

Scope

The Rent and Rent Subsidy Policy outlines the way that Pacific Link Housing Limited (PLH) sets rent and calculates rent subsidy. The Policy applies to all social housing tenants who live in a property that is owned or managed by PLH. As a registered Community Housing provider, PLH's Policy must comply with the NSW Department of Family and Community Services (FACS) Community Housing Rent Policy. The FACS Policy sets out the NSW Government's requirements for rent policies operated by community housing providers in NSW. Rent calculation and eligibility for Affordable Housing tenancies is calculated differently and is explained in PLH's Affordable Housing Policy.

Purpose

The purpose of this policy is to provide information on how PLH calculates rent and manages the bi-annual Rent Review process to ensure a clear and consistent rent setting approach for all tenants. It also explains the responsibilities that tenants have to provide information on their income for the calculation of rent.

Policy Overview

As a starting point, PLH charges market rent for its properties. People on very low to moderate incomes can apply for a rent subsidy to meet the cost of market rent. This subsidy varies according to the type of program and the income level of the tenant. PLH has the authority to grant a rent subsidy under the provisions of the FACS Community Housing Rent Policy and the NSW Residential Tenancies Act (RTA) 2010. In order for PLH to determine if a tenant is eligible for a rent subsidy, the tenant and household members must provide details of their income and assets to PLH. This will occur at commencement of tenancy, when circumstances change and in Rent Reviews every six months during the period of tenancy, as required by FACS Policy. At each Rent Review PLH will request updated income and assets details (eg for increases Centrelink payments) and recalculate the subsidised rent. Where a tenant fails to provide the income and assets information, no subsidy can be granted and market rent is payable.

Market Rent

The market rent is the rent shown in the Residential Tenancy Agreement. For capital (government owned) properties, market rent is calculated as the median market rent for a property of the same type and bedroom size in the Local Government Area. The median rent is determined from FACS Housing's Rent and Sales Report. PLH updates market rents on capital properties annually.

Where the actual market rent in a location is markedly lower than FACS median rent, PLH may set the market rent based on other local data. Such variations must have appropriate, documented evidence to support the decision and the approval of the Executive Manager, Housing.

For leasehold (privately owned) properties market rent is the actual rent payable for properties leased from landlords. Market rents for leasehold properties are reviewed and updated when the actual rent for the property changes.

Tenants whose rent payable is affected by a change in market rent or a change in the rent subsidy will be given 60 days' written notice of the rent increase.

Rent Subsidy

If a household has a very low to moderate income, the tenant can apply for a rent subsidy using PLH's Application for Rent Subsidy form. If a rent subsidy is granted, this will effectively subsidise the market rent payable. PLH does not pay the subsidy to the tenant but deducts it from the market rent. This means that the amount of rent paid by tenants is based on a percentage of their income and assets.

When assessing eligibility for a rental subsidy, PLH will ensure that:

- Each assessment of rent subsidy and the application of market rent are fair, consistent and transparent.
- The complex needs and vulnerability of our tenants will be taken into account and we will be proactive and empathetic in our approach to communicating in these circumstances.
- PLH staff are properly trained and resourced to implement this policy.

Calculating Subsidised Rent

The subsidised rent is calculated according to the FACS Community Housing Rent Policy. Rent subsidies are calculated:

- For a new tenant at commencement of tenancy
- Every six months during the period of tenancy
- When a tenant advises of a change in income
- When a tenant advises of changes in circumstances, eg a household member moves in or out
- When a tenant transfers between PLH properties.

In calculating the subsidised rent, PLH must determine the amount of assessable income before tax and the appropriate assessment rate for each income source for each household member. The total of these amounts plus 100% of estimated Commonwealth Rent Assistance (CRA) determines the rent payment for the household.

In summary, assessable income in FACS Policy includes:

- Income from statutory payments
- Wages or casual earnings
- Income from self employment
- Any assessable supplement payment
- Any household member not eligible for a payment or who is eligible for a statutory payment will be charged rent based on the statutory allowance amount.

Household members are all people living in the property, regardless of age or relationship. The following table shows the percentage of income payable by different members of a household:

Assessment Rate	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 member 21 years and 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%	Family Tax A & B
Nil	Persons living in the household aged less than 18 years who are not the tenant, their spouse or live-in partner are not assessed for rent setting purposes.
Note: For purposes of the Policy, the <i>tenant</i> is defined as the person or persons who have signed the tenancy agreement with PLH	

We estimate the amount of CRA that each household member receives based on how much rent they will pay and include that amount when we calculate the rent. If the actual CRA received is different from our estimate, we will ask for a document from Centrelink which shows the amount of CRA. Once we receive the document from Centrelink, we will review the rent amount and tell the tenant the outcome.

