

# Affordable Housing: Rent and Rent Management

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## Scope

This policy applies to all tenants, staff and applicants of Amélie Housing affordable housing properties and programs.

## Policy Statement

It is the policy of Amélie Housing to:

- Comply with all laws, funding agreements and Government guidelines regarding rent management in each jurisdiction where Amélie Housing manages tenancies
- Ensure tenants understand Amélie Housing's rent management procedures
- Assist tenants in meeting their obligations under their Residential Tenancy Agreement by paying rent on time and avoiding arrears
- Achieve sustainable tenancies
- Ensure that rents are affordable so that all properties remain accessible to people in financial housing stress and can be sustained by people on low and moderate incomes
- Ensure that the calculation of rents and rental rebates are fair, easy to understand, non-discriminatory and consistent
- Manage tenancies in a manner that maintains a balance between social and business objectives
- Protect Amélie Housing's rental income stream through early intervention against rental arrears
- Demonstrate accountability through compliance with reporting requirements.

## Compliance

This policy assists Amélie Housing in complying with:

Compliance Document	Section/Number	Area
National Community Housing Standards	1.2	Tenancy Management – Establishing and maintaining tenancies
National Regulatory Code Evidence Guidelines	1b	Tenancy and Housing services – Determining and managing rents
	5c	Probity – Detecting, managing and responding to fraud

## Rent setting in affordable housing

Amélie Housing will set rent following legislation for affordable housing, Government guidelines or as determined by Amélie Housing’s policies, whichever applies in each jurisdiction.

Rent charging and eligibility will be advertised for each property before an offer is made. The advertisement will explain the guidelines and program under which the property is offered.

The term ‘rent’ on the Residential Tenancy Agreement in each state and territory refers to the market rent set for the property. Amélie Housing will determine the market rent based on the median rent for the relevant LGA according to the current Rent and Sales Report data, or equivalent to the actual rent paid for leasehold properties.

Amélie Housing will provide the tenant with a copy of the rent and rental rebate calculation at the time of signing the Residential Tenancy Agreement and will ensure that the tenant fully understands the method used.

Tenants can appeal decisions concerning their rent, rebate levels and entitlement to a rebate using the Complaints and Appeals policy.

Amélie Housing will determine the rental rebate in compliance with the relevant guidelines for each funding program. All eligible tenants will receive Commonwealth Rent Assistance. 100% of Commonwealth Rent Assistance is taken into consideration when determining rents.

## Rent Charging

Amélie Housing will calculate the amount of rent charged to the tenant on the assessable household income. The NSW Community Housing Rent Policy specifies what is included in assessable income.

Assessable income includes:

- Income from statutory payments
- Wages or casual earnings.
- 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.

## What is market rent and subsidised rent?

**Market Rent** – is the maximum rent a tenant will pay for their property. The market rent is based on how much the property could be leased for in the private rental market

**Rent Subsidy** – is the difference between the market rent and the amount of rent a tenant pays, based on the household's assessable income. If a tenant receives a rent subsidy, they will pay less than the market rent. Eligibility for Rental Subsidy will be assessed a maximum of twice a year.

## Calculating Rent

Rents are calculated as follows:

Rent Payable by a Tenant = (Percentage of household income and assets – Eligible Rental Subsidy Amount)

Amélie Housing will apply the relevant legislation/agreements/policies/guidelines for affordable housing rent setting; including NSW Affordable Housing Guidelines (2013) and the National Rental Affordability Scheme (NRAS) Policy Guidelines

Rent will not be charged at more than 79.99% of the market rent for the property.

## Paying Rent

Tenants are encouraged to elect to pay their rent via Centrepay, a direct deduction system where rent payments are made directly to Amélie Housing each fortnight. Centrepay deductions are at no cost to the tenant. Tenants may also pay by Direct Deposit to Amélie Housing.

## Rent reviews and eligibility for affordable housing

Amélie Housing will conduct reviews of rental rebates (income reviews) twice annually or before the end of a fixed-term lease to determine ongoing eligibility. (See Tenancy and Tenancy Changes Policy for more information)

## Proof of income

To meet government requirements, tenants must supply proof of income. Proof of income must be in an original format and submitted on request.

Proof of income can be in the following formats:

- Payslips, letter or statement from the employer detailing gross wage, applicable tax, deductions, pay period and payee details for salary or wages.

- Profit and loss statement completed by an accountant or a lodged taxation return with at least three-month business and personal bank statements for self-employed tenants and household members
- Household members can give their Authority for Amélie Housing to access their income details in line with the Centrelink eService Terms and Conditions and Policy by completing the Tenancy – Income Confirmation Scheme consent authority form.
- Bank statements showing transaction details from all investment organisations/banks for all accounts held for the period specified for each household member aged 18 and over. Documents must not be more than 30 days old from the date they are given to Amélie Housing as part of a rent review.
- Tax returns may be from the previous financial year.

