

## 101 Rental Subsidy Policy

### 1. Policy

Link Housing provides the opportunity for all social housing tenants to apply for a rental subsidy. A rental subsidy reduces the amount of money the tenant has to pay in rent. If the tenant is approved for a rental subsidy Link Housing does not charge the full market rent set for the property. Rent subsidies are reviewed a minimum of twice each year.

### 2. Scope

This policy relates to all Link Housing tenants living in social housing properties. This policy does not include affordable housing tenants.

### 3. Calculating the Rental Subsidy

In calculating the subsidised rent, Link Housing assesses the amount of gross assessable income, being the total income from all sources prior to any deductions including tax but excluding allowable business expenses, for each member of the household. The total of these amounts determines the rent payment for the household.

*Household members* are all people living in the accommodation, 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
From 25%	The tenant, their spouse or live in partner regardless of age
From 25%	All other people living in the household aged 21 years or over
25%	Energy Supplement
15%	Household members aged 18-20 years of age, and who are <i>not</i> the tenant, spouse or live in partner
15%	Family Tax Benefits A & B
100%	Commonwealth Rent Assistance
NIL	People living in the household aged under 18 years of age who are not the tenant, spouse or live in partner

Where a tenant or household member has no income or receives a reduced statutory income, Link Housing will assess the rental subsidy based on the statutory income the person would normally receive whether they are entitled to receive it or not.

Income includes a broad range of payments such as any regular payments, benefits, interest from savings or property held by household members. Each income is determined as assessable or non-assessable in accordance with Housing NSW policy and can be accessed via Family and Community Services' [NSW Rent Assessment Rules](#).

## 4. Proof of Income

Each tenant is responsible for collecting the income details of household members and providing these details to Link Housing so that their rent can be assessed. When applying for a rental subsidy a tenant must declare all assessable income and provide proof of the amount received by their spouse/partner and each other member of their household aged 18 years and over.

Proof of income must be original and can be:

- provided through the Income Certification Scheme for Centrelink pensions and allowances
- income statement from Centrelink
- income statement from the Department of Veteran's Affairs
- payslip, letter or statement from the employer detailing gross wage, applicable tax deductions, pay period, and payee details for salary or wages
- last available annual profit and loss statement completed by an accountant or taxation return for self-employed clients
- letter or statement from an overseas government detailing the amount received
- letter or statement from an investment organisation about savings/investments etc. providing details of the amount or dividend received
- letter from another organisation or income provider (not listed above) detailing the amount and type of income received.

The type of evidence must correspond to the type of income (e.g. Centrelink payment must be proven by a Centrelink Statement). Separate evidence must be presented for each type of income, (e.g. in households where one member received a Centrelink payment and another member received a wage). Documents 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.

Tenants who fail to supply income details by the due date for return of the required information will not be eligible for a rental subsidy and they will be required to pay market rent.

## 5. Assessing Income of Self- Employed Persons

The assessable income of self-employed tenants and household members is determined by taking the gross income less the business deductions allowable for community housing rent setting purposes.

Allowable deduction expenses are classed as any expense essential for producing an income. Some items may be allowable as tax deductions, but are not considered to be legitimate business expenses. These are presented in the table below.

The tenant or household member will need to provide proof of income in the form of the most recent profit and loss statement from an accountant or a tax return (not a tax assessment notice as ATO allowable expenses could be different). If when the tenant's or household member's income is calculated it results in the income being below the standard rate of Newstart Allowance then the tenant or household member's income will be assessed at the Newstart Allowance rate. When business earnings recommence tenants must notify Link Housing within 28 days to ensure a correct rental subsidy is calculated.

<b>Examples of Business Expense Item</b>	<b>Deductible</b>
Accountancy fees	No
Advertising	Yes
Bank fees	No
Bookkeeping fees	No
Capital expenditure	No
Course costs and staff training	No
Depreciation	Yes
Domestic expenses (such as telephone, electricity and gas)	No

A full list of allowable expenses can be found on the Family and Community Services' [NSW Rent Assessment Rules](#) website.

