

# Rent Policy

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## Purpose

This policy explains how Cawarra calculates and reviews rent for all social housing tenancies.

## Scope

This policy applies to tenants who live in social housing tenancies managed by Cawarra Residential (we, our us).

This policy does not apply to Affordable Housing tenants. Information on how rent is calculated and charged to tenants living in affordable housing properties can be found in our [Affordable Housing Policy](#).

## Policy Overview

This policy outlines our rent setting approach for all social housing tenancies. As a registered Community Housing provider our Rent Policy must comply with the NSW Department of Community and Justice's (DCJ) [NSW Community Housing Rent Policy](#).

We have the authority to grant a rent subsidy under the provisions of the *NSW Community Housing Rent Policy* and the [NSW Residential Tenancies Act 2010](#). We are required to conduct a review of rent subsidies every six months to coincide with changes in Centrelink payments in March and September and outside of this when household income changes.

## Market Rent

As a starting point, we charge market rent for all properties. The market rent is the rent shown in the Residential Tenancy Agreement.

For properties we manage, the market rent is calculated based on the median rent for a property of the same type and bedroom size in that postcode or Local Government Area. Each year we update market rents for all capital properties from the [NSW Government's Rent and Sales Report](#).

For properties we lease from the private rental market, the market rent is the actual rent paid to the landlord. Market rents for leasehold properties are updated when the actual rent for the property changes, usually once a year if not negotiated for longer. If there is a change in the market rent for a property, tenants are given notice in writing as per the *Residential Tenancies Act 2010*.

## Rent Subsidy

Tenants in receipt of very low to moderate incomes can apply for a rent subsidy to meet the cost of their market rent. A rent subsidy is the difference between the rent paid by the tenant and the market rent. This subsidy varies according to the income level of the tenant and household members. The tenant's rent will not exceed the market rent for the property.

# Rent Policy

In order to determine if a tenant is eligible for a rental subsidy, the tenant and household members must provide details of their income and assets to us. They do this at the sign up and in an ongoing way, every six months as part of the bi-annual Rent Review.

Tenants apply for a rent subsidy using our Application for Rental Subsidy Form. When applying for a rent subsidy the tenant must declare details of all household members currently living in the property, income details (including details of financial assets) and proof of income and assets for each household member aged 18 years and over.

The tenant is responsible for providing the income details and financial statements (including assets) for all accounts for all household members. If a rent subsidy is granted, the tenant will be charged rent based on a percentage of their household's income and assets.

When assessing eligibility for a rent subsidy, we will ensure that:

- Each assessment is fair, consistent and transparent
- The complex needs and vulnerability of our tenants are taken into account and we will be proactive and empathetic in our approach to communicating these circumstances
- Staff are properly trained and resourced to implement this policy and
- Tenants have the right to appeal a decision.

## Calculating a rent subsidy

The amount of subsidised rent will be based on the total household's assessable income. This includes the income of the tenant and all other household members over the age of 18. The NSW Community Housing Rent Policy specifies what is included in assessable income. In summary assessable income includes:

- ? Income from statutory payments, including Commonwealth Rent Assistance (CRA)
- ? Wages or casual earnings
- ? Self-employment
- ? Any assessable supplement payment
- ? Any household member not eligible for a payment or who is eligible for a statutory payment and not yet claimed will be charged rent based on the statutory allowance amount.

Table 1 shows the percentage of income payable by different household members. Rates vary based on the age of each household member and the payments they receive from Centrelink.

Table 1: Percentage of income payable in social housing rent

Rate	Position
25% -	The tenant, and their spouse or live-in partner, irrespective of their gender or age.
30%	All other persons living in the household who are aged 21 years or over.
15%	People living in the household aged 18 to 20 years inclusive who are not the tenant, their

# Rent Policy

	spouse or live-in partner.
15%	Family Tax Benefit Part A & B
100%	Of household weekly CRA entitlement

Rents are calculated as follows:

Rent Payable by a Tenant = Percentage of all household income and assets +  
100% Commonwealth Rent Assistance

## Proof of income

Tenants must provide proof of income and assets for themselves and all adult household members to receive a rent subsidy. The *NSW Community Housing Rent Policy* specifies what can be used as proof of income for different income types. Acceptable proof of income for various income/asset types is available in the [DCJ Tenancy Charges and Account Management Policy Supplement](#) and outlined in Table 2:

