

# Rent

## Overview

This policy explains:

- How we work out and review rent.
- Our tenants' responsibilities.
- How we will meet our legal duties.

## Scope

This policy applies to Muslim Care. This policy does not include Affordable Housing. Information about affordable housing rents is in our Affordable Housing policy.

## Our promise

We will:

- Be fair and clearly explain how rent is worked out.
- Meet our legal duties when working out and reviewing rent.

## Definitions

### Market rent

Market rent is based on how much it would cost to rent the property privately. Rent will not be higher than the market rent.

### Tenant

The tenant is the person or people who signed the Residential Tenancy Agreement.

### Household members

Household members are other people we have approved to live in the property.

### How we work out market rent

Our Residential Tenancy Agreements show the market rent for the property. If the market rent changes, we will give tenants written notice of the change as required by law.

For properties that we own or manage, the market rent is based on the median market rent for that type and size of property in the area where the property is. We review market rents for these properties every year. We use information from the current Rent and Sales Report by Department of Communities and Justice (DCJ) to work out the market rent. When the rent amount in the report is higher than actual market rents, we will use current rents in that area for a similar type of housing to work out the market rent. When we use current rental information, it will be approved by a General Manager.

For properties that we rent from private landlords, the market rent is the rent we pay for the property. We will change the market rent for these properties when the rent we pay for the property changes.

### How we work out rent

We follow the rules in the NSW Community Housing Rent Policy to work out the rent amount.

Tenants who cannot afford the market rent can pay a rent subsidy if their household income is below the household income limits set by the Department of Communities and Justice. These limits are updated annually. If a household's income is more than the income limits, they will be charged the market rent for the property they live in.

The table below shows how we work out a rent subsidy:

25-30%* of income (before tax) for: • the tenant, their spouse or live-in partner (regardless of their age), AND • household members 21 years of age and over
15% of income (before tax) for all other household members aged 18-20 years.
15% of Family Tax Benefit A and B received by all household members
100% of Commonwealth Rent Assistance (CRA) that the household could receive

\*For new Muslim Care tenants, the percentage charged is worked out by comparing the household income to the household income limits set by DCJ and updated annually.

A rent subsidy will never be more than the market rent for the property that the tenant lives in.

Not all types of income are included when we work out a rent subsidy. The NSW Community Housing Rent Policy sets the rules for the types of income that are included.

So that we can work out the rent amount, the tenant must provide proof of income for:

- themselves, their spouse or live-in partner, AND
- all members of the household aged 18 years and over

#### Commonwealth rent Assistance

We work out the amount of CRA that each household member should get based on how much rent they will pay and include that amount when we work out the rent. If they don't get the full amount that we think they could receive, we will ask them to give us a document from Centrelink which shows the amount of CRA that they are getting. Once we receive the document from Centrelink, we will review the rent amount and tell the tenant the outcome.

#### Reviewing rent amounts

We review each tenant's rent at least every 6 months.

When we review the rent we charge, we will write to tenants and ask them to give us current proof of income for themselves, their spouse and every household member 18 years of age or over. We will give tenants a reasonable amount of time to provide the information that we need.

Tenants and household members who receive income through Centrelink can give us permission to confirm their income instead of providing these details.

The types of documents that we can accept as proof of income are listed in the Proof of Income section of this policy.

The new rent will start on the date written in our letter. If a tenant doesn't give us their household income details by the due date, we might charge them market rent.

#### When household income changes

Because we use the household income to work out how much rent to charge, tenants must tell us within 21 days when their household income changes or the people in the household change.

When we are told about changes, we will ask for proof of income for the household and review the rent amount within 14 days of getting the new income details. After we review the rent, we will tell the tenant their new rent amount and the date that their new rent amount will start. The table below explains when the new rent will start.

Rent review outcome		New rent start date
Rent increases	The tenant told us about the change within 21 days	The billing day after rent review is completed.
	The tenant didn't tell us about the change within 21 days	The new rent will start on the date that the income changed.
Rent decreases	The tenant told us about the change within 21 days	The new rent will start on the date that the income changed.
	The tenant didn't tell us about the change within 21 day	The billing day after rent review is completed.

The Head of Region or General Manager, Customers and Communities, can make decisions about rent start dates outside of this policy.

#### Rental Fraud or changes in Income

If a tenant has committed rental fraud or hasn't told us about changes to their household income, we might backdate the rent to the date the income changed. Decisions about backdating rent or referral to a relevant authority (e.g. Centrelink) in the case of rental fraud will be made by the Head of Region, Customers and Communities and/or the General Manager, Customers and Communities. Refer to our Rental Fraud policy for more details about how we manage Rental Fraud.

#### Other circumstances

##### No statutory income or a reduced statutory income

A statutory income is an income received from Centrelink or another government agency (e.g. Department Veterans' Affairs).

There may be situations when a tenant or household member receives no statutory income or a reduced statutory income because:

1. have chosen not to apply for an income which they could receive or
2. are not eligible to receive a statutory income because:
  - i. They have gone overseas.
  - ii. They receive a job seeker payment, have not sought work and have become ineligible for further payments for a specified period.
  - iii. They have received a compensation or other lump sum payment that is less than the relevant statutory income, or Centrelink deems them to have sufficient resources and Centrelink expects them to use those resources for living expenses.
3. Have breached Centrelink requirements or are repaying a Centrelink debt.
4. Are New Zealand citizens who are in Australia on a non-protected Special Category Visa.

