

Policy

Rental Pricing (SAHF Phase 2)



Purpose

The purpose of the Rental Pricing Policy (SAHF Phase 2) is to outline how Anglicare calculates tenants' rents in relation to the Service Package Dwellings.

Scope

This policy applies to all tenants, ex-tenants and applicants of the Service Package Dwellings.

Policy Statement

Anglicare will ensure that tenancies in relation to the Service Package Dwellings are managed in an effective and professional manner according to all relevant legislation and guidelines, including the *Residential Tenancies Act 2010*, the *Residential Tenancies Amendment (Social Housing) Act 2005*, the Residential Tenancy Regulations, the *Housing Act 2001*, the *NSW Community Housing Rent Policy* under FACS policies, *NSW Affordable Housing Ministerial Guidelines 2017-18*.

Policy

Overview

Anglicare currently applies guidelines in determining and managing rent for its existing portfolio of social and affordable dwellings. The *NSW Community Housing Rent Policy* sets out the Community Housing Division's requirements for the rent policies operated by community housing providers in NSW and Anglicare's rent pricing approach for the Service Package Dwellings is consistent with this.

Anglicare applies these guidelines to deliver housing to people of low to moderate income in a fair and professional manner and to ensure the business achieves operational efficiencies and remains viable.

Establishing rent

Anglicare provides accommodation to people who are eligible for Social Housing and under Affordable Housing guidelines. Income limits are used to determine whether a person will be provided a Service Package Dwelling as a Social Housing or Affordable Housing Tenant. Refer to the Social Housing Application, Eligibility, Selection and Allocation Policy & Procedure (SAHF Phase 2) and the Affordable Housing Application, Eligibility, Selection and Allocation Policy & Procedure (SAHF Phase 2) for further details.

Anglicare have established a rent setting policy that ensures that the rent is priced so that tenant households are able to meet other essential basic living costs. Under the default rent setting policy:

- Social Housing Service Package Dwelling Tenants will be charged rent based on 25% of their assessable household income plus 100% of their entitlement to Commonwealth Rent Assistance (CRA); and
- Affordable Housing Service Package Dwelling Tenants will be charged rent at 74.9% of the market rent of the property or 25-30% of household income plus CRA, whichever is the lesser.

Rent maximums or the 'rent ceiling'

In all instances, no tenant of the Service Package Dwellings will be charged more than:

- 74.9% of the market rent; or
- for Social Housing Service Package Dwellings,
 - 25% of their household assessable income plus 100% of their entitlement to CRA; or
 - 15% of their household assessable income plus 100% of their entitlement to CRA, if the Tenant is under the Family Tax Benefit A and B; or
- for Affordable Housing Service Package Dwellings, 25-30% of their household assessable income plus CRA.

Market rent

Social Housing Service Package Dwellings

For the purpose of Social Housing Service Package Dwellings, Anglicare will provide rent subsidies to the tenant being the difference between the rent paid by the tenant (see above) and market rent (see below). This is subject to the qualification that the subsidised rent, including CRA, does not exceed 74.9% of market rent for the property.

In determining the market rents applicable to Social Housing Service Package Dwellings, the market rents allocated will be those prescribed by FACS in the quarterly Rent and Sales Report by FACS Housing NSW¹.

Where it is known that the actual market rent for the Social Housing Service Package Dwellings, due to location, differs markedly and is lower than the prescribed rent, and where Tenants paying the prescribed market rent would be adversely affected, Anglicare will vary the market rent to take local conditions into account in order to provide a suitable market rent to the Tenant.

To the extent that Anglicare varies the market rent for a Social Housing Service Package Dwelling, Anglicare will ensure there is appropriate documented evidence to support their decision.

Affordable Housing Service Package Dwellings

With reference to the NSW Affordable Housing Ministerial Guidelines 2017-18, the Australian Taxation Office (ATO) has ruled that the non-commercial supply of accommodation by charities will not attract GST if the rent is less than 75% market rent. Where Affordable Housing Service Package Dwelling tenants will be charged rent at 74.9% of the market rent of the property, the market rent for that year will be determined based on the respective benchmark market rents for NSW as a whole² set annually by the ATO.

Household income

For the Service Package Dwellings, Anglicare will assess the right level of rental to be paid by tenants based on the income details provided in the application process for the tenancy.

As noted above, Anglicare will determine the income for the household at or prior to the Residential Tenancy Agreement being signed as part of the leasing assessment process that is undertaken by Anglicare for all of its Service Package Dwellings. This will be subject to review regularly as further detailed below. A copy of the calculation of income and rent, and the breakdown of payment amounts, will be provided to tenants at the start of their tenancy and at every rent review.

