



Rent policy and procedure

NSWALC Housing Ltd

ACN 631 178 848

Level 5, 33 Argyle Street
Parramatta NSW 2150

PO Box 1125
Parramatta NSW 2124

Ph 02 9689 4444
Fax 02 9689 4503
Email housing@alc.org.au

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1. About this document

1.1 Purpose of this policy

This document provides information on the way NSWALC Housing sets, assesses and reviews the rent we charge for the properties we manage, and when and how it is payable. The objective is for the company to have robust operational practices that:

- support delivery of affordable, secure and sustainable housing for Aboriginal people
- ensure a clear and effective approach to rent setting, assessment and review
- support fair, transparent and consistent decision-making
- guide the management of change in tenant households' circumstances that have a flow on impact on the rent payment arrangements
- maintain a healthy balance between the company's financial capacity to generate funds to be re-invested into creating additional housing supply and employment for Aboriginal people and the needs of our clients at times of financial hardship
- ensure NSWALC Housing's rent approach is compliant with the NSW Community Housing Rent Policy and the requirements of the Residential Tenancies Act 2010.

1.2 Scope and context of the policy

This policy applies to all tenants of NSWALC Housing.

NSWALC Housing's standard rent policy is based on the NSW Community Housing Rent Policy¹ published by the Department of Communities and Justice (DCJ - previously FACS NSW). Unless otherwise specified, it applies to all general Social Housing and any Transitional Housing managed by NSWALC Housing. Affordable Housing managed by NSWALC Housing will apply the NSW Affordable Housing Guidelines.

In the case of housing owned by the Aboriginal Housing Office (AHO) and previously managed by DCJ, NSWALC Housing will apply the standard rent policy and any additional conditions that the AHO may require as part of the management transfer process (for example relating to honouring pre-approved commitments to transferring tenants). This arrangement will apply also where NSWALC Housing manages tenancies transferred from DCJ.

In the case of housing owned by the AHO or an Aboriginal community organisation, and previously managed by another Aboriginal Community Housing Provider where the Build and Grow Rent Policy has applied, NSWALC Housing will (unless otherwise required by the AHO) apply the Build and Grow Rent Policy including its provisions requiring a two year transition to the standard rent policy as used by the general Community Housing sector.

For properties managed by NSWALC Housing that are funded under specific housing programs (such as the Social and Affordable Housing Fund, or the National Rental Affordability Scheme), there may be different or additional policy requirements that mean the standard rent policy does not (fully) apply.

For properties managed by NSWALC Housing that are owned by other Aboriginal community organisations (including LALCs) or by other organisations (eg properties owned by local government, but managed on a fee for service basis), the rent policy that applies will be determined by agreement between NSWALC Housing and the property owner. In this context, while our systems and processes are set up to support the application of different

¹ NSW Community Housing Rent Policy <https://www.facs.nsw.gov.au/housing/community-housing-policies/rent>

rent settings based on specific housing program requirements, we will encourage the adoption of our standardised rent policy, as it is an effective rent assessment and collection system and it will create fairness and equity across all tenancies. In these cases we will work with the owner organisations to transition the rent arrangements through a structured and sensitive approach. If appropriate, we will be guided by the approach in the Build and Grow Rent Policy in our approach to such transitions.

1.3 Terms and definitions

These definitions apply to the interpretation of the terms used in this document.

Term	Meaning
Assessable income	<p>The household income to be included when assessing the rent charge. In summary, assessable income includes:</p> <ul style="list-style-type: none"> • Income from statutory payments • Wages or casual earnings • Earnings from self-employment • Any assessable supplement payment
Centrepay	<p>Centrelink Rent Deduction Service. Rent payments are deducted automatically from the tenant's Centrelink payment.</p>
Commonwealth Rent Assistance (CRA)	<p>An income supplement paid in addition to the pension, allowance or benefit of eligible income support recipients who rent in the private rent market or community housing. Tenants of NSWALC Housing maybe be eligible for CRA.</p>
Market rent	<p>The maximum rent a tenant will pay for a NSWALC Housing property.</p> <p>For capital properties, it is based on the median rent for the location and type of property as determined by the Department of Communities and Justice's Rent and Sales Report.</p> <p>For leasehold properties, it is the actual rent payable for properties leased from the private rental market.</p>
Other household members	<p>People other than the tenant who have been approved by NSWALC Housing to live in the property.</p>
Rent subsidy	<p>The gap between the market rent and the actual rent charged for households eligible for subsidised rents.</p>
Tenant	<p>The person who signed the Residential Tenancy Agreement</p>