## Paying Bonds

Amélie Housing will charge each tenant a bond following the provisions of the Residential Tenancy Act 2010. The bond to be paid on commencement of the tenancy is 4 weeks of the subsidised rental amount.

## Additional Payments

Tenants will pay for utilities, including water usage, where they are separately metered. There are no charges for shared households' electricity, gas and telephone services where these services are connected in Amélie Housing's name. (See Water charges policy)

Amélie Housing will not charge tenants any other amounts (such as key deposits).

## Management of rental arrears

Amélie Housing encourages tenants to meet their financial responsibilities through payment and maintenance of all required payments relating to their tenancy.

Amélie Housing will achieve this through:

- Ensure tenants are aware of their financial responsibilities
- Minimise rent arrears losses by weekly monitoring and follow up
- Immediately inform the tenant in writing or by phone and discuss what action can be taken to resolve their arrears
- Support the tenant to access financial inclusion and support services if they are experiencing financial hardship due to other circumstances
- Take the most appropriate action to investigate and resolve the arrears depending on whether they are minor or actionable
- Prevent future arrears by working with tenants who advise they are having problems making payments or where arrears are anticipated
- Be respectful, honest and helpful in responding to the tenant
- Be sensitive to tenant's circumstances while encouraging the tenant to meet their obligations under the Residential Tenancies Act (2010).

## Minor arrears

Amélie Housing will notify tenants about minor arrears at the earliest possible opportunity to alert them to the fact that they are in arrears and allow them to pay the outstanding amount and keep their rent and non-rent accounts up to date.

The tenant will be informed in writing of the amount of arrears, the steps they can take to meet their obligations, and support services to assist them if required.

## Actionable arrears

Amélie Housing will always attempt to work with the tenant to resolve arrears before they become actionable at the relevant Tribunal in each state and territory.

When arrears become actionable, Amélie Housing

- May issue a notice of termination before applying to the Tribunal for a formal listing before the Tribunal
- Will seek a repayment plan or a specific performance order to ensure rent is paid on time and arrears are resolved
- May seek an order enforcing termination of tenancy where a significant pattern of continuing arrears has been established, where repeated efforts to resolve the problem, including Tribunal action, have not reached a satisfactory resolution.

## Management of outstanding debts

Outstanding debts can include:

- Non-payment of rent
- Cost of tenant damage
- Unpaid tenant debits
- Non-rent account, e.g. water arrears

Amélie Housing will attempt to minimise bad debts by negotiating a repayment schedule with the tenant. When a tenant with outstanding debt or who has left with rent unpaid and the amount owing exceeds the amount of the claimable Rental Bond, Amélie Housing will seek an order for repayment.

## Rental subsidy fraud

Amélie Housing provides a rental rebate to eligible tenants based on documentation supplied by the tenant. Amélie Housing takes all allegations of rental subsidy fraud seriously.

If Rental Subsidy Fraud is suspected or reported, Amélie Housing will:

- Investigate to assess if rental subsidy fraud has occurred
- Assess if non-disclosure of change of income circumstances has occurred

- Assess if non-disclosure of change to household occupants has occurred
- Assess if the rental subsidy is correct, or if fraud cannot be reasonably proven, and further action does not need to be taken

### **Proven cases of rental subsidy fraud**

Where rental subsidy fraud is proven, Amélie Housing may:

- Cancel the rent subsidy immediately for all affected persons (tenant and or household)
- Take formal action to terminate the tenancy
- Refer the issue to NSW Police for formal criminal investigation

### **Procedural fairness investigating cases of suspected rental subsidy fraud**

Amélie Housing follows the principles of procedural fairness and natural justice when investigating alleged rental subsidy fraud.

In cases of rental subsidy fraud allegations, the tenant will:

- Have the opportunity to know the basics of the allegations and
- The evidence of those allegations
- Be informed of the investigation process
- Have the opportunity to attend an interview as part of the investigation process
- Have the opportunity to engage with an advocate in responding to the allegations
- Receive notice in writing of the findings of the investigation and actions to be taken

## **Complaints and Appeals**

If a tenant is not satisfied with a service provided by Amélie Housing or does not agree with its decision, they can ask for a formal review. To do this, the tenant can complete a **review of the decision** form. Details on how to make a complaint, provide feedback or lodge an appeal are found in Amélie Housing Complaints and Appeals policy.

### **Additional information for tenants in NSW:**

If a tenant is unhappy with the outcome of an appeal to Amélie Housing, they can appeal

Housing Appeals Committee. The Housing Appeals Committee is an independent agency that reviews certain decisions made by Community Housing organisations and Housing NSW staff. For information on the Housing Appeals Committee, call 1800 629 794 or go to [www.hac.nsw.gov.au](http://www.hac.nsw.gov.au).