If the self-employed person provides a tax return as their evidence it must be for the most recently expired financial year and can be used for both required reviews in a given year.

## 6. Commonwealth Rent Assistance

Link Housing will calculate the amount of Commonwealth Rent Assistance (CRA) that the Commonwealth will pay the household based on the rent to be charged to the tenant. The final subsidised rent provided to tenants will include an amount determined from household income plus 100% of CRA to which the tenant is entitled to receive. It is the responsibility of the tenant to ensure all household members apply for their CRA entitlement.

## 7. Review of Rent Subsidies

There are two types of rental subsidy review:

- Link Housing's bi-annual reviews
- Tenant change of circumstances reviews

### Link Bi-annual Required Reviews:

In accordance with the Community Housing Rent Policy, Link Housing is required to review a tenant's eligibility to receive a rental subsidy at least twice a year.

Tenants who have not yet given their consent to Link Housing to communicate directly with Centrelink will be advised in writing when Link Housing is commencing a rental subsidy review. Tenants will be given 21 days to submit a completed Rental Subsidy Declaration and acceptable proof of income for all household members.

It is the tenant's responsibility to show that they are entitled to receive a rental subsidy. Link Housing will not be able to provide a rental subsidy if the tenant does not provide the requested information for all members of the tenant's household.

For those tenants who have given their consent to Link Housing to communicate with Centrelink the above two paragraphs do not apply. This group of tenants will receive communication from Link Housing to let them know their new rent amount after the assessment of Centrelink incomes has been completed.

### **Tenant Change of Circumstances Reviews:**

Tenants must advise Link Housing of any change to their household circumstances within 28 days of the change occurring. This includes changes to the number of people living in the property or changes to income. Link Housing will review rental subsidies when household circumstances change.

If a tenant does not disclose changes to their household circumstances, their correct rental subsidy cannot be calculated and the existing subsidy may be cancelled.

Any change in rental subsidy will be backdated to the date of the change in circumstances. (See backdating rental subsidies and rental subsidy cancellation)

## **8. Backdating Rent Subsidies**

When Link Housing receives notification of a change to a tenant's household circumstances that occurred sometime in the past, it will reassess the rental subsidy to determine whether the household has been paying the correct amount of rent.

If there is a difference in the rental subsidy the household is now eligible for, Link Housing will backdate the difference to the time when the change in household circumstances occurred. This will reflect the correct rent that Link Housing should have charged and may result in the tenant owing additional money to Link Housing.

### **Link Housing will backdate a subsidy when:**

- It has proven rental subsidy fraud or non-disclosure of income
- A household member's income has decreased and the tenant would be entitled to a reduction in their rent payable. This will not apply where the income has decreased due to some action or lack of action on the part of the person, including:
  - A Centrelink breach
  - A failure to apply for a Centrelink benefit, or not receiving a Centrelink benefit through the person's own fault
  - Leave without pay for a person in employment
  - A strike.
- A household member is now in some form of employment and they are not entitled to the benefits of the Tenant Employment Incentive Scheme (see section 11 below),
- An additional person moves into the household.

Link Housing always applies backdating in circumstances of fraud or non-disclosure. In other circumstances, Link Housing applies backdating if the household income has increased by at least \$10 per week, or the total backdated subsidy adjustment is at least \$100.

**Link Housing will not backdate a subsidy when:**

- A child turns 18
- The ages of children change, which impacts on Family Tax payments
- Absence from the dwelling, which is due to the tenant being in a nursing home, rehabilitation centre, respite care, refuge or prison.

## 9. Rental Subsidies and Casual Wages

Rental subsidies are normally based on the gross weekly income. Where a person is getting or will be receiving a fluctuating wage from one or more employers, (for example through casual work), Link Housing will discuss with the tenant how best to **predict their future weekly** income, by:

- Using the actual amount they have received in their first pay and arrange to reassess the subsidy in 8 weeks' time, or
- Averaging the income according to the amount of time they have worked for this employer, but no more than the last 26 weeks.
- Providing the option of participating in quarterly rental subsidy reviews

Where the tenant may be receiving Centrelink benefits as well as wages the tenant will need to give authority for Link Housing to confirm income and wages with Centrelink.

