

Review of Rent Subsidies – Social Housing Policy

Purpose

The purpose of this policy is to outline how Housing Trust calculates market rent and subsidised rent for social housing tenants and manages situations where a tenant's income may change affecting the amount of rent they pay.

Guiding Principles

Tenants can expect Housing Trust to:

- Comply with the NSW Government's Community Housing Rent Policy and requirements of the Residential Tenancies Act 2010
- Be accountable for the way that rents are set and reviewed
- Provide clear and straightforward advice if and when market rents or subsidised rents are changed
- Conduct subsidy reviews twice yearly

Housing Trust will apply the NSW Government's Community Housing Rent Policy to all Social Housing tenancies in the portfolio. A copy of the Policy will be made available to tenants on request.

Policy

Housing Trust conducts rent subsidy reviews on a regular basis for all Housing Trust tenants residing in social housing. The reviews ensure that tenants receiving a rent subsidy continue to be eligible to receive the subsidy and determine the amount of rent to be paid.

Rent Collection

Tenants have the choice to pay their rent on a weekly or fortnightly basis but at all times rent must be paid on time and be in advance as follows:

- If paid weekly then rent must be one (1) week in advance
- If paid fortnightly then rent must be two (2) weeks in advance.

Payment Methods

In accordance with the Residential Tenancies Act 2010 (Section 35), Housing Trust will provide at least one (1) free payment method for tenants to pay rent that does not incur a cost (other than bank fees or other account fees usually payable for the tenant's transactions) that is reasonably available to tenants.

Rent can be paid using any of the following methods:

- Centrepay
- Internet Banking / Direct Deposit
- Easy Rent at selected Post Offices
- Money Orders / Cheques

Housing Trust Initiated Review of Rent Subsidies

Housing Trust conducts two (2) mandatory rent subsidy reviews each year for Social Housing tenants.

If a rent subsidy review reveals that a tenant's household income has changed and the tenant has failed to notify Housing Trust we will backdate the rent change to the date the household income change occurred. If the tenant is granted a payment but does not receive their first payment until a later date, Housing Trust will backdate the rent change to the date they receive their first payment. In cases where the tenant's income has increased, Housing Trust may action this under *Housing Trust's Rental Subsidy Fraud Policy*.

When a household member turns 18 or 21 years of age the rent calculation changes. Tenants do not need to inform Housing Trust of the change, the effective date of the rent change will be as notified during the Housing Trust initiated review of rent subsidy process.

Where a tenant does not provide the information required to assess their ongoing eligibility to receive a subsidy, the subsidy will be cancelled and full market rent applied from the date advised at the beginning of the rent review process. Once Housing Trust receives the required information the tenant's eligibility for a subsidised rent will be assessed and if they are entitled to subsidised rent it will be backdated to the date the tenant was placed on market rent.

Tenant Initiated Review of Rent Subsidy

A tenant must notify Housing Trust within twenty one (21) days of a change in their household complement or household income (with the exemption of a Consumer Price Index [CPI] from Centrelink, household member turning 18 or 21 or a usual wage increase). A tenant must complete an Application for a Rental Subsidy Form for the notification to Housing Trust to be valid.

- **Housing Trust notified within twenty one (21) days**

If a tenants rent will be increased following the review of a tenant initiated rental subsidy, the rent change date is twenty one (21) days after the change occurred.

If a tenants rent is decreased Housing Trust will backdate the rent to the date-of change.

- **Housing Trust not notified within twenty one (21) days**

Should a tenant fail to notify Housing Trust of a change in their household complement or household income Housing Trust will backdate the effective rent to the date the change occurred.

In cases where the tenant's income has increased, Housing Trust may action this under *Housing Trust's Rental Subsidy Fraud Policy*.

Proof of Income

Tenants must declare all assessable income (refer to NSW Government's Community Housing Rent Policy) and must provide proof of income for themselves and other household members aged 18 years or over.

Tenants are responsible for declaring any changes to their income and that of all household members within twenty one (21) days.

Proof of income includes but is not limited to:

- Income statement from Centrelink or Department of Veterans Affairs
- Payslip, letter or statement from an employer detailing the gross wage, applicable tax, deductions, pay period and payee details for salary or wages, tax assessments
- Profit and loss statement completed by an accountant or taxation return for self-employed clients
- Letter or statement from an Overseas Government detailing the amount received
- Letter or statement from an investment organisation about savings/investments etc. providing details of the amount received

Housing Trust will not accept a Statutory Declaration as evidence of a change in income or household unless approved by a Team Leader. Team Leader's will only accept a Statutory Declarations in exceptional circumstances where the tenant is unable to provide accepted documentation.

Casual or Irregular Wages

Where a tenant receives casual or irregular wages, rent subsidies are calculated on the basis of average earnings from the previous twelve (12) weeks or on the basis of annual earnings.

Employment Grace Period

Where a tenant or household member over the age of 18 years commences work for the first time, Housing Trust will assess the new rent subsidy four (4) weeks from the date employment commences. This grace period is applicable for individual household members once every two (2) years. It is not applicable to tenants or household members who are already working when they turn 18.

To be eligible, the tenant must be receiving a rent subsidy and the person applying for the Employment Grace Period must not be in receipt of wages as a source of income on the most recent rent subsidy review.

