

# Rent Management Policy (Social Housing)

## Purpose and Objective

The purpose of this document is to explain the policy for *Rent Management*. This includes social housing, affordable housing, and transitional housing.

## Scope

- This policy applies to all clients (including applicants, former tenants and existing tenants) who accept accommodation in properties owned or managed by Housing Plus
- This policy applies to all Housing Plus properties except Crisis Housing.
- This policy describes the organization's objectives and policies regarding *Rent Management*.

## References

Housing Plus will start a tenancy in accordance with:

- a) The Housing Act 2001
- b) Residential Tenancies Act 2010 and Regulations
- c) Housing Plus Policies.

Both the client and Housing Plus have rights and obligations under the above Acts, the residential tenancy agreement and this policy.

## Definitions

### Term: Tenancy Agreement

**Definition:** The Residential Tenancies Act 2010(NSW) (the RT Act 2010) defines a residential tenancy agreement as 'an agreement under which a person grants to another person for value a right of occupation of residential premises for the purpose of use as a residence' (section 13(1)).

### Term: Market Rent

**Definition:** Market rent is the amount of rent that a real estate agent or landlord would charge each week if the property were rented in the private market.

### Term: Rent Subsidy

**Definition:** A rent subsidy is the difference between the market rent and the rent a tenant pays based on their household's assessable income and rent assessment rules.

## Responsibilities

### Executive

- 1) Establish policy objectives

## Management

- 1) Develops policies and procedures to achieve policy objectives
- 2) Coordinates and implements policy for *Rent Management*
- 3) Oversees training and ensures adoption by all employees responsible for *Rent Management*.
- 4) Reviews policy and procedure on biannual basis to ensure compliance with legislation and adopts accordingly

## Employee responsibilities

- 1) Understand and comply with Housing Plus policies regarding *Rent Management*.

## Charging Rent

Housing Plus is committed to providing social housing in compliance with HOUSING PLUS guidelines, NSW Community Housing Rent Guidelines, and with the provisions of the *Rental Tenancies Act 2010* which ensures tenants rents are assessed accurately and fairly.

Housing Plus requires all tenants living in a property owned or managed by Housing Plus to pay rent on regular basis. Housing Plus market rent for all its Social Housing properties. This is the maximum rent a tenant can be charged. Housing Plus may only vary the market rent in accordance with the *Residential Tenancies Act 2010*.

## Calculating Market Rent

Housing Plus bases the market rent for a public housing property on the rent a tenant is likely to pay for a property in the private rental market that:

- is in a similar geographical location, and
- is a similar size, and
- has similar features.

Housing Plus determines market rent using a number of sources, including property valuations, rental bonds and current trends in the private rental market.

Housing Plus does not value every property, instead it values a carefully chosen subset of properties. Housing Plus uses these values, (also known as benchmark assessments), to calculate the market rent for all other properties. It does this by comparing the characteristics of each property, such as suburb, property type, age, number of bedrooms, yard, cladding and type of parking space to a benchmark property.

Housing Plus also groups suburbs into a smaller number of benchmark localities, or markets, to ensure that rent variances within a suburb are minimised. However, different properties in the same area may have different rents. This is because the type of property and the features of the property may vary.

### 1.1 Calculating Subsidised Rent

Housing Plus calculates subsidised rent according to the tenant's household size, type and gross assessable income. There are a number of household income limits and rent assessment rules that determine how much rent a tenant will pay.

If a household is eligible for a rent subsidy, the tenant will pay between 25% and 30% of their household income as rent.

The minimum amount of rent a tenant or a household member will pay is \$5 per week. This will only occur where a tenant or household member:

- is not eligible for Centrelink benefits, for example, because they are in custody, or
- enters a nursing home, rehabilitation centre, respite care, refuge (or other safe place) and is required to pay for that accommodation.

Tenants must substantiate all claims for the minimum \$5 rent.

The \$5 minimum rent will not apply in the situations outlined in the No statutory income or reduced statutory income section below.

### Eligibility for \$5 Minimum Rent

In some situations, Housing Plus will assess a tenant or household member's contribution to the rent payable as \$5 per week. These situations are set out in Table 1 below.