The minimum rent that must be paid is \$5 per week. The amount of rent collectively obtained from tenants in a property under a shared living arrangement may not exceed the market rent for the property.

Rent Reviews

All tenants' income and asset amounts are reviewed six monthly, as required by FACS Policy, to ensure that tenants remain eligible for a subsidy and to recalculate the rent payable. PLH will write to tenants providing the Application for Rent Subsidy Form for completion and requesting the income and asset information for the tenant and any household member aged 18 and over to be provided by a due date, normally 30 days. Tenants and household members may also sign a form giving us permission to confirm their benefits income directly with Centrelink.

This rent review notification letter states the date that the new rent will start from and is sent 60 days before the rent increase date plus an additional 7 working days for postal delivery. This letter also constitutes a 60 days' notice of a market rent increase.

Details of the documentation required for proof of income are outlined below. Tenants agree to supply their income details to PLH when commencing their tenancy. Tenants who fail to supply a completed Application for Rent 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 Administrative Tribunal (NCAT) action.

Once the new subsidised rent has been calculated, PLH will write a letter to confirm the new amount. To ensure tenants are well informed about how rents are determined, the letter provides an outline of the subsidy calculation, including the income amounts on which the calculation is based. Tenants may sign a form giving us permission to notify Centrelink of the new rent amount that is paid directly to PLH. Tenants who have not given this consent to PLH must contact Centrelink to adjust their fortnightly direct debit rent payment amount to PLH, otherwise they will fall into arrears.

Proof of Income

The tenant is responsible for giving us the income details of all household members. The tenant/household members must give us proof of all types of income for themselves and other household members who are 18 years of age or older. Proof of income must be original and can include:

Type of income	Acceptable proof of income
Income from Centrelink	Income statement from Centrelink. If a tenant/household member has given us permission to access their Centrelink income statement online, they do not need to give it to us.
Income from Veterans' Affairs	Income statement from Centrelink or the Department of Veterans' Affairs. Tenants must contact the Department of Veteran's Affairs to request a updated income statement and send this to PLH.
Wages/salary	Pay slips, a letter or statement from the employer showing the person's gross wage, tax, deductions, pay period and details for the person. Documents must show the income for a minimum period of 4 weeks. If the tenant or household member has casual work, they must give at least 12 weeks' payslips reflecting the hours worked and income received.
Self-employed	Profit and loss statement completed by an accountant or taxation return and at least three month business and personal bank statements for self employed tenants and household members.
Income from an overseas government, WorkCover or an insurance company/agency	Letter or statement from an overseas government, WorkCover or an insurance company showing any money paid to them.
Income from investments	Letter or statement from a finance or investment company showing any amounts paid to them from investments.
Other	Letter from another company or agency not listed above that pays them money, showing the type and amount of money paid.

Documents must not be more than one month old on the date they are submitted, and Centrelink income statements must be current showing the change in payments in line with the increase in CPI rates. An exception is given for tax returns for people who are self-employed which must not be more than 13 months old.

Changes In Circumstances

PLH will ensure that tenants are informed at sign up, and during each rent review period, that they must notify us of any changes to their household income or household members, as a condition of their tenancy obligations.

If a tenant's household income or family circumstances change at any time, the tenant must advise PLH with 10 business days. When a tenant informs PLH of a change in their circumstances, we will send a written letter to acknowledge the request for a re-calculation of the rent subsidy and request any relevant documentation that may be required to complete the review. The re-calculated rent subsidy will take effect from the date of the change of income or circumstance.

If a tenant/household member's income increases from finding new employment additional rent will not be charged for the first two weeks. This is to allow for the costs of acquiring items that may be needed for the workplace, e.g. appropriate clothing/shoes etc.

If a tenant's income decreases between income reviews, eg a working household member is stood down from paid work, their rent payment will be assessed as soon as notification is received in view of the decreased income. The new reduced rent will be implemented with effect from the date of notification.

Failure to Provide Information

If a tenant fails to provide all information to allow assessment of household income to take place by the relevant due date, PLH will phone the tenant to remind them. If the information is still not provided, a final reminder letter will be issued. If no information is provided, the rent will be increased to the market rent value on the date of change advised in the notice letter.