**Table 2: Proof of income and assets**

Income Type	Proof of Income and assessment rules
Centrelink	<p>Tenants and household members can sign an Authority for us to access their income details by completing the Centrelink eServices Multiple Consent and Authority Form</p> <p>OR Current Fortnightly Centrelink Income Statement for tenants who do not provide ICS Authority.</p>
Veterans NSW	Current income statement from the Department of Veteran's Affairs
Wages or salaries (including casual earnings)	<p>Pay slips which state current gross income per week;</p> <ul style="list-style-type: none"> <li>4 weeks of payslips if the tenant or household member works fixed hours.</li> <li>12 weeks of pay slips to be provided if the tenant or household member works casual hours (e.g. changes each week) and/or works overtime; or</li> </ul> <p>If pay slips are not available, we can accept either a signed letter from the employer on letterhead, or a completed Income from Employment Form. This form must be completed by the employer.</p>
Self employed	<p>One of the following types of information must be provided by all self-employed tenants/household members:</p> <ul style="list-style-type: none"> <li>Profit and loss statement completed by a chartered accountant, or a lodged taxation return with at least three months business and personal bank statements; or</li> <li>A lodged and assessed 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.</li> </ul> <p>NOTE: A 'Notice of Tax Assessment' cannot be accepted as details of a self employed tenant's income</p>

# Rent Policy

	<p>Self-employed income will always be calculated on the income earned from the previous financial year.</p> <ul style="list-style-type: none"> <li>During the rent review held in September, all self-employed tenants must provide their income details for the last financial year to be used to calculate future subsidised rent.</li> </ul> <p>For rent reviews held in March, we will use the calculated subsidised rent from the rent review held in September, unless the tenant advises us of a sufficient change in income. If a self-employed tenant's income changes significantly from the previous financial year, we can make the decision to apply a retrospective adjustment from the 1 July of that year, to amend the tenant's subsidised rent</p>
Overseas government pension	Letter or statement from Overseas Government detailing the amount received for foreign pensions, if not recorded through Centrelink.
WorkCover or insurance	Letter or statement from WorkCover or Insurance Company detailing the gross amount received
Investments	Bank statements showing transaction details from all investment organisation/banks for all accounts held for the period specified for each household member aged 18 and over

Documents must be original and not more than one month old on the date they are submitted

An exception is given for Tax Returns which must not be more than 13 months old

Centrelink income statements must be current showing the change in payments in line with the increase in CPI rates.

## No statutory income or reduced statutory income

If a tenant or household member has no statutory, or reduced statutory income, the rent subsidy will be assessed based on the statutory allowance the tenant or other household members would normally receive when:

- The tenant or adult household member has chosen not to apply for a statutory income to which they are entitled
- The tenant or adult household member is not eligible to receive a statutory income
- The tenant or adult household member is receiving a reduced statutory income and has no income from any other sources
- Where a tenant or household member is not eligible to receive statutory income based on the partner's income, we will apply a rent charge amount that is deemed acceptable for the household.

## Rent Subsidy Reviews and Rent Changes

### Rent Review

# Rent Policy

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We will undertake a review of all social housing tenant's income and rent charges in March and September of each year.

At each review, tenants are sent a Rent Review Notification Letter and an Application for Rental Subsidy Form to all social housing tenants. This is sent 60 days before the rent increase date, as well as an additional 7 days for expected post to be delivered. This letter provides 60 days' notice of a market rent increase as required under the NSW Residential Tenancies Act (RTA) 2010.

Each tenant is responsible for completing and returning the application for rental subsidy form and proof of income and assets details for themselves and any household member aged 18 and over.

## Failure to Respond

Tenants who fail to supply a completed Application for Rental Subsidy Form and verification of the household income by the due date will no longer be eligible for a rent subsidy and will be required to pay market rent from the specified due date and may be subject to New South Wales Civil and Administrative Tribunal (NCAT) action.

A tenant can appeal the decision of the market rent charge (see Complaints and Appeals process). Any such appeal should provide evidence supporting the reasons for not providing the required information within the prescribed timeframe. Appeals relating to application of Market Rent may be appealed at any time up until the next rent review.

## Change in Household Income

It is a condition of the tenancy agreement that tenants must inform us within 21 days if there is a change in the household income and/or people in the household move in or out. The tenant has the responsibility to declare all assessable income and provide proof of income and assets for all adult household members.

When a tenant informs us of a change in their circumstances, the Tenancy Manager will write to them to acknowledge the request for a re-calculation based on their change and request any relevant documentation that may be required to complete the review.

Failure to advise us of changes in the household income or new household members may result in formal tenancy action.

## Fluctuations in income

Where a tenant's income varies, and we identify a consistent change in the tenant's rent assessment, it is possible to average the tenant's income over a 3 to 6 month period for the purposes of rent assessment, or if the tenant requires we will complete quarterly rent subsidy reviews.

## Notification to Tenants and effective dates

Tenants will be notified in writing of any changes in their assessed rent and such notification will include a copy of the rental assessment and the date their new rent amount will start.

# Rent Policy

Where the assessed rent results in an increase of rent payable by the tenant, we will ensure that any action taken to increase the tenants' rent does not conflict with the relevant provisions of the *NSW Residential Tenancies Act 2010*. Table 3 outlines the effective start dates for scheduled rent reviews and change in household rent changes.

