

T 4.06 Rent Charges Policy

1. Purpose

This policy outlines Common Equity NSW's (CENSW) approach to rent setting, rent charges and rent collection.

2. Scope

This policy applies to all social housing tenancies where CENSW manages rent setting and rent assessment.

3. Policy

CENSW sets and manages rents according to the NSW Community Housing Rent Policy which is published by the NSW Government and guides our approach to rent assessments and rent setting.

Every property has a market rent, which is the maximum rent a tenant can be charged. The market rent is determined using the NSW Government's Rent and Sales Report in accordance with the Community Housing Rent Policy. The report reviews similar properties in the same area with the same number of bedrooms. The market rent is stated in the Residential Tenancy Agreement at the start of the tenancy and is reviewed regularly.

If the market rent changes, tenants will be given written notice, and the adjustment will only take effect after the minimum notice period required under the Residential Tenancies Act 2010 (NSW).

3.1 Subsidised Rent and Income Assessments

Tenants can apply to CENSW for a rent subsidy. A rent subsidy reduces the rent so that it is based on the household's assessable income and the rent assessment rules set out in the *NSW Community Housing Rent Policy*, rather than the full market rent.

The subsidy is the difference between the market rent and the rent calculated under these rules. CENSW does not pay the subsidy directly to tenants. It is applied to the rent so that tenants pay only the reduced amount.

3.2 Rent Subsidy Reviews

CENSW reviews rent subsidies twice a year. A review will also take place if there is a change in the household's income or composition (for example, if someone moves in or out). Tenants are required to notify CENSW within 14 days of any change to their

income or household composition. If a tenant does not notify CENSW of changes, the rent subsidy may be reassessed and backdated, and any additional rent owing from the date of the change will be charged.

3.3 Applying for a Rent Subsidy

To apply for a rent subsidy, tenants must complete an Application for Rental Subsidy form and provide current proof of income for:

- themselves
- their spouse or live-in partner
- all household members aged 18 years or older

Before each scheduled rent subsidy review, CENSW will send tenants a Rent Review Notification Letter with the due date, along with the application form.

If a tenant does not return the completed form and documents by the due date:

- the rent subsidy will be cancelled, and
- rent will be charged at the market rate from the due date in the notification letter

3.4 Eligibility for a Rent Subsidy

A rent subsidy is offered if:

- all required supporting documents are provided with the Application for Rental Subsidy form, and
- the household calculated rent is lower than the market rent of the property

3.5 Calculating a Rent Subsidy

Rent subsidies are calculated based on the total assessable income of all household members aged 18 years and over. This includes:

- income from Centrelink payments, including Commonwealth Rent Assistance (CRA)
- wages or casual earnings
- self-employment income
- any assessable supplementary payments

If a household member is eligible for a Centrelink payment but hasn't claimed it, rent will be assessed based on the amount they would be entitled to receive.

The *NSW Community Housing Rent Policy* outlines what income is included and how it is assessed. Table 1 shows the percentage of income payable by different

household members. Rates vary based on the age of each household member and the payments they receive from Centrelink.

Table 1: Percentage of household income used to calculate a rent subsidy

Person/ Income Source	% of Income Payable
The tenant and their spouse or live-in partner (regardless of age)	25%
Other household members aged 21 and over	25%
Other household members aged 18-20	15%
Family Tax Benefit A & B (total household)	15%
Commonwealth Rent Assistance (CRA)	100%

The final rent amount will never be more than the market rent for the property, even if the assessed contributions exceed this amount.

3.6 Commonwealth Rent Assistance (CRA)

The Australian Government provides CRA to help eligible households with the cost of renting. All tenants receiving a Centrelink benefit are eligible for Commonwealth Rent Assistance.

CENSW calculates how much CRA each household member should receive using the NSW Community Housing rent calculator and based on the rent they pay and includes this amount when working out the rent. If a tenant or household member is not receiving the full CRA amount that CENSW has calculated, they must contact Centrelink to adjust their CRA entitlement.

