

RENTAL SOCIAL HOUSING POLICY



Purpose

Housing NSW, through the NSW Land and Housing Corporation, provides assistance to community housing providers to supply subsidised rental accommodation to people on very low to moderate incomes and people with additional needs in NSW. Specifically, assistance is provided for the following types of accommodation: social housing, affordable housing, co-operative housing, transitional housing and crisis accommodation.

Community housing providers such as Affordable Community Housing Limited (ACHL) are required to manage this housing in accordance with the policy guidance set by Housing NSW, as detailed in its Community Housing Rent Policy.

This document outlines ACHL's policy in relation to social housing, which is defined as subsidised rental accommodation for people on a very low or low income who meet the required eligibility criteria. This policy covers the following areas:

- Determining the rent
- Assessing tenant income
- Reviewing/changing rent
- Appeals process

A separate, related document outlines ACHL's Rent Policy on Affordable Housing.

Determining the Rent

All tenants living in a property owned or managed by ACHL are required to pay rent on a weekly basis. ACHL charges market rent for all its social housing properties; this is the maximum rent a tenant can be charged. Tenants who cannot afford market rent (i.e. the majority of ACHL clients) can apply for a rent subsidy, which will reduce the amount of rent they pay to ACHL.

Determining market rent

Market rent is the maximum amount of rent a landlord or real estate agent would charge each week if the property were rented in the private market. ACHL determines market rent using a number of sources, including:

- Property valuations and current trends in the private rental market
- Median rent information provided by the NSW Rental

Bond Board

- The geographical location of the property
- The size and design of the property
- Rent charged for properties with similar features

This means the market rent of ACHL properties will be comparable to similar properties in the private rental market. ACHL may only vary the market rent in accordance with the Residential Tenancies Act 1987.

Determining subsidised rent

If a household has a low or moderate income, the tenant can apply for a rent subsidy. The rent subsidy will reduce the amount of money the tenant has to pay to ACHL in rent i.e. the market rent minus the subsidy. ACHL has the authority to grant a rent subsidy under the provisions of the Housing Act 2001.

The subsidy is based on a set percentage of the household's assessable income plus 100 percent of the household's entitlement to Commonwealth Rent Assistance (CRA); the subsidised rent cannot exceed the market rent.

ACHL does not pay the rent subsidy to the tenant, but deducts it directly from the market rent. ACHL reassesses rental subsidies at six-monthly intervals and adjusts them as required (see Reviewing the Rent in this document).

Assessment rate (% of income)	Tenant/Other household member#
25%*	The tenant, their spouse or live-in partner, irrespective of their age. 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 spouse or live-in partner
15%	People living in the household receiving Family Tax Benefit Part A & B
Nil	Persons living in the household aged under 18 years who are not the tenant, their spouse or live-in partner are not assessed for rent-setting purposes

* This rate may differ in prescribed circumstances, for example some programs specify differential rents at 25 per cent, 27 per

Providing secure, affordable housing to those most in need.

Unit 6, 63-79 Parramatta Rd, Silverwater NSW 2128 Phone: 02 8622 1500 Fax: 02 8622 1599 Web: www.achl.org.au

Assessing Tenant Income

ACHL assesses the income of the tenant household to determine the tenant's eligibility for a rental subsidy and to calculate their rent payment, including any increases or decreases due to changing financial circumstances.

Assessable household income is any income that is included in the calculation of a tenant household's rent payment under this policy. Details of assessable and non-assessable income from a variety of sources are shown in Appendix 1 (Rental Subsidy Assessments: ACHL Guidelines).

ACHL requires proof of income for the tenant, their spouse or live-in partner (even if they are under 18 years) and other household members aged 18 years or over. Proof of income must be original, in writing and dated no more than a month prior to the date it is submitted (except for tax returns, which must not be more than 13 months old). ACHL will keep copies of proof of income on the tenant's personal file.

Acceptable proof of income includes:

- Information provided through the Income Confirmation Scheme (ICS) for Centrelink pensions and allowances. When they sign the tenancy agreement, clients are required to complete an ICS consent authority form to enable ACHL to obtain the tenant's income details electronically.
- Income statement from Centrelink or the Department of Veterans' Affairs
- Payslip, payroll advice, letter or statement from an employer detailing gross wage, applicable tax, deductions, pay period and payee details for salary or wages
- Profit and loss statement completed by an accountant, or a tax return, for self-employed clients (details of allowable deductions for the purposes of rent assessment are detailed in Appendix 1 (Rental Subsidy assessments: ACHL Guidelines).
- Letter or statement from an overseas government detailing the amount received
- Letter or statement from WorkCover or an insurance company detailing the amount received
- Letter or statement from an investment organisation about savings/investments etc, providing details of the amount or dividend received
- Letter from another organisation or income provider (not listed above), detailing the amount and type of income received

Additional proof of income may be required where there is a difference in a household's standard income, for example, a household not receiving the standard Centrelink income.

The type of evidence must correspond to the type of income (e.g. Centrelink payment must be proven by a Centrelink Statement). Separate evidence must be presented for each type of income e.g. in households where one member receives a Centrelink payment and another receives a wage.

Tenants who fail to supply income details by the due date for return, as stated in ACHL's written request for information, will not be eligible for a rent subsidy and will be required to pay market rent.

Tenants with no income

Where a household member who is older than 18 years does not receive any income, ACHL will, for the purposes of the rental assessment, deem that they receive the standard Centrelink rate of pension or benefit.