The tenant must provide documentation to substantiate all claims for the minimum rent charge.

A \$5 minimum rent is not applied:

- To the Estate of a deceased tenant who was the sole occupant of the property
- Where the tenant or a household member is on holiday, overseas, or away from their property for an acceptable absence.

### Assessing income and assets to calculate subsidised rent

Housing Plus has decided what types of income and assets to include and exclude when calculating a tenant's eligibility for a rent subsidy and the amount of rent they will pay. The income Housing Plus uses is the gross assessable income of the household.

When applying for a rent subsidy a tenant must complete a Rent Subsidy Application form and provide proof of all assessable income received by all household members aged 18 years and over. Proof of income can be lodged by original documentation, electronically, such as fax or email or can be requested through the Income Confirmation Scheme for Centrelink income. If the documents are provided electronically, Housing Plus may still request the original.

### Assessable income and assets

Assessable incomes are incomes that Housing Plus includes when calculating a tenant's eligibility for a rent subsidy and the amount of rent they will pay. Income that Housing Plus usually considers as assessable includes payments received for general living expenses, for example:

- most pensions, benefits and allowances paid by Centrelink and the Department of Veterans' Affairs. These income types are also known as statutory income.
- wages, salaries and some work allowances such as overtime, bonuses, shift allowances and penalty rates. These income types are also known as non-statutory income.
- other income such as superannuation, compensation, overseas pension, interest from savings and maintenance. These income types are also known as non-statutory

For further information about Assessable Income types please see table 2 below.

## Income payable calculations

Housing Plus requires all clients to make a full and complete disclosure of their income from all sources when requested to do so, and the income so disclosed will be the basis for the assessment of rent in accordance with the guidelines.

Rent charged to each client will be reviewed and reassessed from the date of that review by Housing Plus generally at intervals of six months or as otherwise determined in accordance with this policy. If any client notwithstanding notice fails to lodge the documents required for any such rent review, market rent may be charged until a satisfactory review has been conducted or the tenancy has been terminated.

In cases where a clients income fluctuates, for example through part-time employment, and where it is not considered economic for Housing Plus to carry out frequent rent assessments, rent will be calculated on the average of the weekly gross income of that client over the period of up to twelve weeks prior to the review.

Assessment rate	Tenant/Other household member
25%	The tenant, their spouse or live-in partner, irrespective of their age. All other persons living in the household who are aged 21 years or over.
25%	Clean Energy Supplement
15%	People living in the household aged 18 to 20 years inclusive who are not the tenant, their spouse or live-in partner.
15%	Family Tax Benefit Part A & B
Nil	Persons living in the household aged under 18 years who are not the tenant, their spouse or live-in partner are not assessed for rent-setting purposes.

## Non-assessable income and assets

Non-assessable incomes and assets are incomes and assets that Housing Plus does not include when calculating a tenant's eligibility for a rent subsidy and the amount of rent they will pay. Income that Housing Plus usually considers as non-assessable includes payments received for a specific purpose, such as allowances received to assist with a particular life circumstance or disability.

For more information, go to see Table 6 below

## How Housing Plus assesses certain types of income, reduced income, or no income

The section below outlines how Housing Plus assesses certain types of income, reduced statutory income, or no income at all.

## Assessing income for self-employed clients

Housing Plus calculates the income for self-employed clients by taking the gross income less legitimate business expenses. Housing Plus classes legitimate business expenses as any expense essential for producing an income. Some items may be allowable as tax deductions but Housing Plus may not consider them legitimate business expenses. For more information on legitimate business expenses go to Table 11 Below

### Assessing income from wages

Where a person has just started a regular job, or has been in continued employment and will be receiving the same gross amount of income each week, Housing Plus will assess the subsidy on this gross amount.

