

Rental Rebate

Policy

Date effective: 21 November 2016

1. Policy Statement

The Department of Housing and Community Development ('the Department'), on behalf of the Chief Executive Officer (Housing) may grant a rebate on the market rent payable for a public housing dwelling to eligible tenants, for an amount and a period as is seen fit.

2. Purpose

This policy outlines how, when and to whom a rental rebate may be offered and how it will be calculated.

3. References

Eligibility for Public Housing policy
Employment Incentive Scheme policy
Extended Absences and Caretaker Arrangements policy
Housing Act
Identification and Documentation policy
Tenancy Agreement Breach policy
Rent policy
Residential Tenancies Act
Visitor Management policy

4. Scope

This policy applies to all new and existing tenants of public housing, except those who are living in existing (legacy) public housing dwellings located in remote and urban community living areas.

Under the *Housing Act*, the Department is only able to provide a rental rebate to tenants who demonstrate their eligibility in line with the criteria detailed in this policy.

5. Roles and Responsibilities

Roles	Responsibilities
Front-line staff	<ul style="list-style-type: none">Assess the eligibility of tenants for a rebateDetermine the rebate amount to be offered
Manager	<ul style="list-style-type: none">Final discretion on eligibility for rental rebateFinal discretion on assessing the amount of rebate offered and method of calculationFinal discretion on accepting late rental rebate applications
Minister	<ul style="list-style-type: none">Sets the Department's market rent annually

6. Policy details

The Minister for Housing and Community Development ('the Minister') determines the rent payable for public housing dwellings, as described in the Rent policy. This is known as market rent. On application, tenants who continue to meet all eligibility requirements for public housing and are assessed as meeting eligibility requirements for a rental rebate; may be offered a subsidy of the established rent for a property. The rental rebate is the difference between the market rent and the rent payable by the tenant.

Rental rebate is not automatically applied to all tenants. Applicants must lodge an application and demonstrate they meet the criteria before the rebate will be applied or renewed. This assessment process also allows the Department to ensure continuing eligibility and entitlement to public housing.

6.1. Eligibility for a rental rebate

Eligibility requirements are the same as the requirements for applying to access public housing.

Therefore, a tenant who:

- provides sufficient evidence that the household remains eligible for public housing under all eligibility criteria for the type of public housing in which they live; and
- supplies sufficient evidence of an independent income, living allowance or income support payment for each household resident aged 18 and over; and
- supplies verification of household income from all sources;

to the satisfaction of the Department, will be eligible for a rental rebate.

6.2. How rental rebates are calculated

Rental rebates are calculated as a percentage of the assessable household income.

Different percentages of income are calculated for the tenant and spouse as opposed to other household members:

- for aged pensioners in urban properties and in new houses in remote communities and town camps, 18% of current assessable income, excluding some benefits at the concession rate of 10%;
- for aged pensioners in remote communities and town camps who live in refurbished or existing houses, 14% of current assessable income;
- for urban and Alice Springs town camps tenants (other than aged pensioners and remote tenants) from the second year of their lease, 23% of current assessable income, excluding some benefits at the concession rate of 10%;
- for remote tenants in the first year of their lease, 18% of current assessable income;
- for additional household members aged 18-24 (not tenant or spouse) 10% of all assessable income;
- for additional household members aged 25 and over (not tenant or spouse) 20% of all assessable income.

Refer to Appendix 1 for details of which government payments are not calculated as part of the gross income, and which payments are charged at a concession rate.

6.3. Recognised occupiers with minimal or no income at rebate renewal

Recognised occupiers aged 18 years and over who refuse, or do not provide evidence of an independent source of income equal to the minimum income support payment appropriate to their age and circumstances, or who cannot show evidence that they are in receipt of a such a payment from Centrelink, will be deemed to earn the equivalent of the Centrelink payment appropriate to their age and family circumstances for one rental rebate renewal period.

If the recognised occupier fails to supply evidence of an independent income or primary income support payment from Centrelink for the next rebate renewal, the household will be assessed as ineligible for rental rebate (under eligibility criteria explained at 6.1) and market rent will apply.

If the recognised occupier provides evidence that they do not qualify for Centrelink payments, the income for that resident is recorded as nil, until the resident becomes eligible for Centrelink payments or obtains an independent source of income. This decision will be reviewed each rebate period. Tenants are obligated to notify the Department of changes in income as they occur.

This policy provides opportunity and encouragement to residents to test their eligibility for Commonwealth income support payments to assist with quality of life, and an equal platform from which to base public housing rents.

This section of the policy only applies to rebate renewals for existing households.