3.7 Proof of Income

Tenants must provide proof of income and assets for themselves and all adult household members to receive a rent subsidy. The *NSW Community Housing Rent Policy* specifies what can be used as proof of income for different income types. Acceptable proof of income for various income/asset types is available in the NSW Government's *Tenancy Charges and Account Management Policy Supplement* and outlined in Table 2.

Table 2: Proof of Income

Income Type	Proof of income and assessment rules
Centrelink	Tenants and household members can sign an Authority for CENSW to access their income details by completing the Centrelink eServices Multiple Consent and Authority Form (ICS Authority)

	For tenants who do not provide ICS Authority, they must provide a current Fortnightly Centrelink Income Statement.
Veterans NSW	Current income statement from the Department of Veteran's Affairs
Overseas government pension	Letter or statement from Overseas Government detailing the amount received for foreign pensions, if not recorded through Centrelink
WorkCover or insurance	Letter or statement from WorkCover or Insurance Company detailing the gross amount received
Investments	Bank statements showing transaction details from all investment organisation/banks for all accounts held for the period specified for each household member aged 18 and over
Wages or salaries (including casual earnings)	<p>Pay slips which state current gross income per week; 4 weeks of pay slips if the tenant or household member works fixed hours.</p> <p>12 weeks of pay slips to be provided if the tenant or household member works casual hours (e.g. changes each week) and/or works overtime; or</p> <p>If pay slips are not available, we can accept either a signed letter from the employer on letterhead, or a completed Income from Employment Form. This form must be completed by the employer.</p>
Self employed	<p>One of the following types of information must be provided by all self-employed tenants/household members:</p> <p>Profit and loss statement completed by a chartered accountant, or a lodged taxation return with at least three months business and personal bank statements; or</p> <p>A lodged and assessed Australian Tax Return from the Australian Tax Office website. This must include all pages of the tax return, which includes the individual's income, expenses and interest earned for the financial year.</p> <p>NOTE: A 'Notice of Tax Assessment' cannot be accepted as details of a self-employed tenant's income</p> <p>Self-employed income will always be calculated on the income earned from the previous financial year.</p> <p>During the rent review held near September, all self-employed tenants must provide their income details for the last financial year to be used to calculate future subsidised rent.</p> <p>For rent reviews held near March, we will use the calculated subsidised rent from the rent review held in September, unless the tenant advises us of a sufficient change in income. If a self-employed tenant's income changes significantly from the previous financial year, we can make the decision to apply a</p>

	retrospective adjustment from the 1 July of that year, to amend the tenant's subsidised rent.
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3.8 No Statutory Income or Reduced Statutory Income

If a tenant or household member has no income or is receiving a reduced statutory payment, rent is assessed based on what they would normally receive under a full statutory allowance, which includes CRA. This applies when:

- the person is entitled to a statutory income but has chosen not to apply
- the person is not eligible to receive a statutory income
- the person is receiving a reduced statutory income and has no other income
- a household member is ineligible for statutory income due to their partner's earnings - in this case, a rent amount considered reasonable for the household will be applied

3.9 Newly Arrived Residents or Those Holding an Immigration Visa

Some newly arrived residents or visa holders are not eligible to receive Centrelink payments for the first two years after arriving in Australia. In these cases, the rent subsidy is assessed based on the equivalent of a minimum statutory income.

To assess rent subsidies for visa holders, the following documents are required:

- a copy of the individual's visa
- recent bank statements showing all transactions for each account held by the visa holder (for the period specified)

If the visa holder does not qualify for a Centrelink payment but has no work restrictions, rent is calculated based on the statutory income rate following the *NSW Community Housing Rent Policy*.

If bank statements show income or funds that exceed the assumed statutory rate, this higher amount will be used to calculate the rent subsidy.

3.10 Income Fluctuations

If a tenant's income fluctuates regularly, CENSW may calculate the rent subsidy based on an average over 3 to 6 months. Tenants can also request a quarterly review of their rent subsidy if their income is unstable or unpredictable.

3.11 Notifying Tenants of Rent Changes

All tenants will receive written notice of any changes to their rent, including:

- a breakdown of how the rent was calculated

- the date the new rent amount will begin

Any rent increases will comply with notice periods under the *Residential Tenancies Act 2010 (NSW)*.