### Assessing irregular wages

Where a person will receive a varying income such as income received through casual work, Housing Plus will discuss with the tenant how best to predict that person's future weekly income. Housing Plus may do this in one of two ways:

- averaging the income according to the amount of time the person has worked within a 12 week period, or
- using the actual amount received in the first pay and reassessing the rent subsidy in two months time. If a tenant wishes to use this assessment method they will have to resubmit a second rent subsidy request and evidence of actual income received so that Housing Plus can conduct the re-assessment. If this method is used, and the estimated income is lower than the actual amount of income received Housing Plus will adjust the subsidy and the tenant will need to make up the difference in rent payable.

### Assessing Commonwealth Rent Assistance

Housing Plus tenants and other household members may be eligible to receive Commonwealth Rent Assistance (CRA). In these Circumstances Housing Plus

- impute the CRA entitlements for households so as to maximise the CRA received by those households, and
- assess the CRA at 100% for all household members treated as paying rent, and
- add each household member's CRA to the rent for the household.

As no household can be charged more than market rent, Housing Plus may adjust the amount of CRA assessed for particular household members so that the rent for the household is no more than market rent.

### Assessing income where a tenant or a household member receives an amount that is less than a statutory rate

Housing Plus will assess people who receive an income that is less than the Newstart Allowance (or other benefit to which they would otherwise be entitled), as though they receive the appropriate statutory benefit for their age and household composition. This includes people who receive wages, salaries, or who are self-employed.

### Assessing income where a tenant or household member does not receive a statutory income, or receives a reduced statutory income

In some instances a tenant or household member receives no statutory income or a reduced statutory income because they:

1. have chosen not to apply for an income to which they are entitled
2. have breached Centrelink requirements or are repaying a Centrelink debt
3. are New Zealand citizens who are in Australia on a non-protected Special Category Visa

4. are not eligible to receive a statutory income because:
  - they have gone overseas
  - they receive a Newstart Allowance, have not sought work and have become ineligible for further payments for a specified period
  - they have received a compensation or other lump sum payment, or Centrelink deems them to have sufficient resources and Centrelink expects them to use those resources for living expenses

In these situations Housing Plus will assume that a tenant or household member receives a statutory income and will base the rent calculation on the statutory payment to which that person would otherwise be entitled.

## **Reviewing the rent a tenant has to pay**

### **Market rent**

Housing Plus regularly reviews the market rent it charges for its properties in line with movements in the private rental market.

### **Subsidised rent**

There are three types of subsidised rent reviews:

- a scheduled group subsidy review initiated by Housing Plus
- an automatic group subsidy update initiated by Housing Plus
- an individual review initiated by the tenant

### **Housing Plus initiated scheduled group subsidy review**

A Housing Plus initiated scheduled group subsidy review occurs when Housing Plus decides to review the income details of a group of tenants receiving a rent subsidy and their entitlement to receive this subsidy. This review involves contacting the tenant and asking them to provide up to date income information for their household.

Housing Plus will send a letter asking the tenant to confirm their current household income. If the tenant does not return the form by the due date and they fail to make contact Housing Plus will charge the tenant market rent until they return the form. Upon returning the form if the tenant provides information establishing their need for a rent subsidy and a reason as to why they have delayed returning the form Housing Plus will backdate the subsidy to the effective date of the group review. The subsidy will be backdated to the date of change where it is considered reasonable for the tenant to have advised Housing Plus of the change in circumstances.

### **Housing Plus initiated automatic group subsidy update**

An automatic group update occurs when Housing Plus automatically re-assesses rent subsidies by:

- updating Centrelink incomes by applying regular cost of living increases; and or
- carrying forward non-statutory incomes from the previous subsidy without changing the income amounts; and or
- obtaining updated income details from Centrelink for some or all tenants participating in the Income Confirmation Scheme.

### Tenant initiated individual subsidy review

An individual subsidy review occurs when a tenant advises Housing Plus of a change to their income or household complement. In this case, Housing Plus will reassess the subsidy based on the income information provided to ensure the household is still entitled to the subsidy and is paying the correct rent.

### Advising tenants of changes to rent

Housing Plus will advise all tenants in writing of any change to their market or subsidised rent and when that change takes effect.

Where a tenant pays the market rent and Housing Plus increases the rent following a review Housing Plus gives the tenant 60 days notice of the rent increase in accordance with the *Residential Tenancies Act 2010*.

