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CITY WEST
HOUSING



RENT POLICY

HOUSING SERVICES



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DOCUMENT AND AMENDMENT HISTORY

VERSION NUMBER	DATE	SUMMARY OF CHANGES
1.1	July 2014	Policy published
1.3	April 2015	Minor changes
1.4	November 2018	Minor changes
2.0	August 2019	Rent policy reform
2.1	December 2020	Resident Portal added
2.2	February 2021	Minor changes

This document can be downloaded from www.citywesthousing.com.au

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1. PURPOSE

The Rent Policy sets out how and when City West Housing (CWH) calculates the rent that residents need to pay (Tenant Contribution).

This Policy should be read in conjunction with the Rent Policy Guideline (attached). The guideline provides more details about how CWH reviews and sets rent. It also explains what is included in assessable income and evidence of income.

2. BACKGROUND

CWH is committed to providing affordable rental housing. Eligible households earn very low to moderate incomes. Very low to moderate incomes are defined as follows:

- a very low-income household earns less than 50% of the relevant median household income for Sydney.
- a low-income household earns between 50% and 80% of the relevant median household income for Sydney.
- a moderate-income household earns between 80% and 120% of the relevant median household income for Sydney.

These income eligibility thresholds are updated annually in the [NSW Ministerial Guidelines on Affordable Housing](#).

Eligibility for affordable housing with CWH is set out in the Eligibility and Allocations Policy which can be found on our website.

3. DEFINITIONS

3.1. MARKET RENT

This is what the cost would be to rent the property in the private rental market. The rent charged by CWH will never be higher than the Market Rent.

3.2. DISCOUNTED MARKET RENT (DMR)

The DMR is 74.9% of the Market Rent.

3.3. TENANT

The person who signs the Residential Tenancy Agreement with CWH.

3.4. HOUSEHOLD MEMBERS

Anyone who has been approved by CWH to live in the property with the tenant.

3.5. RESIDENT

Either a tenant or household member.

3.6. HOUSEHOLD MEMBERS

Anyone who has been approved by CWH to live in the property with the tenant.

3.7. TENANT CONTRIBUTION

The rent charge that a tenant needs to pay.

4. HOW DO WE SET RENTS?

The tenant will be charged a subsidised rent based on the household's gross income. This is referred to as an income-based rent.

The percentage of income charged as rent varies by income band and is generally as follows:

INCOME BAND	% OF INCOME CHARGED IN RENT
Very-low income	25%
Low income	27.5%
Moderate income	30%

Tenant Contribution to rent is charged based on the assessable income of each household member aged 18 or over. What we include as assessable income is detailed in the attached Rent Policy Guideline, along with further information about the documentation we will require from you.

There are a small number of items that fall under the definition of assessable income that will be charged at different rates, in accordance with the NSW Government's Community Housing Rent Policy.

- Family Tax Benefit A and B – rent will be charged at 15%.
- Household members aged 18-20 who are not the tenant, spouse or live in partner – rent will be charged at 15%.
- Child support – rent will be charged at 25% regardless of your income band.

Commonwealth Rent Assistance (CRA) is a rental supplement paid to eligible households as a contribution to rent. It is not treated as assessable income.

- CWH will include 100% of the CRA entitlement for eligible households in the rental charge.

More detailed information on how we calculate your Tenant Contribution to rent is in the *Rent Policy Guideline*.

5. EXCEPTION TO INCOME BASED RENTS

CWH charges an income-based rent for most of our residents however there are a few exceptions.

Each year we look at what it would cost to rent our apartments in the private rental market. This varies by location, the building and the size of each apartment. This will determine the rent that you would be paying if you were not receiving a subsidy and is known as the Market Rent. We also work out the Discounted Market Rent (DMR) for your apartment, which is calculated at 74.9% of the Market Rent.

5.1. DISCOUNTED MARKET RENT (DMR)

If the DMR is less than the rent you would otherwise have been charged based on your assessable income, we will use the DMR as your contribution to rent.

No one living in a CWH affordable apartment should be charged rent that exceeds 30% of their gross household income, except in the circumstances outlined below.

5.2. MARKET RENT

While CWH will not usually charge residents more than 30% of their gross household income as the Tenant Contribution to rent, we reserve the right to charge Market Rent if you do not provide updated income information on request. Updated income information is requested as part of a regular rent review process.

We might also charge you Market Rent if you exceed the income eligibility for affordable housing and need time to identify alternative accommodation.

How we set Market Rent and when we might apply it is explained further in the Rent Policy Guideline.

Where CWH has reviewed the Market Rent for your apartment and there has been a change, we will notify you of the revised Market Rent within 30 days.

6. RENT REVIEW – HOW OFTEN DO WE DO RENT REVIEWS?

Rent reviews can be initiated by CWH or by you.

CWH will aim to process rent reviews and calculate the new rent within 28 days of receiving all necessary documentation from you.