When the subsidy is reassessed at the end of the 8 week period and the tenant's actual income is more than the original estimate, the tenant will need to make up the difference.

If the weekly gross income amount is below the standard Centrelink income for the tenant's age and household composition, Link Housing will assess their income at the standard Centrelink benefit amount according to their age and household composition.

The estimated rent for the next period will then be based on the actual income for the previous period.

**Note:** If the tenant does not provide sufficient income details to fully re-assess and re-calculate the subsidy the rental subsidy will be cancelled.

## 10. Cancellation of Rental Subsidy

It is the tenant's responsibility to demonstrate that they are entitled to receive a rental subsidy.

The rental subsidy may be cancelled where:

- The tenant has not provided full details of household income by the due date.
- Link Housing believes that the tenant is not living at the premises.
- Link Housing is aware that the tenant has more than one place of residence.
- The tenant has not advised of changes of household circumstances within 28 days.

Link Housing will always notify the tenant in writing if the rental subsidy is to be cancelled. This will record the reason for cancellation and any avenues for appeal.

A tenant who provides income details after the due date which shows that they are still eligible for a subsidy will have the new subsidy backdated to the date that the rebate was cancelled.

## 11. Tenant Employment Incentive Scheme

The Tenant Employment Incentive Scheme (TEIS) assists tenants and residents who are starting work or re-entering the workforce after a break of 12 months or longer. A tenant, their partner or other household member who commences employment is entitled to a grace period of four weeks of their non-adjusted rent continuing to be subsidised as long as the household is not in rent arrears. This financial assistance is designed to assist tenants and residents prepare for an increase in rent.

A tenant or other household member is eligible to apply if:

- They are moving from unemployment to work (casual, part-time or full-time)
- They are moving from full-time study to work
- They have informed us within 28 days of starting work.

A tenant or household member is not eligible if they:

- Are moving from casual/part-time to part-time/full time work
- Are changing jobs
- Are moving from self-employed to employed
- Are paying market rent

Once a tenant has advised Link Housing that a household member is commencing work and they are eligible to receive TEIS, Link Housing will apply the TEIS to the household 's rent account and advise the tenant in writing.

The tenant's new rental subsidy will start four weeks after commencing work and will be calculated based on all income earned since commencing work.

## 12. Running a Business from Home

Tenants may use their home to run a business from home as long as they do not breach the terms of their tenancy agreement. The conditions are as follows:

- The tenant has the prior written agreement of Link Housing and/or the owner of the property.
- The tenant has a current public liability insurance policy appropriate to the type of business
- The tenant has the approval of the Local Council and all other relevant authorities
- It does not cause a nuisance or interfere with the peace comfort or privacy of neighbours
- There is no cost to Link Housing or the owner of the property.

If approval is given the tenant is responsible for all associated costs. Approval may be withdrawn if the business causes a nuisance or interferes with the peace, comfort or privacy of neighbours, or otherwise leads to a breach of agreement.

## 13. Legislative and Regulatory Framework

- Residential Tenancies Act 2010
- Community Housing Rent Policy

#### **14. Complaints and appeals**

A tenant who is not happy with a decision made by Link Housing or who believes that Link Housing has not followed this policy can complain or appeal using the complaints and appeals policies that are available on the Link Housing website [www.linkhousing.org.au](http://www.linkhousing.org.au) or by phoning Link Housing on 9412 5111.

#### **15. Privacy and Confidentiality**

Link Housing will keep applicants', tenants' and residents' information and feedback confidential, in line with privacy laws and standards.

#### **16. Quality Assurance**

The Rental Subsidy will be formally reviewed every two years or when necessitated through a sufficient change in circumstances.