Where a tenant pays subsidised rent Housing Plus will list all the income amounts and assessment rates used when calculating the rent payable for the household.

### Payment of rent

Housing Plus expects tenants to arrange for prompt payment of rent on or before the due date.

Tenants must notify Housing Plus immediately if they are unable to make payments. Where tenants have difficulty paying their rent Housing Plus will work with and support that tenant towards resolving their difficulty.

### Bond Payment

At the commencement of tenancy, Housing Plus requires each client to pay a rental bond equivalent to four weeks of the market rent. Rental Bonds are lodged with NSW Fair Trading and dealt with in accordance with the relevant legislation applying to it. In any case where a client is unable to make payment in full of the rental bond at the commencement of the tenancy, Housing Plus may agree to the rental bond being paid over a maximum period of fifty (50) weeks.

### Failure to pay Bond

Failure to pay bond in accordance with a signed bond payment agreement will be a breach of tenancy and action will be taken accordingly.

### Transferring Bonds

Where a tenant is relocating from one property to another within the organisation, the bond may be transferred to the new property by completing a new lodgement form and a transfer of bond form, subject to:

- There being no outstanding rent or non-rent accounts associated with the initial tenancy
- There not being a change of head tenant for the second tenancy
- The client has not received rental assistance from Housing NSW

### Rent Payment at Commencement of Lease

The first two weeks of the tenancy are to be charged at the calculated rent minus the Commonwealth Rent Assistance (CRA) component.

No tenancies will be allowed to commence unless the client has paid the first two weeks rent.

## Subsidised Rent

If a household has a low or moderate income the tenant can apply for a rent subsidy. The rent subsidy will reduce the amount of money the tenant has to pay in rent. Housing Plus has the authority to grant a rent subsidy under the provisions of the *Housing Act 2001*.

Subsidised rent is based upon 25% household's assessable income, plus 100% of the household's entitlement to Commonwealth Rent Assistance (CRA). This is subject to the qualification that the subsidised rent must not exceed market rent. Housing Plus does not pay the rent subsidy to the tenant, but deducts it straight from the market rent.

## Proof of Income

To determine the eligibility of a tenant for a rent subsidy, community housing providers must require proof of income for the tenant, their spouse/live in partner (even if they are under 18 years of age) and other household members aged 18 years or over. Proof of income must be original or provided through the Income Certification Scheme for Centrelink pensions and allowances and includes:

- Income statement from Centrelink
- income statement from the Department of Veteran's Affairs
- payslip, letter or statement from the employer dealing gross wage, applicable tax, deductions, pay period, and payee details for salary or wages
- 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 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.

In addition:

- All stated income must be verified by the income supplier.
- Additional proof of income may be required by Housing Plus where there is a difference to a household's standard income, for example, a household not receiving the standard Centrelink income.
- The onus is on the tenant to provide verification of their income within a reasonable period to substantiate a decrease in their income.
- Any changes to a household income must be reported to Homes North within 21 days.

## No income

Where a household member who is older than 18 years is not in receipt of any income, Housing Plus will, for the purposes of the rental assessment, assume that the household member is in receipt of the standard Centrelink rate of pension or benefit in accordance with the Housing Plus Rent Charging Policy. Housing Plus has the right to reject an application for rental subsidy if the tenant or household member does not have income continually for a period of 12 months.

## Rental subsidy fraud

Rent subsidy non-disclosure occurs when a tenant makes a false, incomplete or misleading statement about the income or assets of any member of their household in order to obtain a rent subsidy that they are not entitled to. Tenants must tell Housing Plus within 21 days of any changes to their household circumstances. For further information about Rent Subsidy Fraud, please see the Rent Subsidy non-disclosure policy.

## **Rent Reviews**

Housing Plus regularly reviews the level of rent paid by a tenant to:

- determine, if a rent subsidy is applied, whether the tenant remains eligible for a subsidy (at least every 6 months)
- recalculate the level of rent paid in accordance with the requirements set out in Appendices 2, 3 and 4 (at least every 6 months for subsidised rent and annually for market rent). It is the tenant's responsibility to advise their community housing provider of any change in their income and/or family circumstances within 21 days of the effect of that change. Community housing providers must immediately reassess the rent level for a tenant following notification that the household income has changed.