6.1. CWH INITIATED RENT REVIEW

The way that CWH will review rent charges depends on whether your household is eligible for CRA.

- CRA eligible households will be reviewed every six months.
- All other households will be reviewed annually at or near the time that tax returns are completed.

6.2. TENANT INITIATED RENT REVIEW

At any time during the year, if your household income substantially changes (a greater than 10% change) you have an obligation to notify CWH and provide the relevant documentation within 21 days so that a new rent charge can be calculated.

Further information about the rent review process and when any changes to your rent will take place can be found in the *Rent Policy Guideline*.

7. WHAT IF I GO OVER THE INCOME LIMITS?

If a household exceeds the income eligibility threshold, the household is no longer eligible for housing with CWH. CWH will allow the resident a period of time to relocate to other accommodation. Different rules apply to apartments funded through the National Rental Affordability Scheme (NRAS). More information on this can be located in CWH's *Eligibility and Allocations Policy*.

8. OTHER CHARGES

All households who reside in an apartment that has a separate water meter are required to pay for water in addition to their rent. Water charges are billed quarterly and need to be paid within 21 days.

In some circumstances there may be tenant re-charges that need to be paid. For more information please see the *Resident Charge Policy* on our website.



RENT POLICY GUIDELINES

HOUSING SERVICES

This guideline provides additional information to supplement City West Housing's (CWH) Rent Policy.

1. HOW CWH CALCULATES RENT – INCOME BASED RENT

The process of working out income-based rent calculations is summarised below:

1.1. DETERMINING YOUR INCOME BAND

The gross average annual income of a household is calculated using the assessable income (see section 2) of each household member aged 18 years and older. This amount is used to determine which income band the household falls into.

INCOME BAND	% OF INCOME CHARGED IN RENT
Very-low income	25%
Low income	27.5%
Moderate income	30%

The calculation of your income band includes all household members' income. This income band calculation does not include Commonwealth Rent Assistance (CRA).

1.2. CALCULATING YOUR CONTRIBUTION TO RENT

There are different percentages charged based on the table below.



PERSON AND INCOME	PERCENTAGE CHARGED
Tenant and household members (with exceptions as per below)	25% - 30% (step 1)
EXCEPTIONS	
Household members who are 18 – 20 years of age (who are not the tenant, their spouse or live in partner)	15%
Household members under 18 years of age	Nil
Family Tax Benefit A and B received by all household members	15%
Child Support	25%

1.3. COMMONWEALTH RENT ASSISTANCE

100% of the CRA is charged for any resident who is eligible to receive it. This amount will be included in the tenant contribution to rent for those residents eligible to receive it.

1.4. DETERMINING THE TENANT CONTRIBUTION

The total tenant contribution to rent will be the calculation of step 2 + step 3.

Income that is assessable for the purpose of calculating rent is set out in the [NSW Department of Communities and Justice Community Housing Rent Policy](#).

Standard forms of assessable income include wages/salaries, income support payments, income from investments and child support.

1.5. NO INCOME OR REDUCED INCOME

Any resident who is eligible to receive an income support payment from Centrelink but chooses not to or does not receive the full amount they are eligible for will be charged rent as if they were in receipt of the income support payment. This includes 100% of CRA.

1.6. LUMP SUM PAYMENTS

If a resident receives a lump sum payment the way this is handled in the rent review process depends on a number of factors including:

- The size of the payment;
- How the payment is being made (in instalments or in one go); and
- Whether or not it impacts on the receipt of Centrelink payments.

Lump sum payments paid in instalments will be treated as income for the purposes of rent calculation. If a resident is no longer working and the instalments are less than the income support payment that the resident would otherwise be eligible for, the rent will be based on the full entitlement of the income support payment.

Any income from the investment of a lump sum payment will be included as income when calculating the rent amount.

If a lump sum payment is paid in full and prevents a resident from receiving an income support payment, proof confirming this from Centrelink will be needed. Once provided CWH will calculate rent based on the relevant income support payment (based on the age and household details).

Any lump sum payment will be assessed to determine if the resident continues to be eligible to receive housing from CWH. If the resident could use the payment to resolve their own housing need, they will not be eligible to receive housing from CWH.

2. REDUCED RENT

In exceptional circumstances, CWH can reduce rent to \$10 per fortnight for a limited period. Appropriate evidence is required to support such a request. Examples of when this may happen include a resident being away from their property to stay in a rehabilitation facility where they are paying most or all of their income in fees to the facility. For more information please see the *Approved Absences Policy*.

3. WHAT PROOF OF INCOME DO RESIDENTS NEED TO PROVIDE?

It is the responsibility of all residents to provide income details for all household members aged 18 years and older. There is different documentation required for different forms of assessable income.