The tenant must notify Housing Trust within twenty one (21) days of a change in their household income to be eligible for a grace period. If the tenant does not notify Housing Trust within twenty one (21) days, the tenancy will not be eligible for a grace period and the rent change will be backdated to twenty one (21) days after the change.

No Income

Where a tenant or household member has no income, Housing Trust will assess the rent subsidy based on the statutory income the person would normally receive, including Commonwealth Rent Assistance (CRA). The tenant or household member must provide proof that they are not receiving an income. Proof can include but not be limited to:

- A copy of the person's visa such as work visa, temporary resident visa
- A letter from Centrelink
- A letter from an employer

If a household member is a sponsored migrant and is not receiving an income, they will be assessed as though they receive the appropriate statutory income. Commonwealth Rent Assistance (CRA) will not be included in this calculation.

Assessing Less than a Statutory Rate

People who receive an income that is less than the statutory rate that they would be entitled to from Centrelink, must provide proof of the income they are receiving as outlined in No Income (above). Housing Trust will assess the rent based on the income they are receiving. Housing Trust will however recommend the person contact Centrelink to obtain financial assistance pending eligibility.

If a person receives cash in hand or financial assistance from family or friends Housing Trust may request they provide proof by providing a current bank statement or other accepted documentation. Housing Trust will assess the rent subsidy based on the statutory income the person would normally receive, including Commonwealth Rent Assistance (CRA).

Lump Sum Compensation Payments

A lump sum payment may prevent a person from receiving a Centrelink payment for a period of time. For the purpose of assessing their rent, Housing Trust will assess the rent subsidy based on the statutory income they would normally receive, excluding Commonwealth Rent Assistance (CRA). The person is required to obtain a letter from Centrelink stating the preclusion period.

Any income from the investment of the lump sum is also assessable. Lump sum payments paid by instalments will be assessed as income. If this income is less than the statutory income they would normally receive, the income will be based on statutory income, excluding Commonwealth Rent Assistance (CRA).

This applies even if the person has disposed of the lump sum payment.

Child Support

Child support is an assessable income therefore if a tenant or household member is receiving child support it will be utilised to calculate the rent.

If a tenant or household member pays child support and can provide proof to Housing Trust it will be deducted from the person's assessable income.

Additional Occupants

Additional Occupants will be assessed prior to a rent subsidy being completed. Upon receipt of a Rent Subsidy Application form where it has been identified that an additional occupant has moved into the property, Housing Trust will follow the steps outlined in *Housing Trust's Occupancy Policy* ensuring it does not create over-crowding at the property and the occupant is not a former unsatisfactory tenant or occupant.

Assessing a Refugee

A household member who is a refugee will be assessed for a rent subsidy at \$10.00 per week. They must provide proof of their refugee status and Housing Trust will continue to review the \$10.00 rent assessment every three (3) months and ask the household member to provide an update from the Department of Home Affairs on the refugee status.

Rental Fraud

In cases where rental fraud is suspected (e.g. a tenant has intentionally not declared changes to household income) Housing Trust may cancel a rental subsidy and charge market rent pending proof of income. Refer to *Housing Trust's Rental Subsidy Fraud Policy*

Market Rent

Market rent is the rent that a property would attract if rented on the private market. Housing Trust will assess the market rent of all properties and advise tenants of the outcome as per the requirements of the Residential Tenancies Act 2010.

To establish the market rent, Housing Trust will use rent data relevant to the type and location of the property, published quarterly in the Rent and Sales Report by the Department of Family and Community Services (FACS) Housing NSW.

Right of Appeal

If a tenant believes Housing Trust has made a wrong decision a formal review of the decision should be requested. To do this, the tenant is required to complete a Housing Trust Appeals Form stating why they disagree with the decision. *Housing Trust's Appeals Policy* and form are available by contacting the Housing Trust office or alternatively, may be downloaded from our website: www.housingtrust.org.au.

If the appellant is not satisfied with the outcome of the internal appeal they can make an appeal to the Independent Housing Appeals Committee (HAC). HAC is an independent appeals agency for all NSW Social Housing clients.

Housing Trust will advise the appellant on how to lodge an appeal with HAC. Alternatively HAC may be contacted directly by visiting www.hac.nsw.gov.au or by calling 1800 629 794.

Reference or Related Documents

Internal

Policy:

1. Rental Subsidy Fraud Policy
2. Affordable Housing Policy
3. Occupancy Policy
4. Appeals Policy
5. Customer Service Standards

Procedure:

1. Tenant Initiated Rent Review Procedure

External

1. NSW Government's Community Housing Rent Policy
2. Residential Tenancies Act 2010
3. Consumer Price Index (CPI)
4. Commonwealth Rent Assistance (CRA)

Policy Version Control

| Version | Details of Improvements | Release Date | Approval/Release Details |
|---------|---|--------------|--|
| V 1.0 | New Policy introduced to replace Rent and Rent Management Policy V 3.0 dated 13.09.20107. Reviewed and endorsed by Tenant Advisory Group (TAG) on 27.02.2019 and Executive Leadership Team on 29.03.2019 Rent and Rent Management Policy retired on release of this policy. | 14.06.2019 | Approved for release by Amanda Winks Chief Housing Officer |