6.4. Casual or variable income

The Department considers a household members income to be variable if the household member is employed:

- Seasonally – such as fishing, farming, dry/wet season or holiday employment;
- Casually or part time, where hours of work and therefore income varies periodically;
or
- on a specific contract period where income is not paid for breaks in the contract (such as school based employees during school holidays).

Rental rebates for wage or salary earners will be calculated using an average of the resident's income received over the previous 13, 26 or 52 week period, at the discretion of the Manager.

6.5. Self-employed residents

Self-employed household members must provide the previous financial year's tax notice of assessment from the Australian Taxation Office. The yearly taxable income will be averaged out over 52 weeks to determine a weekly income. Where the self-employed person's income averages less than the Centrelink benefit that they would receive if they were not self-employed, the income will be deemed to earn the equivalent of the Centrelink payment appropriate to their age and family circumstances and exclude the income from self-employment entirely.

6.6. When rental rebates are calculated and applied

Rental rebates are assessed on the commencement of a tenancy and then renewed periodically. Tenants receiving Aged, Widows, Veterans Affairs, or Disability Pensions will be required to renew their rebates annually. All other tenants will be required to renew their rebates twice annually, unless income of the tenant/spouse is considered variable, in which case it will be renewed every three months or at a timeframe to be set by the Manager. These timeframes may be extended for tenancies in remote locations.

Following assessment, approved applications for rental rebate will be applied for the duration of time determined by the income type outlined above. The rebate applies from the date that the application is lodged with a housing office and will cease if not renewed prior to the predetermined expiry date. If the rebate expires, market rent will apply.

6.7. Late renewal or adjustments of rental rebates

Applications lodged after their renewal date will only be accepted where the applicant has demonstrated extenuating circumstances prevented the application being lodged prior to renewal date. Late applications (up to 12 weeks) will be accepted at the discretion of the Manager; or by the Director if the application is lodged 12 or more weeks after the renewal date.

It is a condition of the lease and the provision of a rental rebate that tenants must advise the Department of a change in household circumstances through increases/reductions of income and household size within 28 days. Changes to the rebate will be backdated to the date of event or change in circumstances if the rent is affected by more than two dollars per week. Failure to notify the Department of a change in circumstances affecting a rental rebate may be an offence under the *Housing Act*.

6.8. Recognised occupiers, visitors and subletting

Tenants are not permitted to sublet without the permission of the Manager (see Extended Absences and Caretaker Arrangements policy), and all recognised occupiers must be approved by the Manager. Recognised occupiers are household members (including children) who reside at the premises, who are not signatories to the tenancy agreement.

Recognised occupiers will change the amount of rent due as the income to the household increases. Note that some 'visitors' may be considered by the Department to be household members of the premises – see the Visitor Management policy for further information. While this does not affect bona-fide visitors, recognised occupiers and long term 'visitors' may render a tenant ineligible for public housing, or breach the tenancy agreement.

Although signatories to the tenancy agreement have ultimate responsibility for paying the rent for a premises, the Department provides methods through which all recognised occupiers can pay the portion of the rent which is related to their contribution to the household income direct to the Department. This is to assist and encourage residents to develop and maintain good budgeting skills; it does not provide the recognised occupiers with any tenancy rights.

6.9. Employment Incentive Scheme

Tenants who advise changes of income due to a household member entering the workforce or increasing workforce participation may be eligible for the Employment Incentive Scheme.

To offset or reduce any perceived disincentive of increasing workforce participation, households eligible for the Employment Incentive Scheme may have their rent frozen at rebated rate and then gradually increased rather than directly and immediately increasing the rent based on the increase in the household income. See the Employment Incentive Scheme policy for further information.

6.10. Offences under the *Housing Act*

Failure to notify of changes in household circumstances

A person in receipt of a rental rebate commits an offence under the *Housing Act*, if the household income changes during the rebate period if the tenant knows of the change and fails to notify the CEO (Housing). The maximum penalty is 100 penalty points for each offence.

Giving False or Misleading Information or documents to CEO (Housing)

A person commits an offence under The *Housing Act* if they if they provide the Department with a document containing misleading information. The maximum penalty is 100 penalty points.

7. Document change control table

Release Date	Version Number	Approved by (position)	Section amended	Category
21/11/2016	2.01	Director Policy	all	Editorial amendments
23/11/2015	2.00	Director Policy	all	Editorial amendments
2/09/2013	1.00	Executive Director, Housing Operational Client Support	all	New separate policy derived from Housing Services Operational Policy Manual, Chapter 8