## **Rent Payment**

Methods of rent and non-rent payment are via:

1. At any branch of the Westpac Bank using the special deposit book provided to the client at the time of sign up.
2. By transfer from the client's bank account to the Housing Plus bank account
3. By Centrelink deduction
4. In special circumstances by cash payment at the branch office

## Income and Rent Tables

**Table 1: \$5 minimum rent criteria**

Situation	Details
No Centrelink income as spouse or partner earns too much.	<p>The tenant or adult household member receives no other income and is not eligible for Centrelink benefits due to the income of their partner.</p> <p>Every six months, Housing Plus will review the \$5 rent assessment.</p>
Sponsorship, two-year or five year waiting period or holding a temporary visa while waiting for a DIMIA decision on immigration status.	<p>The tenant or adult household member (other than a NZ non-protected SCV holder) receives no other income (or receives only Family Tax Benefits) and is not eligible for Centrelink benefits due to their immigration status.</p> <p>Note: Family Tax Payments are assessable income for rent assessment purposes.</p> <p>Every six months, Housing Plus will review the \$5 rent assessment.</p>
Youth Allowance / ABSTUDY and the Family / Parental means test	<p>The tenant or adult household member is:</p> <ul style="list-style-type: none"> <li>• Not eligible to receive Youth Allowance or ABSTUDY due to Centrelink’s family / parental means test, and</li> <li>• They are not considered to be economically independent by Centrelink, and</li> <li>• They have no other income.</li> </ul> <p>Some household members over the age of 18 years do not receive Centrelink income, have no other income, and their parent receives Family Tax Benefits on their behalf. These household members are eligible to pay a \$5 minimum rent.</p> <p>Every six months, Housing Plus will review the \$5 rent assessment. After review, Housing Plus will either extend or cancel the \$5 minimum rent.</p>
Nursing home, rehabilitation, respite	<p>The tenant or adult household member’s living expenses are increased because they are required to pay a fee for their</p>

**Table 1: \$5 minimum rent criteria**

Situation	Details
care or a refuge (or other safe place)	<p>accommodation while in a nursing home, rehabilitation centre, respite care, or in a refuge (or other safe place) after leaving domestic violence. Where there are other adult household members remaining in the dwelling, their income is included in the calculation of the rent subsidy.</p> <p>Every three months, Housing Plus will review the \$5 rent assessment. After review, Housing Plus will either extend or cancel the \$5 minimum rent.</p>
Prison	<p>A tenant or household member who is in prison for three months or less is eligible for \$5 minimum rent.</p> <p>Tenants who go to prison for a period of more than three months must relinquish their tenancy. Where there are other household members, Housing Plus will review the circumstances of the household and consider whether another household member is able to be considered for succession of tenancy.</p>

Tables 2-6 below provide information on assessable income and assets. Income and assets are assessable for people who are aged 18 years and over, or the tenant and/or their partner if aged under 18 years.

**Table 2: Assessable benefits and allowances paid by Centrelink and the Department of Veterans' Affairs (DVA)**

Assessable Income	Description / further rules if applicable
ABSTUDY	Helps with costs for Aboriginal or Torres Strait Islander Australians who are studying or undertaking an Australian Apprenticeship.
Age Pension	Provides income support and access to a range of concessions for eligible older Australians.
Austudy	Financial help to full-time students and Australian Apprentices aged 25 years or more.