1.4 Related documents

- NSWALC Housing Arrears and Debt Management Policy
- NSWALC Housing Complaints and Appeals Policy
- NSW Community Housing Rent Policy <https://www.facs.nsw.gov.au/housing/community-housing-policies/rent>

1.5 Relevant legislation, regulations or standards

- *Residential Tenancies Act 2010* [<https://www.legislation.nsw.gov.au/#/view/act/2010/42>]

2. Rent policy details

2.1 Market rent

Our Residential Tenancy Agreement shows the market rent relevant for the property.

We assess the market rent by checking the median rent for a property of the same type and bedroom size in the area where the property is. Information on the median rent is updated regularly and provided in the Rent and Sales Report by the Department of Communities and Justice. When the rent amount in the report is assessed to be higher than the prices reflected in the market, we will look at additional rental information for that area to decide if the median rent for the relevant properties should be adjusted. We update market rents for our properties annually.

For properties that we lease from private landlords, the market rent is the actual rent payable for the property. When there is a change in the actual rent, we will review and update the rent amount on the property and give tenants notice in writing, as required by the Residential Tenancies Act 2010.

2.2 Subsidised rent

For households with a low or moderate income, the tenant can apply to NSWALC Housing for a rent subsidy. If a subsidy is approved, the rent will be based on the household's assessable income and it will be lower than the market rent.

The assessment of eligibility for a rent subsidy is conducted on a six-monthly basis, or when it is requested by the tenant due to a change in their financial situation. When conducting the assessment, we will uphold the objectives of this policy to ensure that it is fair, consistent and transparent. We will assist our tenants and other household members to ensure that they are fully accessing all forms of income support that they are eligible for. We will be sensitive in our approach, taking household members' individual needs into consideration.

2.3 Rent assessment

For tenants who apply for a rent subsidy, we calculate their rent based on the assessable income of the household. This includes the tenant and all other household members.

We follow the NSW Community Housing Rent Policy when we assess what types of income are included in rent. Some payments such as Child Care Subsidy and Remote Area Allowance are excluded from rent calculations. More detailed information on non-assessable income can be accessed through the Department of Communities and Justice website².

In summary, rent is set at a percentage of the household's before tax assessable income plus 100% of Commonwealth Rent Assistance (CRA) that the household could receive. The rent rate varies for different income types and the age of the household member can also affect the rent rate. The following table shows the different percentages charged under our policy where a tenant is eligible for subsidised rent:

² Information on assessable income types is available at <https://www.facs.nsw.gov.au/housing/policies/assessable-and-non-assessable-income-and-assets-tables>

Person and income type	Percentage of gross assessable income charged towards rent
Tenant, their spouse or partner who lives with them (all ages) and all other household members 21 years of age or older	25% (or up to 30% if required by the income limits under the NSW Community Housing Rent Policy)
All other household members who are 18 to 20 years of age	15%
All other household members under 18 years of age	Nil
Family Tax Benefit Part A and Part B payments received by all household members which are not taken through the taxation system (where applicable and excluding FTB Energy Supplement)	15%
Commonwealth Rent Assistance (CRA) entitlement	100%

For Commonwealth Rent Assistance (CRA), we calculate the amount that each household member is entitled to get based on the assessable rent level. The full amount of CRA is then included in rent collection. If the actual amount of CRA that the tenant receives is different from our assessed amount, we will ask our tenant to provide us the necessary information so that we can review the rent charge.

Where a tenant is not eligible for a subsidy, market rent applies.

2.4 Assessing rents and proof of income

Rents for all the properties we manage are set at the market level unless the tenant has been assessed as eligible to receive a rent subsidy. To assist with the rent assessment, we will ask our tenants to provide proof of income at the start of the tenancy and at the point of rent subsidy reviews. Receiving the requested proof of income from tenants no later than the due date is very important as it enables us to calculate and charge the correct rent. If the required information is not received by the due date despite our attempts to seek the information, the rent will be set or reverted to the market rent.

Rent assessments can be conducted outside of the usual rent subsidy review cycle if a tenant's household income has changed due to reasons such as starting work. Retrospective adjustments will be made if over/under assessment is substantiated. Refer to 2.5.1 of this policy document for more specific information.

2.4.1 Income from wages and casual earnings

When applying for a rent subsidy, tenants and other household members who receive a wage or casual earnings must provide pay slips showing their current before tax income.

