

RENT and RENT REBATES

Every property leased by Housing ACT has a market rent set for it, but most tenants do not end up paying that amount for their accommodation. Instead, they pay a rebated rent. Rebated rents exist so that people on low incomes can afford housing without spending their entire income on rent.

If you are not eligible for a rent rebate you will be required to pay market rent. If you qualify for a rent rebate, the amount of rent that you pay is worked out according to a formula in the Public Rental Housing Assistance Program.

This formula results in the rent being equal to a percentage of your weekly household income. This is called the 'Basic Rent'. It is called a 'rebated rent' because, if you qualify, the Commissioner for Social Housing grants you a rebate equal to the difference between your Basic Rent and the market rent for the property.

The Basic Rent is calculated on the basis of your weekly household income. The rebate is the reason why you do not have to pay the market rent for the property. If for any reason you lose the right to receive a rebate, you must go back to paying full market rent for the property.

To summarise:

- Every Housing ACT property has a market rent set for it;
- The Basic Rent is the rent that you pay for the property, and is calculated solely on the basis of your weekly household income; and
- Your rent rebate is the difference between the market rent and the Basic Rent.

GETTING A RENT REBATE

To get a rent rebate you must apply to Housing ACT. You will need to supply full details of your household income.

If you are successful in getting a rebate, then there are some things you cannot do:

- You must not sublet the premises (subletting is when you let someone else occupy the premises and they pay you rent);
- You must not be absent from the premises for one month or more without the consent of Housing ACT; and
- Your income needs to remain below a certain amount.

A rent rebate is granted for a period of either six or 12 months, depending on your individual circumstances. Housing ACT can review your eligibility for the rent rebate at any time during the rental rebate period.

BASIC RENTS

The formula used to calculate Housing ACT tenants' 'Basic Rent' is based on the household income received by all members of the household (not just the tenant/s).

Income includes:

- Most Centrelink benefits (but excluding FTB Part B, most supplementary allowances, such as Pharmaceutical Allowance, Large Family Supplement, Pensioner Education Supplement and bonuses, such as those for Carers and Seniors and family-related lump sum payments, such as for FTB Part A);
- Pensions;
- Overseas pensions;
- Most Veteran Affairs benefits;
- Wages;
- Overtime;
- Allowances;
- Interest earned on investments;
- Interest earned on savings accounts;
- Compensation for lost earnings; and
- Money received from other sources.

Some types of income, such as money paid out by you for child support, are subtracted from your assessable income. A full list of exempt income and assets can be obtained from Housing ACT.



Welfare Rights & Legal Centre

Advice Line
6247 2177

To work out your weekly basic rent, you need to follow these steps:

STEP 1: Calculate 25% of the weekly income of each member of the household who is 18 or over, excluding any Family Tax Benefit received.

STEP 2: Calculate 10% of income received by residents under the age of 18 who are receiving weekly income of \$100 or more.

STEP 3: Calculate 10% of all Family Tax Benefit A payable to any person in the household (subject to limited exceptions).

THEN Add together the amounts obtained in each of these steps. That figure represents the Weekly Basic Rent. (If the calculation produces a figure of less than \$5, the weekly basic rent will be \$5 as this is the minimum rent payable.)

EXAMPLE A: Eddie, a single person, receives \$214.90 per week in Newstart Allowance payments. He receives no other income.

Eddie's weekly basic rent will be \$53.73 ($0.25 \times \214.90).

EXAMPLE B: Anna is a single parent who lives with her daughter aged 17. Anna receives \$232.45 per week in Newstart Allowance payments. Her daughter receives Youth Allowance payments of \$97.25 per week plus income from a job of \$110 per week (total \$207.25).

Anna's weekly basic rent will be \$58.11 ($0.25 \times \232.45) PLUS \$20.72 ($0.10 \times \207.25) = \$78.83 per week.

EXAMPLE C: Ruth is a single parent with 2 children aged 4 and 6 years. Ruth receives Parenting Payment of \$259.60 per week. She also receives Family Tax Benefit A of \$145.46 per week and Family Tax Benefit B of \$62.51 per week.

Ruth's weekly basic rent will be \$64.90 ($0.25 \times \259.60) PLUS \$14.54 ($0.10 \times \145.46) = \$79.44

per week. (The Family Tax Benefit B money Ruth receives is not counted in the calculation).

CHANGES IN HOUSEHOLD INCOME OR RESIDENTS

If you receive a rebate, you must advise Housing ACT immediately of any changes in your household income and/or the number of people (adults or children) who live in your home as this may affect your rebate entitlement.

In most cases, where your income increases during the existing six-month period of approval, your rebated rent will remain unchanged until the next review. However, if you do not tell Housing ACT of the change when it occurs, you could end up with a debt later.

WHAT HAPPENS IF I START WORK?

If you or anyone in your household becomes employed after a period of unemployment, you may be eligible for a 'rent rebate extension'. To qualify, you need to let Housing ACT know as soon as you start work. Your rebate can then be extended for six months, meaning you pay the same rent as you were paying before you started work for the next six months. At the end of that period, you need to lodge a new rebate and Housing ACT will then charge you rent based on your wages.

EXAMPLE: Antonio is on Newstart Allowance of \$214.90 per week and pays \$53.70 per week rent.

In January he gets a full time job earning \$500 per week.

Also in January he notifies Housing of his new job and applies for a rebate extension.

Antonio's rent remains at \$53.70 until the end of June.