**Table 2: Assessable benefits and allowances paid by Centrelink and the Department of Veterans' Affairs (DVA)**

<b>Assessable Income</b>	<b>Description / further rules if applicable</b>
Carer Payment	A payment for people who personally provide constant care, in the home, to a person with a severe disability, medical condition, or who is frail aged.
Commonwealth Rent Assistance	<p><b>Aboriginal Housing Office (AHO) tenancies:</b></p> <p>Where Housing Plus tenants and/or their household members are entitled to CRA, Housing Plus will assess the amount they are entitled to, whether or not the client actually receives it.</p> <p>CRA is not taken into consideration in determining the subsidy eligibility threshold.</p>
Dad and Partner Pay	Supporting dads or partners caring for a newborn or recently adopted child with up to 2 weeks government funded pay.
Disability Support Pension	Financial support for people who have a physical, intellectual or psychiatric condition that stops them from working or people who are permanently blind.
Defence Force Income Support Allowance	Income support payment made by DVA.
Energy Supplement	Where paid as a quarterly payment, the Supplement will be assessed based on the equivalent weekly payment.
Family Tax Benefits Parts A & B	Family tax benefits are assessable if they are paid on a fortnightly basis. A parent may receive Family Tax benefits for their child over the age of 18 years. In these cases, the Family Tax Benefits are considered assessable income for the parent.
Incentive Allowance	The Incentive Allowance is paid to disability support pensions who previously received the Sheltered Workshop allowance.

**Table 2: Assessable benefits and allowances paid by Centrelink and the Department of Veterans' Affairs (DVA)**

<b>Assessable Income</b>	<b>Description / further rules if applicable</b>
Income Support Supplement (DVA)	Income support in addition to the War Widow's pension.
Large Family Supplement	This supplement is no longer paid.
New Enterprise Incentive Scheme (NEIS allowance)	Provides eligible job seekers interested in starting and running a small business with training business mentoring and financial assistance.
Newstart Allowance	Financial help for people who are looking for work or participating in approved activities that may increase chances of finding a job.
Parenting Payment	Income support for parents or guardians to help with the cost of raising children.
Parental Leave Pay	Financial support for up to 18 weeks to help eligible parents take time off work to care for a newborn or recently adopted child.
Partner Allowance	Support for people with limited work experience who are finding it hard to get work and their partner receives an income support payment.
Service Pension	Also known as War Service Pension.
Sickness Allowance	A payment for people aged 22 years or older, but under age pension eligibility age, who temporarily cannot work or study because of an injury or illness.
Special Benefit	Help for people who are in severe financial hardship, not able to support themselves and any dependants, and unable to receive another income support payment.

**Table 2: Assessable benefits and allowances paid by Centrelink and the Department of Veterans' Affairs (DVA)**

<b>Assessable Income</b>	<b>Description / further rules if applicable</b>
Veterans' Children Education Scheme	Provides financial assistance to eligible students up to 25 years of age.
Veterans' Supplement (DVA)	A fortnightly payment to pensioners who do not receive an income support pension is not means tested, and is paid automatically to eligible pensioners.
War Service Pension	The War Service Pension is also known as Service Pension
War Widow's Pension	
Widow Allowance	Help for women, born on or before 1 July 1955, with no recent workforce experience who have become widowed, divorced or separated since turning 40.
Widow B Pension	A payment for an older widow who did not qualify for Parenting Payment, has limited means and has lost the financial support of her partner.
Wife Pension	A payment for the female partner of an age pensioner or disability support pensioner. Centrelink have not made new grants of this pension since 1 July 1995.
Working Credits	A Centrelink scheme where the client continues to receive their Centrelink payment in addition to wages as an incentive to work. Note: both the working credits and wages are considered assessable income.
Youth Allowance	Financial help for people aged 16 to 24 years who are studying full time, undertaking a full time Australian Apprenticeship, training, looking for work or sick.