If the tenant or other household members work regular or fixed hours per week, at least four weeks of the most recent payslips must be provided. For work that involves overtime or is based on a casual arrangement where the hours change from time to time, eight weeks of the most recent pay slips must be provided.

If payslips are not available, we can accept a signed letter or statement with the official business stamp from the employer showing the person's before tax wage, tax, deductions, the pay period and details for the person.

2.4.2 Income from self-employment

Self-employed tenants and household members must provide their income details to us to assess their eligibility for a rent subsidy. This can be:

- The full version of the most recent lodged Australian Tax Return from the Australian Tax Office website which includes all pages of the return; or
- The most recent profit and loss statement from a chartered accountant.

For self-employed tenants or self-employed household members whose income is less than the standard rate of JobSeeker Payment and there is no other source of income, we will use the current rate for JobSeeker Payment to decide their rent.

2.4.3 Income from other sources

Tenants or other household members may receive income from an overseas government, icare, an investment company or some other source. We will require a letter or statement from the relevant organisation showing any amount of money paid to them. The income will be included in the rent subsidy assessment.

2.4.4 Income from Centrelink or Veterans' Affairs

Tenants and other household members who receive income from Centrelink or Veterans' Affairs must provide a current income statement from the relevant Department. They can also choose to provide their Centrelink income details by completing a NSWALC Housing consent form to give us authority to access their information through Centrelink Confirmation eServices (CCeS)³.

2.4.5 No statutory income or reduced statutory income

If a tenant or household member chooses not to access statutory income to which they are entitled, or is receiving less statutory income than they would ordinarily be entitled to (for example, because Centrelink is recovering past overpayments), the rent subsidy application will be based on the full statutory benefit the tenant or household member would ordinarily be entitled to.

Where a tenant or household member is ineligible to receive a statutory income, they must provide us evidence to show this. If a person has no other sources of income, we will discuss with the tenant their financial situation and work out a rent arrangement.

2.5 Reviewing rents

We review each tenant household's rent every six months. We write to our tenants and ask them to supply us their current income details and proof of income for every household member aged 18 years and over. For people who receive a Centrelink payment, they may choose to give us consent to access their payment information directly from Centrelink through its income confirmation scheme (refer to 2.4.4 of this policy document).

We give tenants 21 days to submit the required proof of income for all relevant household members. The new rent will start on the date nominated in our letter to the tenant household. Where there is an increase of rent

³ Information on Centrelink Confirmation eServices is available at <https://www.humanservices.gov.au/individuals/services/centrelink/centrelink-confirmation-eservices-cces>

payable by the tenant as a result of the review, we will ensure that any action taken for the rent increase is consistent with the requirements of the *NSW Residential Tenancies Act 2010*.

2.5.1 Change in household income – tenant initiated review

A household's income situation may change before our next rent review process is due. If the household receives a rent subsidy, the tenant must advise us of any change in income within 21 days. We will ask for the household's proof of income and recalculate the rent subsidy. After the reassessment, we will advise the tenant the new rent and when it will start.

2.5.2 New rent start dates

The table below provides a summary on the new rent start dates:

If our rent reassessment results in:		New rent start date
a rent increase	and the tenant told us about the income change within 21 days	a. if rent increase is a result of beginning work, the new rent will start 12 weeks from the date the income changed
		b. in all other circumstances, the new rent will start six weeks from the date the income changed
	and the tenant did not tell us about the income change within 21 days	the new rent will begin on the date that the income changed
a rent decrease	and the tenant told us about the income change within 21 days	the reduced rent will be backdated to the date income changed
	The tenant did not tell us about the income change within 21 days	the reduced rent will be backdated to the date income changed up to a maximum of six weeks

2.5.3 Increase in household income without telling us

If a rent subsidy review shows that a tenant's household income has increased but the tenant has not advised us within the 21 day period, we will backdate the increased rent to the date income changed. We may also cancel the rent subsidy and charge the market rent (refer to 2.5.4 in the next section)

2.5.4 Rental subsidy fraud

Affordable and secure housing is a scarce resource and rental subsidy is approved based on a tenant household's eligibility and circumstances. A rental subsidy fraud occurs when a tenant deliberately makes a false, incomplete or misleading statement about the income or assets of themselves or other household members. This includes intentionally failing to tell us about changes to their household circumstances such as permitting unapproved occupants to live at their property.