A Rent Subsidy Application form is to be used to establish household income. The tenant and Household Members must declare all assessable income and provide proof of the amount received, including but not limited to the following:

- If the Tenant or Household Members are wage or salary earners, the wage or salary will be determined by provision of their six most recent payslips or a completed Employer Declaration stating their gross income (including allowances and any salary sacrificing amounts) for the last six months;
- Where the Tenant or Household Members receives Centrelink pensions and allowances, they will be required to provide income details through the Income Certification Scheme;
- Children aged under 18 years of age and who are not the Tenant, who are receiving an income including Youth Allowance, will not be charged rent, but they are still required to send in their income details; and
- If a Tenant is working part-time or casually and their income varies, they will be required to submit a minimum of 13 weeks income details.

¹ <https://www.facs.nsw.gov.au/resources/statistics/rent-and-sales/dashboard>

² <https://www.ato.gov.au/Business/Bus/GST-and-non-commercial-rules---benchmark-market-values/?anchor=Table5#Table5>

Documents including income details must not be more than one month old on the date they are submitted, with the exception of Tax Returns which must not be more than 13 months old.

Visitors will not be considered part of the household if their stay is shorter than 28 days, and they are able to nominate or provide evidence upon request of another dwelling unit as their usual place of residence. Refer to the Visitor Policy (SAHF Phase 2) for further details.

Other charges

Prior to signing their lease, tenants will be advised of any other charges they are responsible for such as water usage charges. On the basis that the Service Package Dwellings have separate water meters, Anglicare will charge tenants the actual water usage cost in accordance with the invoice received from the Water Authority. Other utility charges associated with the use of electricity, gas and telephone will also be the responsibility of the tenant. Anglicare however, remains responsible for communal utilities. Refer to the Water and Other Utilities Charging Policy (SAHF Phase 2).

Rent reviews and increases

Anglicare will regularly review the level of rent paid by a tenant. It will be reviewed every six months for tenants in Social Housing Service Package Dwellings and annually for Tenants in Affordable Housing Service Package Dwellings.

Any changes to rent will be in accordance with the *Residential Tenancies Act 2010*, if applicable.

Rent that is determined by income will be subject to increases when income for the household increases. Such increases will not increase rent beyond the rent ceiling of 74.9% of market rent for the property.

Tenants who fail to provide details and verification of their household income during rent reviews may have their rental subsidy cancelled and will be charged the maximum rent for the property. Where a notice of increase to rent to maximum rent has come into effect and the tenant later supplies proof of income, the new assessed subsidised rent will apply from the date that the proof of income was provided.

A copy of the calculation and the breakdown of payment amounts will be provided to Tenants at the start of their tenancy and at every rent review.

Where a tenant experiences a change in income between rent reviews it is the responsibility of the tenant to advise Anglicare within 21 days of the change to regular weekly income and/or family circumstances. Anglicare will immediately reassess the rent level for the tenant following notification that the household income has changed.

Any resulting decrease in rent will take effect from the date that the new income details were received. It is the tenant's responsibility to provide evidence of any decreases in income in a timely manner in order to maximise the period for which the reduced rent can be applied. Any resulting increase in rent will take effect 60 days after the new income details were received. In circumstances where a tenant fails to advise Anglicare of an increase in their income, the applicable rent increase will commence 60 days after the income increase.

If Anglicare becomes aware of a change in the circumstances of a tenant, Anglicare can request updated income information from the Tenant between official rent reviews.

Refer to the Maintaining the Tenancy Policy (SAHF Phase 2) for further details on the procedure in relation changes in financial situation or economic hardship.

Process for rent review

All tenants are sent an Income Review Notice (pension) or Income Review Notice (non-pension) (and a copy kept on the tenant's file) stating:

- that the tenant is to supply appropriate evidence of the income of all people in their household within four weeks from the date of the letter or they may be charged maximum rent
- the date by which the evidence of income is to be supplied to the Tenancy Manager
- the date from which any change in rent will be applied
- the market rent that may be charged if the evidence is not supplied by the required date.

If a Tenant does not reply within four weeks, a second Review Notice (pension) or Income Review Notice (non-pension) is sent to them.

When the evidence of income is received it is processed using the Housing NSW rent calculator to determine any change in rent, in accordance with the Department of Housing Income Policy, and the caps applicable to the Tenant type (social or affordable).

A copy of this calculation, the outcome (the new rent rate) and a statement of the start date for the new rent rate is sent to the tenant within 7 days using the 60 Day Notice of Rent Increase Letter and Form. A copy of this 'new rent' letter as well as copies of the evidence of income and the calculation is to be placed in the Tenant's file.

If a Tenant does not provide evidence of income by the due date and has received the second notification, they will be charged maximum rent from the rent change date which is 60 days from the date on which the Income Review letter was sent.

If a Tenant subsequently provides the required evidence of income and a letter requesting rent to be rebated, the rebated rent will be assessed from the date that the documents were provided.

