of employment status or conditions, absence from the property, or an additional household member.

Failure to advise WHC of a change in circumstances affecting rent calculation is considered a breach of the Residential Tenancy Agreement. WHC reserves the right to take formal action, which may include application to the NSW Civil and Administrative Tribunal (NCAT) to terminate the tenancy.

7.1 Decrease of Income

Where transitional and social housing tenants experience a decrease of regular income, WHC must be notified within 21 calendar days of the change. WHC will recalculate the applicable rental subsidy and backdate the effective date for the decreased rent to the date of the change of income.

If the change is notified to WHC outside the 21 calendar day period, the decreased rent will be applied from the date WHC receives notification and all relevant evidence is provided.

7.2 Increase of Income

Where transitional and social housing tenants experience an increase of regular income, WHC must be notified within 21 calendar days of the change. WHC will recalculate the applicable rental subsidy and backdate the effective date for the increased rent to the date of the change of income.

If the change is notified to WHC outside the 21 calendar day period, the increased rent will be applied from the date of the change of income.

An exception applies for tenants who may be eligible for the Employment Participation Incentive (EPI).

7.3 Employment Participation Incentive (EPI)

WHC offers an incentive to Transitional and Social Housing tenants who commence work for the first time, move from casual to permanent or part-time to fulltime employment, or re-enter the workforce after a break of three (3) months or more. This incentive allows tenants to use the additional income from their new employment to cover costs associated with starting work, such as new clothes and transport.

For a period of up to 26 weeks, the rent increase generally associated with increased income is delayed.

To be eligible for the Employment Participation Incentive (EPI), tenants must meet the following criteria:

- not have any rent arrears or non-rent debt;
- inform WHC about starting work within 21 calendar days;
- be generally working a minimum of 15 hours per week.

Eligible employment arrangements qualifying for the EPI are as follows:

- starting paid employment for the first time;
- starting paid employment after a break or at least three (3) months;
- moving from casual to permanent or part-time to full-time paid employment.

The EPI does not apply to tenants in the following situations:

- have rent arrears or non-rent debt;
- inform WHC about starting work more than 21 calendar days after starting work;
- working less than 15 hours per week;
- already paying Market Rent (i.e. not eligible for a rental subsidy);
- changing employers / jobs with similar hours / pay rate;
- receiving a pay rise in their existing employment;
- Affordable Housing tenants.

Applications for the EPI can be made by completing the **Rental Subsidy Application**, advising the date that the new employment commenced, along with the new gross income, supported by a first pay slip or a letter from their employer on letterhead.

The application will be assessed and, if approved, written confirmation will be sent to the tenant to advise the amount of rent payable (at the rate applicable prior to starting work) and the approved EPI period. At the end of the EPI period, a rental subsidy review will be conducted.

If the tenant stops working during the EPI period, WHC must be notified as soon as possible, to ensure the correct rental subsidy is applied.

7.4 Change of Household Members

Most WHC tenants are single women. Tenants must apply to WHC before allowing additional people to live with them. Refer to the **During A Tenancy Policy**.

- Under certain circumstances, visitors may be approved for short periods, in which case the rent calculation is not affected.
- Additional household members may be approved, in which case the rent will be adjusted. Examples include a tenant requiring a live-in carer or a tenant working towards family restoration being granted at least 50% shared care of a dependent child(ren).

Where there is more than one person living in a property, rent is calculated on the basis of the total household income, which includes the tenant and all household members aged 18 years or more.

If a tenant has unauthorised occupants living with them, their rental subsidy may be cancelled. WHC may also take formal action to terminate the tenancy.

7.5 Rent During Approved Absences

In accordance with the **During A Tenancy Policy**, tenants must notify WHC if they will be away from their property for more than four (4) weeks, regardless of the reason, by completing an **Absence from Property form**, available on the WHC website. Absences may be approved for periods of up to three (3) months.

Tenants must continue to pay rent while away from home, unless approved for nominal rent (see below).

If a tenant fails to notify WHC of an absence from the property of more than four (4) weeks, their rental subsidy may be cancelled. WHC may also take formal action, including applying to the NSW Civil and Administrative Tribunal (NCAT) to terminate the tenancy.

