

### Scope

The Social Housing 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 Communities and Justice (DCJ) Community Housing Rent Policy. The DCJ 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 Subsidy review process undertaken every six months, and to ensure a transparent 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.

### Definitions:

#### Rent subsidy:

The difference between the rent paid by the tenant and the market rent.

#### Subsidy Review:

A review of the household' assessable income to pre-determined household income limits

### 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 DCJ Community Housing Rent Policy and the NSW Residential Tenancies Act (Act) 2010.

In order for PLH to determine if a tenant is eligible for a rent subsidy, the tenant must provide details of all household members' income and assets to PLH. This will occur at commencement of tenancy, when circumstances change and in Subsidy reviews every six months during the period of tenancy. At each Subsidy review PLH will request updated income and assets details (e.g. for increases in 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 social housing properties managed or owned by PLH, market rent is calculated by DCJ as the median market rent for a property of the same type and bedroom size in the area where the property is located. PLH updates market rents on social housing properties annually.

Where the actual market rent in a location is markedly lower than the DCJ 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 Manager, Tenancy and Transitional or their delegate.

For properties that PLH leases from private owners, market rent is the actual rent paid by PLH. Market rents for leasehold properties are reviewed and updated in accordance with the Residential Tenancy Agreement between PLH and the private landlord.

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, plus 7 days allowance for postage, 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.

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 DCJ 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 household Commonwealth Rent Assistance (CRA) entitlement determines the rent payment for the household. Example:

$$\text{Subsidised rent payable by a tenant} = (\text{percentage of household income and assets}) + 100\% \text{ Commonwealth Rent Assistance (CRA)}$$

Assessable income in DCJ Policy includes:

- income from statutory payments
- wages or casual earnings
- income from self employment
- any assessable supplement payment

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 21 years and over.
25%	Clean Energy Supplement
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 Benefit Part A & B and Clean Energy Supplement on these benefits
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.
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	

The Home Purchase Assistance Scheme (HPAS) have different assessment rates to the those listed in the table above. HPAS assesses 25% of household income up to, but not exceeding market rent. All CRA for HPAS is assessed at 25%.

PLH estimates 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.

For any household member who does not receive a statutory payment or receives a reduced statutory income because they have chosen not to apply for an income to which they are entitled, or are not eligible to receive a statutory income because they have gone overseas or other valid reason, PLH will calculate rent based on the statutory allowance amount that the person would otherwise be entitled to receive..

Studio apartments which do not have a separate bedroom are not listed as a separately identified type of accommodation in the DCJ median rents. PLH will assess the maximum rent payable for this type of accommodation at 75% of the maximum rent payable for a one bedroom property in that location.

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.

Once the subsidised rent has been calculated, PLH will confirm the amount in writing. Tenants are provided with an outline of the subsidy calculation, including the income amounts on which the calculation is based. To enable a convenient and efficient process, PLH requests that tenants sign a form which gives PLH permission to set up a deduction for rent to be paid directly from Centrelink to PLH. Tenants who have not given this consent to PLH must make arrangements with Centrelink or their bank for their rent to be paid to PLH, otherwise they will fall into arrears.

### Proof of Income

The tenant is responsible for providing PLH with the income details of all household members aged 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 or Department of Veterans' Affairs (DVA)	Current income statement from Centrelink or DVA. If a tenant/household member has given PLH permission to access their Centrelink income statement online, PLH will download this directly from Centrelink.
Wages/salary	Current payslips (or a signed letter or statement from the employer showing the person's details and weekly gross income if payslips cannot be obtained and PLH provides consent). If the tenant or household member works fixed hours, 4 weeks of payslips must be provided. If the tenant or household member has casual work, 12 weeks' of payslips are required.
Self-employed	Either: <ul style="list-style-type: none"> <li>• a full version of a lodged tax return from the Australian Tax Office (ATO) not more than 13 months old., or</li> <li>• a profit and loss statement completed by an accountant or</li> <li>• the last three month business and personal bank statements for all investments, business and personal accounts.</li> </ul> Self-employed income will be calculated on the income earned from the previous financial year.
Income from investments	Current letter or statement from a finance or investment company showing any income or dividends from investments.
Other Income	Current letter from an overseas government, a company (eg insurance) or agency (eg WorkCover) that pays the tenant/household member money, showing the type and amount of income.

PLH may require additional or specific documentation from tenants to determine whether the income being declared by tenants and their household members is accurate. Tenants must provide this information within a reasonable timeframe.

### Subsidy reviews

All tenants' income and asset amounts are reviewed six monthly, as required by DCJ 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 proof of income and asset documentation for the household by a due date, normally 30 days. Tenants and household members will also be asked to sign a form giving PLH permission to confirm their statutory benefits income directly with Centrelink.