Table 3 shows when new rent amounts take effect after scheduled rent subsidy reviews or changes to a household's income or composition.

Table 3: Rent Review Types, Outcomes and Effective Start Dates

Rent Review Type	Outcome	New Rent Start Date
Scheduled rent subsidy review	Rent decreases Tenant notified of change from provided proof of income	The date the tenant notified of the change in the household income and proof of income was provided For administrative purposes we will use the following Monday as the effective date
	Following a download of Centrelink Income	The date indicated in the original Rent Review Notification Letter
	Rent increases	The date indicated in the original Rent Review Notification Letter
Change in Household income	Rent decreases Tenant advised of change within 21 days	The date that the income changed For administrative purposes we will use the following Monday as the effective date
	Tenant didn't advise of change within 21 days	The date the tenant notified of the change in the household income and proof of income was provided For administrative purposes we will use the following Monday as the effective date
	Rent increases Tenant starts work and advised of change within 21 days	28 days after the income changed
	Other circumstances and advised of change within 21 days; or Tenant didn't advise of change within 21 days	The date the income changed For administrative purposes we will use the following Monday as the effective date

3.12 Changes in Income Appeals

If a tenant appeals a decision not to backdate a rent decrease to the date their income changed, and the appeal is approved, the rent may be backdated. However, backdating will not exceed six weeks from the date the change was first reported.

Where a tenant or household member has commenced employment and provides a valid reason for not submitting required information within 21 days, a grace period of 28 days from the date of the income change may be applied. The relevant Team Leader must approve this.

3.13 Rent During an Approved Absence from Property

Tenants must tell CENSW if they will be away from their home for more than two weeks by completing an Absence from Property form (see the Absence from Property Policy for more information). Rent must still be paid while the tenant is away.

In some situations, rent can be temporarily reduced to \$5 per week for up to 12 weeks. This may apply if:

- the tenant is in hospital, aged care, prison or another institution where they must pay accommodation costs
- the tenant is not receiving any income during the absence

Holidays, whether in Australia or overseas, do not qualify for the reduced rent.

3.14 Centrelink Payment Changes

If a tenant's Centrelink payment is reduced, suspended or cancelled because they did not meet their mutual obligation requirements, they can apply for a rent reduction. To do this, the tenant must provide written evidence from Centrelink or their employment service provider.

CENSW will assess all requests for a rent reduction on a case-by-case basis. When making a decision, CENSW will consider:

- the reason for the suspension, reduction or cancellation
- how long the payment issue is expected to last
- whether the tenant has taken steps to have their payment reinstated
- the household's overall income and ability to pay rent

3.15 Rent Subsidy Fraud and Non-Disclosure

Rent subsidies are based on eligibility and household income. Tenants must provide accurate and up-to-date information.

Fraud occurs when a tenant deliberately provides false or misleading information, or fails to report:

- income from household members
- asset changes

- additional people living in the property

Non-disclosure refers to unintentional or accidental failure to report changes.

Where CENSW becomes aware of possible fraud or non-disclosure, an investigation will be carried out using principles of procedural fairness. Tenants will be:

- informed of the allegations
- given an opportunity to respond and provide supporting evidence

Depending on the findings of the investigation, actions may include:

- adjusting or cancelling the rent subsidy (possibly backdated)
- adding any resulting debt to the tenant's account
- taking formal steps to end the tenancy in line with the Ending a Tenancy Policy
- referring cases of serious fraud to NSW Police.

4 Appeals

Tenants have the right to appeal decisions made under this policy. The CENSW Appeals Policy has more information on appeals.

5 Related Legislation, Documents and Policies

- NSW Community Housing Rent Policy
- Social Housing Eligibility and Allocations Policy Supplement
- Residential Tenancies Act 2010 (NSW)
- Absence from Property Policy
- Ending a Tenancy Policy
- Appeals Policy

6 Variations

Name and Designation of Approver	Head, Cooperative Services
Contact/Responsible Delegation	Cooperative Services Team Manager
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