**Table 3: New rent charge effective dates**

Rent Review Type	Outcome	New Rent Start Date
Scheduled rent subsidy review	Rent decreases	The date the tenant notified of the change in the household income and proof of income was provided. For administrative purposes we will use the previous Monday as the effective date.
	• Tenant notified of change from provided proof of income	
	• Following a download of Centrelink Income	The date indicated in the original Rent Review Notification Letter
	Rent increases	The date indicated in the original Rent Review Notification Letter
Change in Household income	Rent decreases	The date that the income changed.
	Tenant advised of change within 21 days	For administrative purposes we will use the previous Monday as the effective date
	Tenant didn't advise of change within 21 days	The date the tenant notified of the change in the household income and proof of income was provided.
		For administrative purposes we will use the previous Monday as the effective date
	Rent increases	28 days after the income changed.
	Tenant starts work and advised of change within 21 days	
	Other circumstances and advised of change within 21 days; or	The date the income changed.
	Tenant didn't advise of change within 21 days	For administrative purposes we will use the following Monday as the effective date.

## Change in income appeals

If the tenant appeals the decision not to backdate the decrease in rent to the date the income changed, and the appeal is approved the backdated decrease can be actioned but must not exceed a maximum of 6 weeks from the date we were originally notified.

Where the tenant or household member has started work and has given 'good cause' for having been unable to or having not provided the required information within 21 days of the increase in assessable household income, consideration can be given to provide a grace period of 28 days from the date of the change. Such approval can be given by the Team Leader – Income Coordination.

## Rent during approved absences

# Rent Policy

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In accordance with our Absence from Property Policy, a tenant must notify us if they are away from the property for more than two weeks by completing an Absence from a Property Form. Absences from a property are reviewed on a case by case basis in line with policy.

Tenants and household members must continue to pay rent while away from the property. A tenant may apply for a reduction in rent to \$5 per week for up to twelve weeks under certain circumstances. The following principles will be applied when determining a reduction in rent based on the above circumstances.

- Tenants or household members required to pay fees for their absence, such as essential accommodation expenses (e.g. nursing home or respite care), or where they are not entitled to receive an income during their absence (e.g. incarceration).
- A portion of a tenants rent is reduced if there are household members in the property during the absence who will continue to be included in the rent calculation.
- Holidays, including visits within Australia or overseas for any purpose (other than those stated above) do not constitute eligibility for \$5 rent.

## Centrelink Mutual Obligation Requirements

Mutual obligation requirements are tasks and activities income support payment recipients are required to do to receive certain Centrelink payments. These obligations are deemed compulsory by Centrelink and failure to adhere to these obligations may result in the reduction, suspension or cancellation of the payment.

If a payment is impacted as a result of Mutual Obligation Requirements, a tenant may apply for a reduction in rent. The tenant must provide written evidence from their Employment Service Provider or Centrelink confirming the reduced payment is due to failure to meet mutual obligation requirements.

Rent reduction requests will be reviewed at our discretion.

## Rent Subsidy Fraud

Social housing is a scarce resource, and a rent subsidy is based on a tenant's eligibility and circumstances.

In NSW, all community housing tenants must verify their eligibility for a rent subsidy at the request of the housing provider. This may occur at any time during the tenancy and for different reasons.

**Rent subsidy fraud** occurs when a tenant deliberately makes a false, incomplete or misleading statement about the income or assets of themselves or any member of their household. This includes intentionally failing to notify us about changes to their household circumstances including permitting unapproved occupants to live at the property.

**Rent subsidy non-disclosure** occurs when a tenant has failed to notify us of any change to their household circumstances, but has not done so deliberately.



# Rent Policy

When we investigate an allegation of rent subsidy non-disclosure or fraud, we will apply procedural fairness. We will ensure that tenants are made aware of any allegations and that they will be advised of their right to provide evidence to refute any allegations made against them. Tenants will be expected to provide evidence to satisfy that the allegations of fraud are false.

If we receive information that a tenant is receiving a rent subsidy that they may not be entitled to, we are required to investigate. Once investigated, our response may include any or all of the following:

- Cancellation or adjustment of the rent subsidy – this may be backdated and the debt placed on the tenant's rental account
- In cases of serious and deliberate fraud, take formal action to terminate the tenancy
- If the fraud is of a criminal nature, refer the matter to NSW Police.

## Appeals and Review of Decision

Tenants can appeal decisions made under this policy.

If a tenant is not satisfied with a service we have provided or does not agree with a decision we have made, they can ask for a formal review. Our [Complaints and Appeals Policy](#) outlines the many ways for tenants to make an appeal. This policy, and a helpful information brochure, is available from our office or they can be downloaded from our website [www.Cawarraresidential.com.au](http://www.Cawarraresidential.com.au)

If a tenant is unhappy with the outcome of the appeal, they can lodge a second level appeal with the Housing Appeals Committee. 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](http://www.hac.nsw.gov.au).

## Related Documents and Resources

Type	Title
Legislation	<a href="#">Residential Tenancies Act 2010</a>
Policy	<a href="#">NSW Community Housing Rent Policy</a>
Policy	Absence from Property Policy
Policy	Complaints Policy
Form	Application for Rental Subsidy Form
Form	Application for Rental Subsidy Form (PDF)
Form	Complaints form
Form	Absence from Property Form