Income and assets evidence documents must not be more than three months old on the date they are submitted to CWH, and Centrelink income statements must be current showing the change in payments in line with the most recent indexation. An exception is given for Tax Returns and Profit and Loss Statements, which must not be more than 13 months old. The table below summarises the information that is needed:

TYPE OF INCOME	PROOF REQUIRED
Income support payment from Centrelink or Veteran's Affairs	Income Statement from Centrelink or Veteran's Affairs (unless consent has been given for CWH to access the Income Statement from Centrelink).
Wages / salaries	The most recent tax return and the most recent payslip if a year to date figure is included, otherwise the last three months of payslips will be required.
Self employed	Profit and loss statement completed by an accountant or the most recent business tax return.
Income from an overseas government, Workcover or an insurance agency/company	A letter or statement showing the total amount of money paid and the frequency of payments.
Income from investments	Letter or statement from a finance or investment company showing any money paid.
Child support	If income is also received from Centrelink the amount of child support declared in the income statement from Centrelink will be used. If no Centrelink is received a transaction statement from the Child Support Agency is preferred.
Other	Letter from a company or agency showing the type, amount and frequency of payments.

For a detailed list of requirements for proof of income, assessable and non-assessable income please see the [NSW Department of Communities and Justice Community Housing Rent Policy](#).

Where CWH becomes aware that a resident has provided false, incomplete or misleading household income information or has allowed an unauthorised occupant to live in their property we will

investigate this. Please see CWH's Rental Fraud Policy. If rental fraud has been found to occur, CWH will either backdate the increase in rent to the time that the income increased or in more serious cases, take action to terminate the tenancy.

4. HOW CWH CALCULATES RENT – DISCOUNTED MARKET RENT

The way that CWH will review rent charges depends on whether or not the household is eligible for CRA. CRA eligible households will be reviewed every six months, on or around April and October of each year. This timing has been chosen to coincide with the increase in payments by Centrelink. Other households will be reviewed annually.

CWH will request documents for the rent review and requires all documentation to be returned within 21 days. If this does not happen, CWH may charge the market rent and/or pursue action in the NSW Civil and Administrative Tribunal to end the tenancy depending on the circumstances.

At any time of the year, residents will need to submit new rent review paperwork if their household income has changed.

Any resident who does not let CWH know about a significant increase in income (of 10% or more in gross household income) risks having a large rent arrears debt placed on their account as the increased rent will backdate to the time of the change in income.

The calculation of the new rent will aim to be completed by CWH within 28 days from when the final paperwork is received from the resident.

5. START DATE FOR NEW RENT CHARGES

Following a rent review, the new rent charge may not be applied immediately. If CWH has requested documents for a rent review, CWH will notify you of the date that the new rent charge will apply once the calculation has been completed.

If a resident has had a change in income, the start date of the new rent charge is summarised below:

OUTCOME OF RENT REVIEW	WHEN CWH WAS NOTIFIED	NEW RENT EFFECTIVE DATE
Rent is increasing	Within 21 days of increase in income	The billing date after the rent review is completed
Rent is increasing	Did not advise within 21 days of increase in income	The date that the income changed
Rent is decreasing	Within 21 days of decrease in income	The date that the income changed
Rent is decreasing	Did not advise within 21 days of decrease in income	The billing date after the rent review is completed

It is the responsibility of all residents to check that CWH's assessment of rent based on the resident's assessable income accurately reflects their circumstances.

Any changes to the outcome of a rent review that result from a resident raising issues will not be backdated past the date of the previous rent review.

The Head of Housing Services can make out of guidelines decisions about the start date of rents.

6. ONGOING ELIGIBILITY FOR CWH AFFORDABLE HOUSING

If a rent review identifies that a household exceeds the income limit for the apartment they live in, they will be contacted by their Housing Services Coordinator and given a maximum of 12 months to find alternate accommodation.

For the first three months of the notice period the rent charge will be income-based. For the next nine months the rent charge will increase to the market rent.

For residents living in properties under the National Rental Affordability Scheme there are different eligibility limits that apply, and the household would need to exceed the relevant income threshold by 25 per cent for 2 years in a row before relocating.

The maximum rent charged under this scheme is also capped at the DMR even during the notice period. Please see [NRAS Household Income Indexation](#) for more information.

7. PAYING YOUR RENT

There are a number of ways for you to pay rent. They include:

- On line via the [City West Housing Resident Portal](#)
- Centrepay deductions
- Internet banking
- EFTPOS
- Call or visit CWH and pay with your credit/debit card

CWH does not currently accept any payments by cash or cheque.

All payments of Tenant Contribution towards rent are payable fortnightly and in advance.

8. RENT STATEMENTS

Tenants can access their rent statement via the [City West Housing Resident Portal](#).

Otherwise, any tenant or Household Member (with authority to act) can request a rent statement from CWH by email, phone or in writing. CWH will aim to respond to any request for a rent statement within 3 days.