Appealing decisions

The Tenant will be advised of their right to appeal any decisions in relation to rent increases. The Tenant will be informed that they are to approach their Tenancy Manager in the first instance to discuss the matter and have the rent assessment checked for accuracy and any questions regarding the calculation to be explained for the tenant. If the tenant is not satisfied with the outcome of speaking with the Tenancy Manager, they are able to request a formal review of the decision made. On requesting a formal review, the tenant will be provided with information on the complaints and appeals processes and an Appeals Form.

Anglicare has a two tier appeal process. The first tier is managed by Anglicare. The second tier involves an appeal to the Housing Appeals Committee for an independent review of the decision. Refer to the Complaints and Appeals Policy (SAHF Phase 2) for further details.

Rental fraud

If Anglicare becomes aware that a person has committed rental fraud their rental subsidy may be cancelled and the tenant will be required to pay the maximum rent for the Service Package Dwelling. If the fraud is proven to be deliberate or ongoing, Anglicare will consider the option of seeking to end the tenancy at the NSW Civil and Administrative Tribunal (NCAT).

Rental fraud is considered to have occurred when:

- a tenant fails to provide full income details for all persons residing in their property;

- a tenant deliberately provides false income details for themselves or members of their household;
- tenants fail to notify Anglicare of changes to their household income within 28 days of changes occurring; or
- tenants do not disclose full and accurate details of all their assets,

whilst the tenant is aware of their obligation to advise Anglicare of any change to their household circumstances.

Any suspicion of rental fraud will be investigated and fully documented. The Tenancy Manager will discuss their suspicions with the Property Manager and General Manager Housing and a process for investigation will be established. The investigation of the suspected rental fraud will include contacting other parties, such as real estate agents, neighbours, the police, an employer or any other relevant person.

Following the investigation, the Tenancy Manager will contact the Tenant to arrange an interview to discuss the matter. Tenants are able to bring a support person to any interviews and will be provided with details of free tenancy advisory and legal services. The Tenancy Manager will advise the tenants of the process to be undertaken and the possible consequences, including termination of the lease. The Tenancy Manager will provide any details of allegations to the tenant but will not disclose the source of the allegation. The tenant will be requested to, and given fair opportunity to, clarify the situation and to provide evidence of all income for themselves and any other person living at the property. The tenant will also be required to sign a Tenant Declaration detailing the household composition and income. Tenants will be given the right to respond to any claims of rental fraud and will be given adequate time to gather any required information such as income statements and statutory declarations.

Tenants will be advised in writing of the outcome of any meetings or investigations and will be given the opportunity to respond or to ask for a review of the outcome. Where Anglicare seeks to end the tenancy at the NCAT in response to proven deliberate or ongoing rental fraud, tenants will be notified in writing and have the opportunity to present their case at the NCAT.

Rental Payment Process

Anglicare will provide all tenants with at least one no-cost option for paying rent and other charges. Tenants can arrange to pay rent using Centrepay deductions if applicable which is Anglicare's preferred approach for the payment of rent by tenants.

A rental bond is not required for a tenancy with the Service Package Dwellings at the signing of the Residential Tenancy Agreement.

Tenants will be informed when they sign the lease that rent is to be paid fortnightly, in advance, at the beginning of the fortnight.

Rent statements will be sent to tenants quarterly, and when requested by the tenant. The statement will detail all activity during the previous period. Tenants can request a rent statement at any time.

Further Information

Persons requiring further information about Anglicare's Rental Pricing Policy (SAHF Phase 2) should contact the Tenancy Manager for the site.

Definitions and Abbreviations

Term or Abbreviation:	Definition:
ATO	Australian Taxation Office
CRA	Commonwealth Rent Assistance
NCAT	NSW Civil and Administrative Tribunal
Residential Tenancy Agreement (Lease)	Any agreement under which a person grants to another person for value a right of occupation of residential premises for purpose. This agreement is a binding contract.
Tenant	The person that pays rent to us or occupy a building owned by another, the dweller or occupant in a place.

References

Related documents could be external documents, such as legislative or other requirements, or internal documents such as: policies, standards and operational documentation (e.g. procedures, guidelines, checklists, templates etc.).

No.	Document / Reference
1.	Residential Tenancies Act 2010
2.	Residential Tenancies Amendment (Social Housing) Act 2005
3.	Residential Tenancy Regulations
4.	NSW Affordable Housing Ministerial Guidelines 2017-18
5.	Social Housing Application, Eligibility, Selection and Allocation Policy & Procedure (SAHF Phase 2)
6.	Affordable Housing Application, Eligibility, Selection and Allocation Policy & Procedure (SAHF Phase 2)
7.	Visitor Policy (SAHF Phase 2)
8.	Water and Other Utilities Charging Policy (SAHF Phase 2).
9.	Complaints and Appeals Policy (SAHF Phase 2)
10.	Tenant Handbook

Document Owner: *General Manager Housing*

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