In June, Antonio completes a new rental rebate form and commences paying rent at 25%

of his wages which equals \$125 ($0.25 \times \500).

Because the market rent for Antonio's flat is \$200 per week, he still gets a rebate of \$75 per week (the difference between the market rent and 25% of his earnings).

WHAT IF I DON'T HAVE ANY INCOME?

Jail, remand or rehabilitation

If you lose your income because you go into jail or are being held in remand, you may qualify for a reduced rebated rent of \$5 per week. You may also qualify for this reduced rent if you enter a formal residential rehabilitation facility or mental health facility, even if you are still receiving your Centrelink benefit. You need to contact Housing ACT as soon as possible to check your eligibility and to organize for your rent to be reduced in this way.

Not claiming Centrelink

If you don't have an income or if your income is less than \$100 per week and you are eligible for a Centrelink benefit, Housing ACT has the power to charge you rent at 25 per cent of that Centrelink benefit. The policy is designed to ensure that everyone living in a Housing ACT property pays rent. Unless you can demonstrate that you cannot obtain a Centrelink benefit, you will be charged rent at 25 per cent of the benefit to which you would be entitled if you applied. The policy also applies to people who have an entitlement to part payment of Centrelink benefit, but who don't claim it.

Breached by Centrelink

If you are on a Centrelink benefit but have no income because you have been breached and subject to a Centrelink non-payment period, you should apply to have your rent reduced to \$5 per week for that period. You will need to provide Housing ACT with evidence from Centrelink

that shows you did not receive income for that period because you were breached and had a non-payment period imposed.

FAILURE TO MAINTAIN YOUR REBATE

Failing to keep your rebate up to date can have serious consequences. Under your tenancy agreement you are required to pay rent in accordance with any current rebate. If you lose your rebate, you are required to pay the full market rent.

If Housing ACT cancel your rebate, or if you forget to reapply and the rebate lapses, you must pay full market rent until the rebate is restored. If you do not pay full rent you will be in breach of your tenancy agreement, which could lead to eviction proceedings against you.

If Housing ACT vary your rebate so that your rent payments increase and you don't change

your payments accordingly, this will also be a breach of your tenancy agreement and could lead to eviction proceedings against you.

FRAUD

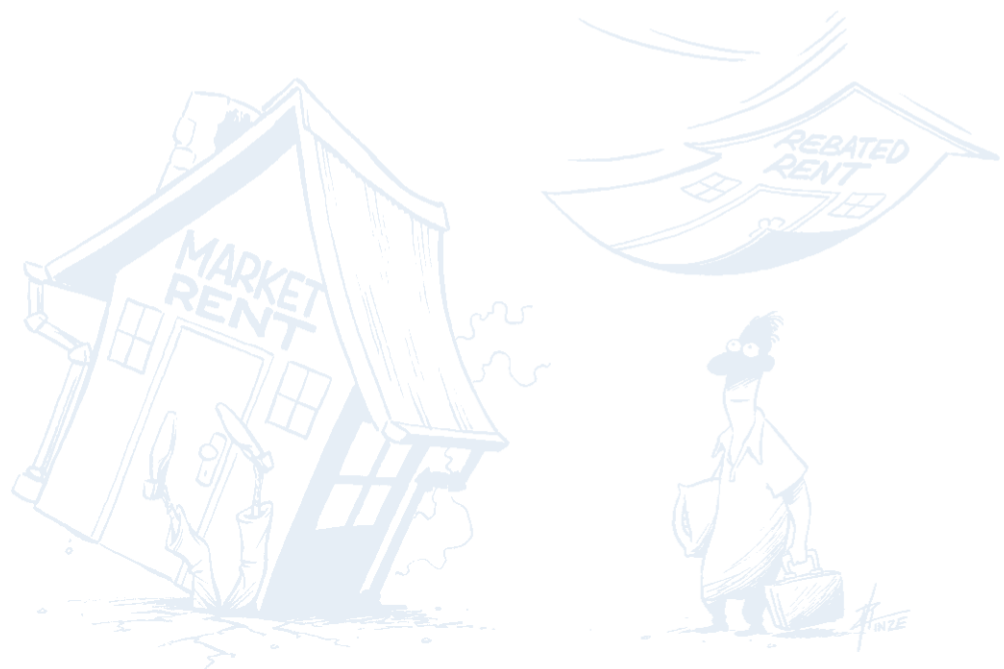
You must not knowingly provide false details about your income to Housing ACT, or deliberately withhold information that you are required to provide.

If you receive a rebate you are not entitled to, Housing ACT will require you to repay those funds, which could be a very large debt. You may also face criminal charges and if convicted could face a jail sentence. You have a legal obligation to provide true and accurate information about your income and living arrangements, so do it — the risks of not doing so are just not worth it.

APPEALS

Remember that decisions made by Housing ACT about the amount of your rebate or whether or not to grant you a rebate can be appealed, and mistakes can occur. The first step is to ask Housing ACT to reconsider its decision. If this is not successful, you can ask Housing to refer your matter for a second-level review by a panel of senior officers in the department. If you are still unhappy, you can appeal to the ACT Administrative Appeals Tribunal.

See **The Appeals Process** (WRLC Fact Sheet 9).



Disclaimer

This fact sheet contains general information available at the time of printing. It does not constitute legal advice. If you have a specific legal problem, please contact the Welfare Rights and Legal Centre's advice line on 6247 2177. The Welfare Rights and Legal Centre is entirely independent of Housing ACT. All assistance is free.

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