Rent while tenants/household members are away

Tenants and household members must pay their rent while they are away from the property. In some situations, a tenant can ask us to reduce the rent that we charge them. If a tenant or household member is approved for reduced rent, the rent charged for that person will be \$5 per week. If other people are living in the household, we will still use their income to work out the rent. We will only reduce rent in the following situations:

Situation	Details
<p>The tenant or household member is going to be away from their property because they are going into:</p> <ul style="list-style-type: none"> • hospital for long term care, • a nursing home, • rehabilitation facility, • respite care, • a refuge or other accommodation because they are at risk or escaping domestic violence 	<p>We will charge that person \$5 per week if they need to pay costs at the place where they are staying.</p> <p>The reduced rent can be approved for up to 12 weeks. After 12 weeks, we will look at the person's situation and decide whether to cancel or extend the rent reduction.</p>
<p>The tenant or household member is going into prison</p>	<p>We will only approve a rent reduction to \$5 per week if the person will be in prison for 6 months or less. If the person is expected to be in prison for more than 6 months, they must relinquish their property.</p>

We will not reduce rent when the tenant/household members are away for other reasons such as holidays, employment, education, training or helping with immigration matters in their home country. Rent reductions must be approved by the Executive Manager, Housing. The tenant/household member must give us written proof to support their request for a rent reduction. This could include proof of where they will be staying and how much they will pay in costs or how long they will be in prison.

Rent Payment Options

At the commencement of the tenancy PLH will explain the requirements for paying rent and the payment options. Rent must be paid weekly or fortnightly and must remain two weeks in advance throughout the tenancy.

There are five ways for tenants to pay rent:

1. If tenants are on a Centrelink benefit, the most convenient method is to arrange for rent payments to be paid direct by Centrepay to PLH. PLH can provide tenants with the relevant form to give to Centrelink.
2. Tenants can check and pay rent and water charges on PLH's tenant smartphone app *My Home & Community*.
3. Via direct deposit. PLH will provide our bank account details and tenants must record their Tenant ID number on the payment so that we know who the payment is from.
4. Send a cheque or money order from the post office for each payment.
5. Pay rent by cheque at the office (we don't accept cash).

Individual receipts are not issued and payments received by PLH are shown on rent statements. Non-rent payment eg water usage charges should be paid by separate deposit to the rent payment unless PLH holds a written authority from the tenant to split payments between rent and non-rent accounts.

Rent Statements

A tenant can ask us for a rent statement at any time. If a tenant asks us for a rent statement, we will give them the statement within 7 days. Rent statements can be viewed on PLH's tenant smartphone app *My Home & Community* at any time.

Rent Subsidy Fraud

Social housing is a scarce resource and a rent subsidy is available for those who are amongst the most vulnerable in society. 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. It is a tenant's responsibility to prove that they are eligible to receive a rent subsidy and to ensure that all changes in their household circumstances are reported to PLH. Tenants must ensure that all occupants of the property have been approved by PLH and that they are paying rent in accordance with the Rent Policy. If an additional household member is approved, PLH will backdate any additional rent from the date of occupancy. In the case where a household member is not approved, tenants have the right to appeal this decision.

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 PLH 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 PLH of any change to their household circumstances but has not done so deliberately.

If PLH receives information that a tenant is receiving a rent subsidy that they may not be entitled to, we are required to investigate to determine if:

- Rent subsidy fraud has occurred, or
- Rent subsidy non-disclosure has occurred, or
- The rent subsidy is correct and no further action is required.

Once investigated and PLH has proven rent subsidy fraud or non-disclosure, action may include any or all of the following:

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

When investigating an allegation of rent subsidy non-disclosure or fraud, PLH will apply procedural fairness. We will ensure that tenants are made aware of the nature of the allegations wherever possible and their right to provide evidence to refute any allegations made against them. During investigations, tenants can expect to:

- Have an impartial hearing with PLH
- Have a support person of their choice present at interviews
- Have an interpreter if required
- In most cases PLH will advise the tenant of the information and any documentary evidence PLH has obtained of the allegation
- Have an opportunity to respond to the allegations made against them
- Receive a written letter recording the findings of the interview. Tenants will have an opportunity to read and check that PLH has recorded an accurate account of the interview, and details of their right to appeal
- Receive a final determination in writing.

Complaints and Appeals

Tenants can appeal decisions about their rent and subsidy levels or their entitlements to a subsidy.

If a tenant is not satisfied with a service provided by PLH or does not agree with a decision it has made, they should first discuss their concerns with their Housing Manager. If they are still not satisfied they can ask for a formal review. Refer Complaints and Appeals Policy.

Craig Brennan

Craig Brennan, CEO April 2019