In these situations, we will charge the person for the statutory income which they would otherwise receive.

Where a tenant or household member cannot get a statutory income, they must give us documents which show that they are not able to do so. If a person:

- has no income,
- is not able to get an income from Centrelink, and
- has gone through all possible appeal options with Centrelink,

we will charge \$5 a week rent for that person when we are working out the rent amount. If other people are living in the household, we will still use their income to work out the rent.

#### Casual or seasonal wages

If a tenant or household member's income changes because they do casual or seasonal work, we will use their average income from the past 3-6 months or their income from their last tax return when we are working out their rent.

#### Overtime payments

We will include overtime payments as income when we are working out rent.

#### Self employed

If a tenant or household member is self-employed, we will ask them to give us their most recent tax return or a profit and loss statement from an accountant. We follow the rules set out in the NSW Community Housing Rent Policy to work out their income. If their income is less than the standard rate of Newstart Allowance, we will use the current rate for Newstart Allowance to work out their rent.

#### Rent while tenants/household members are away

Tenants and household members must pay their rent while they are away from the property.

Housing is a limited resource. If tenants are going to be away from their property for long periods, we will ask them to voluntarily give up their tenancy.

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, we will charge that person \$5 per week rent when we calculate the household rent. 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"> <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>	<p>We will charge that person \$5 per week rent if they need to pay costs at the place where they are staying. They will need to show us evidence that they have to pay costs at the place where they are staying.</p> <p>The reduced rent can be approved for up to 12 weeks. After the 12 weeks, we will look at the person's situation and decide whether to cancel or extend the rent reduction.</p> <p>For transitional tenancies, where the maximum time a person can live in a property is usually</p>

	limited under program guidelines, we will only approve a rent reduction for up to 3 months during the transitional tenancy.
The person (a tenant or household member) is going into prison and the reason they are going to prison is not related to an offence which is a breach of the tenancy agreement	<p>We will only approve a rent reduction to \$5 per week rent if the person will be in prison for 6 months or less (and the reason they are going to prison is not related to an offence which is a breach of the tenancy agreement). If a tenant is expected to be in prison for more than 6 months, they will need to hand back their property. If there are other approved household members, one of them may apply for succession of tenancy. Refer to our Succession of Tenancy policy for more information.</p> <p>For transitional tenancies, where the maximum time a person can live in a property is generally limited under program guidelines, we will only approve a rent reduction for up to 3 months. After the approved period, the \$5 per week rent will be cancelled and the rent amount the person paid before the rent reduction will apply.</p> <p>A \$5 per week rent will only be approved on one occasion per person.</p>

We will not reduce rent when the tenant/household members are away for other reasons such as holidays or visiting family or helping with immigration matters in their home country.

Rent reductions must be approved by Head of Region, Customers and Communities. The Head of Region or General Manager, Customers and Communities, can make decisions about rent reductions outside of this policy.

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.

#### Start Work Bonus

The Start Work Bonus helps tenants and household members who are starting work or re-starting work after a break.

If a tenant or household member is approved for the Start Work Bonus, it means that their new income from working will not be included in their rent assessment for 26 weeks.

A tenant or household member will be approved for the Start Work Bonus if:

- The tenant tells us about themselves or a household member starting work within 21 days of starting work.
- The tenant provides current proof of income for all members of the household within 21 days of starting work.

- The household is currently paying a rent subsidy and the person applying for the Start Work Bonus did not have any income from working included in their rent assessment before they started the job.

People will not be able to receive the Start Work Bonus if they:

- Pay market rent,
- Are changing jobs,
- Are moving from casual to permanent, or part-time to full-time work,
- Have received a Start Work Bonus in the past 18 months,
- Are currently paying a \$5 per week rent.

#### Proof of income

The tenant is responsible for giving us proof of income details for:

- the tenant's spouse or live in partner, AND
- all household members who are 18 years or older.

Proof of income documents must be original and can include:

Type of income	Acceptable proof of income
Income from Centrelink or Veterans' Affairs	Income statement from Centrelink or the Department of Veterans' Affairs.
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 3 weeks.
Self-employed	Profit and loss statement completed by an accountant or taxation return.
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 to them.

If a tenant/household member has given us permission to get their Centrelink income statement online and does not have any other source of income, they do not need to give it to us.

Proof of income must match the type of income that the person is getting. For example, if a person receives a Centrelink income, they must give us their Centrelink statement. The tenant and household members must give us proof of income for all types of income that they get. Proof of income cannot be more than one month old, except for tax returns for people who are self-employed which cannot be more than 13 months old.

#### Payment Options

Tenants can pay their rent by:

- Centrepay deductions
- Internet banking
- EFTPOS
- Bank deposits
- Money orders
- Cheques
- Online, via our website

We do not accept cash payments.

For security reasons, credit/debit card details must not be sent to us via email, text or any written format.

Rent receipts and 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.

Appeals

Tenants can appeal our decisions about their rent. Our Appeals policy has more information on appeals.

Relevant legislation, regulations or standards

- Residential Tenancies Act 2010

### **Policy information**

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