



7.5 Rent

Guiding Principles

- Market and rent subsidy reviews are fair, consistent and efficient.
- Rents are set in accordance with the Community Housing Rent Policy, funding agreements and the *Residential Tenancies Act 2010*.
- The rent review process takes account of individual hardship and is flexible in responding to individual tenants without compromising consistency to all tenants.
- SGCH is accountable for the way rents and other tenancy charges are set and reviewed.
- SGCH maintains a balance between social and business responsibilities and is both just and viable.

Market rent

The market rent is the rent shown on the Residential Tenancy Agreement.

For capital properties, the market rent is based on the current Housing NSW (HNSW) Rent and Sales Report. For leasehold properties, market rent is equivalent to the actual rent paid for the property by SGCH.

Market rents for capital properties are reviewed annually. Market rents for leasehold properties are reviewed and updated when the actual rent for the property changes.

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*. When the market rent for a leasehold rent is increased and accepted by SGCH, the tenant is given notice of the rent increase as per the Act.

Rent subsidies

Tenants can apply for a rent subsidy by providing the current income details for every member of their household and a signed tenant declaration listing the current household members. Rent subsidies are capped at the market rent for the property.

Rent subsidies must comply with the current funding guidelines for each housing program and the Community Housing Rent Policy. The rent subsidy is based on a percentage of the gross household income and 100% of the households Commonwealth Rent Assistance (CRA) entitlements. The percentage charged varies according to the housing program.



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Income source	Assessment rate
Tenant, their spouse or live-in partner irrespective of age	25%*
All other household members over the age of 21	25%*
All other household members aged 18 – 21	15%
Family Tax Benefit A and B	15%
All other household members under 18 years of age	Nil

*The rent for some housing programs is set at 27% or 30%. Refer to specific funding guidelines/policies for further details.

Commonwealth Rent Assistance

All rent subsidy calculations include 100% of the households CRA entitlements. SGCH will calculate the amount of CRA that the household is expected to receive based on their income details. If there is a discrepancy between the amount of CRA calculated by SGCH and the actual amount received, SGCH will ask the tenant to provide documentation from Centrelink showing the actual amount received. Once this documentation is received, SGCH will review the calculation and the documents provided and will advise the tenant of the outcome of the review.

Community Housing Rent Policy

Rent subsidies are currently set at 25% of the gross household income plus 100% of the households CRA entitlements. If the rent subsidy, including CRA, exceeds the market rent of the property, rent will be capped at market rent and the percentage of CRA paid to the housing provider will be adjusted accordingly.

For tenants who transferred to SGCH from Housing NSW and were paying 18%, this rate will increase by 1% each year from December 2009 until it reaches the standard rate of 25%.

Social Housing Subsidy Program (SHSP)

Rent subsidies are set at 25%, 27% or 30%. The rate of rent charged is based on the gross annual household income. The SHSP income ranges change annually in accordance with the Consumer Price Index (CPI).

Single Living Unit Program

Rent subsidies are set at 30% of the gross household income plus 100% of CRA.

Review of rent subsidies

Tenants are requested to provide proof of their current gross household income details annually to allow SGCH to recalculate their rent subsidy. If tenants choose not to supply documentation of their current gross household income or if the documentation provided is incomplete, the market rent for the property will be charged. Reviews of rent subsidies should be conducted at least six months apart unless the tenant requests the review or their income changes. Tenants



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may also request a review of their rent subsidy by providing documentation of their current gross household income.

Tenants or household members who receive benefits from Centrelink may elect to sign an Income and Deduction Variation Consent Authority which authorises SGCH to access an electronic statement from Centrelink showing the current income details for the tenant or household member and make changes to an existing Centrepay deduction.

Adjustments to rent subsidies are made in a manner that is fair and consistent.

- If a tenant advises their Housing Manager verbally that their income or the income of a household member has decreased and submits sufficient proof later, the reduced subsidised rent will be backdated to the date that their income changed as shown on the documentation.
- If a tenant advises their Housing Manager that his/her income or the income of a household member has increased, the tenant has 8 weeks to provide SGCH with documentation of the new gross household income. The new rent subsidy will begin after the 8 week period and is not backdated to the date the income increased. If a tenant does not submit documentation verifying the new gross household income by the end of the 8 week period and every effort has been made to contact the tenant and obtain the documentation, market rent will be charged.

Hardship and special circumstances

A tenant can apply for consideration of hardship based on special circumstance. In cases where fraud is suspected, market rent is charged pending proof of income.

No income

Where a tenant or household member does not receive an income and can provide documented evidence from a relevant government authority to show that they are not entitled to receive an income, a minimum of \$10 per week will be charged as rent for that person.

An income below the statutory minimum

Where a tenant or household member receives an income that is below the statutory minimum entitlement and can provide documented evidence from a relevant government authority that shows that they are not entitled to receive supplementary income based on their current circumstances, rent will be charged on the income that they receive or \$10 per week, whichever is greater. If the tenant or household member is entitled to receive a supplementary income rent will be charged according to the current statutory minimum.

Approved absences

The current rebated rent will continue to be charged for during any period of



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absence from the property

A tenant/household member may apply for reduced rent for a maximum of twelve weeks if they are:

- A sole occupant who is in a nursing home
- Undertaking rehabilitation
- In hospital for long term care
- In respite care
- In prison
- In a refuge or alternative accommodation, due to escaping domestic violence or being at risk

The following principles apply:

- Tenants/household members will only be eligible for reduced rent if they are required to pay fees during the absence such as accommodation costs, or are not entitled to receive income during the absence.
- The tenant/household member must provide documented evidence of the commencement and end dates and the costs incurred for the alternative accommodation or that he/she is not entitled to income during the absence.
- The reduced rent during the absence will be calculated according to the costs incurred and the income the tenant/household member will receive during the absence. If there are other household members in the property during the absence, their income will continue to be included in the rent calculation.
- The minimum reduced rent is \$10 per week.
- The reduced rent policy does not apply to tenants/household members who are absent for other reasons such as holidays or assisting with immigration matters in their home country and in these cases the existing rent will be maintained.

Useful Guidelines

Casual or seasonal wages

Fluctuating income is managed by averaging the actual income received over a set period:

- It is reasonable to average the income from the previous three to six months.
- The annual tax return can be used for calculation.

Overtime payments

Overtime payments are included as part of the tenants/household members income.



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Self employed

A self employed tenant or household member has to provide the most recent profit and loss statement from an accountant or a recent tax return (not a tax assessment notice). If the income is below the standard rate of Newstart then the tenant or household member's rent will be assessed using the current Newstart rate.

Payment Options

Rent can be paid using any of the following methods:

- Centrepay deductions
- Internet banking
- Bank deposits
- Money orders

Cash payments are not accepted.