7.6 Nominal Rent

Social and Transitional Housing tenants may apply to WHC for a rent reduction, known as nominal rent. Nominal rent may be approved in cases where a tenant needs to temporarily move into a care facility such as residential aged care, respite or rehabilitation, and that care facility charges accommodation fees.

Applications for nominal rent can be made by completing the **Rental Subsidy Application**, providing medical reports and supporting evidence from the care facility showing the commencement and end dates of the absence period and the accommodation costs incurred.

If the period of absence due to temporarily staying in a care facility extends beyond three (3) months, WHC will consider on a case by case basis whether to continue the nominal rent charge.

If a tenant is being held in a remand or a correctional facility for up to three (3) months, WHC will apply nominal rent from the date of incarceration. If the period of incarceration is longer than three months, WHC will require the tenant to relinquish the property and terminate the lease. Refer to **Ending A Tenancy Policy**.

Where there is another approved household member remaining in the property while the tenant is absent with approval, rent will be calculated on the basis of the income of the remaining household member(s) for the approved period of absence.

8 Rental Subsidy Non-disclosure and Fraud

All NSW community housing tenants must verify their eligibility for a rental subsidy at the request of their housing provider. This may occur at any time during the tenancy and for different reasons. Some requests for review of rental subsidy eligibility are routine, whilst others are at the request of the housing provider, to ensure that the tenant remains eligible for a rental subsidy and in some cases to investigate an allegation of rental subsidy non-disclosure or fraud.

- **Rent Subsidy Non-disclosure** is defined as a tenant failing to advise WHC of any change to their household circumstances that may affect their rental subsidy.
- **Rental Subsidy Fraud** is defined as a tenant deliberately making a false, incomplete or misleading statement about their household income or assets. This includes (but is not limited to) intentionally failing to notify WHC about changes to their income and permitting unauthorised occupants to live at the property.

If WHC receives information that a tenant may be receiving a rental subsidy they are not entitled to, WHC will investigate the situation, applying the principles of procedural fairness, to determine if:

- No further action is required, or
- Rental subsidy non-disclosure has occurred, or
- Rental subsidy fraud has occurred.

Where WHC finds that a tenant has received a rental subsidy they are not entitled to, WHC may take a range of actions, depending on the circumstances. These actions may include cancelling or adjusting rental subsidies, through to termination of the tenancy and/or criminal proceedings.

9 Complaints and Appeals

Tenants who have a complaint about how the Rent Policy has been administered, or who wish to appeal a decision, should refer to the ***Complaints and Appeals Policy***.

9.1 Complaints

WHC will manage all complaints in a fair and transparent way to ensure that the organisation's service delivery is responsive to concerns raised by applicants and tenants.

All complainants will receive a written response from WHC about the outcome of the investigation of their complaint within 21 business days.

9.2 Appeals

If an applicant or tenant does not agree with a decision made by WHC, or thinks that the decision is unfair, they can lodge a first tier internal appeal against that decision. The basis of an appeal may include any of the following reasons:

- Inadequate consideration was given to their individual circumstances;
- The decision involved an inadequate interpretation of WHC policy;
- The decision was made contrary to the WHC policy;
- The procedure used to reach the decision was not fair and correct.

All appeals should be made to WHC in writing. WHC will then review the decision and will inform the applicant or tenant in writing about the outcome of the review within 21 business days.

If the applicant or tenant does not agree with the outcome of the WHC review, they can then lodge a second-tier external appeal to the Housing Appeals Committee (HAC). The Housing Appeals Committee is an independent agency that reviews certain decisions made by staff of Community Housing organisations and Housing NSW. For information on the Housing Appeals Committee call 1800 629 794 or go to www.hac.nsw.gov.au.

10 Privacy and Confidentiality Statement

WHC will ensure that applicant, tenant and household member information is kept confidential. WHC will not release any personal information to a third party without the prior written consent of the applicant, tenant and/or household member, or unless WHC is lawfully authorised and required.

WHC will ensure that any personal and sensitive information is not collected, used, stored or disclosed other than for the proper purposes of its services. From time to time, de-identified demographic information may be released to third parties for statistical purposes only.

Refer to the ***Privacy Policy***.