When investigating an alleged rental subsidy fraud, we will seek necessary information from the tenant and ensure that the tenant is given the opportunity to respond to the allegation made against them. To verify information, we may have to seek assistance from the tenant's employer, government agencies such as Centrelink, neighbours, banks, or other organisations.

When a rental subsidy fraud is proven, we may consider one or more of the following actions:

- cancellation or adjustment of the rental subsidy - this may be backdated with the debt placed on the tenant's rental account;
- formal action to terminate the tenancy in serious cases;
- referral to NSW Police if the fraud is of a criminal nature.

We will advise the tenant in writing of our investigation result and, whenever possible, the documentary evidence collected about the allegation. The tenant will have the opportunity to seek clarification and the right to appeal our decision.

2.6 Not responding to rent review requests

If a tenant does not provide the requested information to allow us to assess the household income and their eligibility for a rent subsidy by the relevant due date, we will do the following:

- The rent will be increased to the market rate on the date of change set for the rent review process, which is 60 days after the first notification letter is sent advising the tenant of the increase to market rent;
- Within the 14 day period prior to the date of change, we will contact the tenant to make a further request for the household's proof of income and advise that market rent will be applied. We will seek to understand the tenant's reasons for not providing the requested information by the due date and refer them to appropriate advice and support services if needed;
- If the required information is incomplete or not submitted by the date of change set for the rent review process, we will start charging market rent. This will continue until all the required information is provided and results in the tenant being eligible for a rent subsidy;
- If the tenant is eligible for a rent subsidy, we will review the circumstances surrounding the delay by the tenant to submit the information by the due date. Depending on the reasons, we may adjust the date from which the market rent would apply.
- We will work with the tenant to explore ways to enable more timely return of the required information for future rent reviews.
- If a tenant is identified as vulnerable/having special needs, and has no regular support, we will consider their situation and their ability to provide the required information for the rent review process. Our General Manager may approve the assessment of rent subsidy without all the information until other arrangements to obtain the information can be made.

2.7 Rent during approved absences

Tenants must continue to pay their rent while they or any household members are away from the property. A tenant must notify us if they are away from the property for more than two weeks.

A tenant may apply for a temporary reduction in rent to \$10 per week for up to 12 weeks for any household members who are:

- required to pay fees for their absences, such as essential accommodation expenses (eg nursing home, rehabilitation facility or respite care), or where they are not entitled to receive an income during their absence (eg in prison)
- going to a refuge or other accommodation because they are at risk of or escaping family violence

If there are household members in the property during the absence, their income will continue to be included in the rent calculation. Holidays, including visits within Australia or overseas will not be considered as meeting the criteria for temporary rent reduction.

A tenant will need to provide us evidence to confirm their situation or that of a household member when seeking approval for a temporary rent reduction. This may include:

- the commencement and end date of the absence period
- information confirming the expenses to be charged for the alternative accommodation
- proof that the person is ineligible for certain income during that period.

Longer periods of absence will be considered individually and require a more detailed assessment. In situations where a lengthy period of absence (eg imprisonment) is involved and there are no other household members, we will ask the tenant to return the property to us and seek rehousing at the end of the absence period. This will ensure that our properties can be put to best use to assist other people who are in need.

2.8 Rent charge frequency and payment methods

We charge rent to tenants on a weekly basis. All tenants are required to always be two weeks in advance with their rent.

For tenants who receive a Centrelink payment, we encourage them to pay their rent by using Centrepay⁴. This will help keep their accounts up to date.

We do not accept cash payments. Tenants can pay their rent by:

- Centrepay deductions – this is the easiest way for tenants to pay us directly from Centrelink
- Internet banking
- Automatic bank transfer
- Bank deposits

⁴ Information about Centrepay can be accessed via the Department of Human Services website <https://www.humanservices.gov.au/individuals/services/centrelink/centrepay>

3. Complaints and appeals

If a tenant is not satisfied with our service or does not agree with a decision we make, including to the calculation, backdating or cancellation of a rent subsidy, they can ask for a formal review. Further information is available in the NSWALC Housing Complaints and Appeals Policy.

If a tenant is unhappy with the outcome of an appeal to NSWALC Housing, they can lodge a second level appeal with the Housing Appeals Committee. The Housing Appeals Committee is an independent agency that can review certain decisions made by Community Housing providers. For information on the Housing Appeals Committee, call 1800 629 794 or go to <https://www.hac.nsw.gov.au/home>

Document information

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