However, a household member who is older than 18 years will not be assessed as contributing to household income if their lack of income (backed by written proof) is due to:

- Holding a provisional refugee visa and waiting to become eligible for statutory benefits
- Awaiting consideration from the Department of Immigration concerning an application for refugee status
- Being in prison or respite care for one month or less.

Reviewing/changing the rent

ACHL regularly reviews the level of rent paid by all tenants in order to:

- Determine, where a rent subsidy is applied, whether the tenant remains eligible for a subsidy (at least every six months)
- Recalculate the level of rent paid in accordance with changes in market rent and/or changes in the tenant's income (at least every six months for subsidised rent and annually for market rent).

Tenants are required to report any significant changes in their household income to ACHL within fourteen days; ACHL will immediately reassess the rent accordingly. The timing of any resulting changes to the rent will depend on the amount and type of change in income, as discussed below and itemised in the table.

Nominal increase in household income

A nominal (i.e. minor or small) increase in household income means where the increase in the assessable household income has been due to:

- Inflationary adjustments made by Centrelink to a household member's pension or benefit
- Adjustment made by Centrelink to a household member's benefit as a result of additional children being born
- Inflationary or usual wage increases received by a household member
- A household member (not the tenant/s) receiving no real increase in income, however, the assessable household income has increased as a result of ACHL's rental assessment policy, e.g. household member turning 18 but still receiving the same amount of income.

Other than during a Rent and Income Review, tenants are not required to resubmit proof of income details where there has been a nominal increase in household income. In such circumstances, the rent will remain at its current level and adjusted, if required, at the time of the next Rent and Income Review (i.e. the effective date of any rent increase).

Real increase in household income

A real (i.e. significant) increase in household income means any increase in income that is not a nominal increase. Such circumstances will include, but not be limited to:

- An additional resident who receives an income moving into the property
- Substantial changes in Centrelink benefits not considered a nominal increase in income
- Additional income being received from sources other than those previously specified by the tenant, resulting in an increase in the total assessable household income that is not in line with inflation.

The effective date for a rent increase due to a real increase in assessable income will be the Saturday closest to 14 days from the date of the increase in assessable household income.

Decrease in household income

Where a tenant advises ACHL of a nominal or real decrease in household income (and ACHL assesses that the rent should be decreased), the effective date of the decrease will be the Saturday closest to 14 days after the date of the change in income. For notifications in response to a Rent & Income Review, the effective date of decrease in rent will be the Saturday closest to the date ACHL was advised of the decrease in assessable income.

The onus is on the tenant to provide ACHL with proof of their decrease in assessable household income within a reasonable period. Where the tenant has a genuine reason for not providing the required information immediately at the time of the decrease in income, ACHL may consider backdating the decrease in rent to the time the decrease in assessable household income occurred. Such approval can be given by the Senior Housing Manager.

Effective dates for rent changes

How/when ACHL is advised of income change	Change in household income	Effective date of change in rent
Tenant supplies required documentation in response to a Rent & Income Review	Nominal increase	Date as notified during the Rent & Income Review
	Real increase	Saturday closest to 14 days after the date of change in household income
	Decrease (real or nominal)	Saturday closest to the date the tenant advised ACHL of the change in household income
Tenant does not return Rent & Income Review documentation within required time	N/A	Rent increased to market rent effective from the date notified as the return date for Rent & Income Review forms

Tenant supplies new household income details of own accord or as requested (but not during a Rent & Income Review)	Nominal increase	No change to rent
	Real increase	Saturday closest to 14 days after the date of change in household income
	Decrease (real or nominal)	Saturday closest to the date the tenant advised ACHL of the change in household income

Checking assessments

Where the assessed rent results in an increase in the rent payable by the tenant, ACHL will ensure any action taken to increase the tenant's rent does not breach the relevant provisions of the Residential Tenancies Act. ACHL will also ensure the new amount does not exceed the market rent.

Where the assessed rent results in a change of ten per cent or more in the rent payable, the assessment will be checked by a second, qualified ACHL staff member; this double-check will be noted on the copy of the rent assessment retained by ACHL.

Fluctuations in income

Where a tenant's income varies and it is not considered feasible to constantly change the tenant's rent, it is possible to average the tenant's income over a six-month period for the purposes of rent assessment. Such an assessment method will be approved by the Housing Services Co-ordinator.

Failure to declare income

Tenants who fail to supply details of their household members and verification of household income by the due date for return of the required information, will no longer be eligible for a rental subsidy and will be required to pay the market rent for the property. In such circumstances, the tenant will receive a final written warning advising:

- The rent will increase to the market rent value, effective immediately
- The rental subsidy will only be backdated to a maximum of fourteen days (14); market rent will commence when the previous rental subsidy expires
- Any decision to increase the length of backdating rests with the Housing Services, Co-ordinator and will only be granted in exceptional circumstances.

Under the Residential Tenancy Agreement, ACHL has the right to seek termination of a tenancy agreement through the Consumer, Trader and Tenancies Tribunal (CTTT) if there is a substantiated breach of the Agreement; this includes a failure to declare income. Only the CTTT can determine that a tenant has breached an agreement.

Notification to tenants

ACHL will notify tenants in writing of any changes in their assessed rent, including a copy of the rental assessment.

Appeals Process

A tenant has the right to lodge an appeal if they disagree or are not satisfied with ACHL's assessment of their rental subsidy. Where possible, tenants are encouraged to first talk to an ACHL staff member. If they are still not satisfied with the decision, they may formally request an internal review by ACHL; a further avenue of appeal is an independent review by the Housing Appeals Committee. Further details are contained in ACHL's Appeals Policy.