Once the new subsidised rent has been calculated, PLH will confirm the new amount in writing and require tenants to either sign a Centrelink consent form or contact Centrelink directly to adjust their fortnightly rent payment amount to PLH.

**Changes In Circumstances**

If a tenant’s household income or the people making up the household changes at any time, the tenant must advise PLH within 21 days. When a tenant informs PLH of a change in their circumstances, we will provide a written acknowledgement and request proof of income documentation

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 and documentation is received providing proof of the decreased income.

**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.

**Back Dating of Rent**

Where the rent increase is a result of tenant non-compliance with request for income information, the new rent will apply from the subsidy review effective date until the date income information is provided. If updated information is provided new rent will be calculated effective from the date the income information is received (*not backdated to the subsidy review increase effective date*). Where it is deemed that there were exceptional circumstances relating to the tenant not complying with the request to supply updated income information or the tenant is eligible on grounds of hardship, the Manager, Tenancy and Transitional, or their delegate may authorise a variation to the new rent effective date. If an additional household member is approved, PLH will backdate any additional rent from the date of occupancy.

**Effective Dates for Rent Changes**

The table below explains when changes to rent become effective:

<b>Subsidy review Outcome</b>	<b>Situation</b>	<b>New rent start date</b>
Rent increase	The tenant told PLH about the change within 21 days	Effective date advised in PLH letter
Rent increase	The tenant did not tell PLH about the change within 21 days	The new rent will start on the date that the income changed
Rent increase	The tenant told PLH about the change within 21 days and the increase is from new employment	14 days after the date of change of income

Rent decrease	The tenant told us about the change within 21 days	The new rent will start on the date that the income changed
Rent decrease	The tenant did not tell us about the change within 21 days	The date that the income documentation was provided
Rent increase from periodic subsidy reviews	Tenants are given a minimum of 16 days' notice before the new rent comes into effect.	16 days plus 7 days postage from PLH notice of rent increase

**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, PLH will still use their income to calculate the rent. 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. We will only reduce rent in the following situations:

Situation	Details
The tenant or household member is going to be away from their property because they are going into: <ul style="list-style-type: none"> <li>• hospital for long term care,</li> <li>• a nursing home,</li> <li>• rehabilitation facility,</li> <li>• respite care,</li> <li>• a refuge or other accommodation because they are at risk or escaping domestic violence</li> </ul>	We will charge that person \$5 per week if they need to pay costs at the place where they are staying.
The tenant or household member is going into prison	We will only approve a rent reduction to \$5 per week if the person will be in prison for 3 months or less. If the person is expected to be in prison for more than 3 months, they must relinquish their property.

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 Manager, Tenancy and Transitional or their delegate. 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 up to date throughout the tenancy.

Tenants can pay rent in any of the following ways:

1. If tenants are on a Centrelink benefit, the most convenient method is for rent payments to be paid direct by Centrepay to PLH. The tenant can provide consent on a form to allow PLH to set this payment up. If the tenant does not provide consent to PLH, they will have to deal directly with Centrelink to set up the rent payment.
2. 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.
3. Send a cheque or money order from the post office for each payment.
4. 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 and this will be provided within 7 days.

### Rent Subsidy Fraud

PLH has the authority to grant a rent subsidy to eligible tenants under the provisions of the Housing Act 2001 (NSW). 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 promptly to PLH. Tenants must ensure that all occupants of the property have been approved by PLH.

**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.

**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.

You may be receiving a rent subsidy to which you are not entitled to if you have not told PLH about:

- all household members or a change to the people in your household
- all income received by household members (including you)
- a change to the income of any household member (including you)
- all financial interests of household members (including yours) including, for example, shares, savings or an inheritance
- all property ownership interests of household members (including yours).

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:

- we believe rent subsidy fraud has occurred, or
- we believe rent subsidy non-disclosure has occurred, or
- the rent subsidy is correct and no further action is required.

We consider a range of evidence when deciding:

- whether an alleged failure to disclose information about your household circumstances is an unsubstantiated allegation, rent subsidy non-disclosure or possible rent subsidy fraud

- if any mitigating or extenuating circumstance apply, including domestic and family violence.

If, following investigation, PLH has decided rent subsidy fraud or non-disclosure, action may include any or all of the following:

- cancellation of the rent subsidy 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.

### 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 Officer. If they are still not satisfied they can ask for a formal review. Refer Complaints and Appeals Policy.

### Related Documents

Residential Tenancies Act 2010  
 Residential Tenancies Regulation 2010  
 Community Housing Rent Policy  
 Occupancy and Visitor Policy

Policy Owner	Executive Manager, Operations
Approval Authority	Board
Last reviewed and key changes	March 2025, minor changes to wording
Approval Date	April 2023
Next Review	April 2026
Website published	Yes