**Table 3: Assessable income from wages/salary/superannuation and other payments**

Assessable Income	Description / further rules if applicable
Community Development Employment Project (CDEP) payments	<p>Indigenous community organisations are funded by the Department of Employment and Workplace Relations and the Torres Strait Regional Authority to run CDEPs in urban, rural and remote Aboriginal and Torres Strait Islander communities. CDEPs relate to each community’s needs.</p> <p>Activities develop participant’s work and employment skills. CDEPs also act as a stepping stone into the mainstream labour market</p>
Child support payments, maintenance or maintenance in kind	<p>Assessable if received by the tenant or other household member.</p> <p>Where a client advises they are not receiving the child support/maintenance payments that:</p> <ul style="list-style-type: none"> <li>• Have been agreed to in a private arrangement, or</li> <li>• Were determined by the Child Support Agency (CSA) or Family Court,</li> </ul> <p>they must provide supporting documentation to demonstrate that payments have not been received. The documentation will vary depending on the situation, but will generally include one or more of the following:</p> <ul style="list-style-type: none"> <li>• Bank statements.</li> <li>• CSA Assessment letter showing the amount that should be received and the CSA transaction history showing the amount actually received.</li> <li>• Family Court orders.</li> <li>• Current income details from Centrelink with recalculated Family Tax Benefits.</li> </ul> <p>When the client provides this information, the assessable income relating to the child support component will be assessed as the reduced child support payment and Family Tax Benefit Entitlement, or Family Tax Benefit entitlement where no child support payments have been received.</p>

'Maintenance in kind' is a non-cash support payment, made in lieu of cash payment, and most often associated with essentials such as food, school fees and other education expenses, or items such as medical insurance or expenses.

Birthday presents, gifts, pocket money, and ad hoc purchases are not considered 'maintenance in kind', so these items are not considered allowable to be deducted from gross income.

Defence Force Payments and Allowances, Defence Force Reserve Payments and Allowances

Defence Force Payments and Allowances excludes deferred pay.

Dust Diseases Board Compensation payments

Any lump sum payment itself is not assessable; however any income from the investment of that lump sum is assessable. These rules apply even if the person has disposed of the lump sum payment. Lump sum payments paid by instalments will be assessed as income. If this income is less than the Centrelink benefit that would normally be received, the income assessment will be based on the relevant Centrelink benefit to which the person would otherwise be entitled.

Fire fighters Volunteer Payments

Fringe Benefit Tax payments

If a client receives a fringe benefit, such as car repayments or payment of school fees (but not limited to these payments), it will be added to the gross assessable income.

Other Income

Any regular income received that is not specified in this Policy.

Parental Leave Pay

Salary/Wages

The gross amount paid i.e. the amount paid before tax and any other deductions are made.

Salary Sacrifice

**Salary sacrifice** in lieu of part of the salary will be included and added to the gross income.

Self Employed

HOUSING PLUS will determine the deductible and non-deductible business expenses and income for the self

employed person. See Table 12 for legitimate business expenses.

**Superannuation**

**Superannuation** funds include accessible or non-preserved funds and non-accessible or preserved funds. Preserved funds do not allow the investor to withdraw from the funds until they reach retirement age, while non-preserved funds can be withdrawn at any time.

Superannuation taken at retirement age is assessed in the following manner:

- Regular income if the superannuation generates an income stream, such as an allocated pension or annuity.
- Savings (e.g. a financial asset) if taken in a lump sum and not invested in an income stream product.

Superannuation funds not taken at retirement are assessed as savings.

Superannuation funds drawn down before retirement are assessed as savings.

**Wages/Salary**

The gross amount paid i.e. the amount paid before tax and any other deductions are made.

**Work Cover Payments**

<b>Assessable Income</b>	<b>Description / further rules if applicable</b>
Allocated pensions and annuities, including any income generated from income streams	Only the income generated is assessable.
Dividends and/or earnings from a business	The dividend or earnings received is assessable.

**Table 4: Assessable income from investments**

<b>Assessable Income</b>	<b>Description / further rules if applicable</b>
Financial assets such as savings bank accounts, term deposits, managed funds, winnings, money from inheritance, gift or deceased estate, trust accounts, rollover funds, investments that are used to generate an income stream.	<p>The first \$5000 of each person’s total amount of savings or financial assets is exempt from assessment.</p> <p>Interest is calculated on the balance of savings and financial assets after exempting the first \$5000.</p> <p>HOUSING PLUS deems the interest rate. This rate is aligned to the Centrelink deeming rate.</p>

**Assessable assets**

<b>Assessable Assets</b>	<b>Description / further rules if applicable</b>
Collections - hobby, trading or investment	<p>A Collection may comprise items such as art, bullion, coins, or stamps.</p> <p>A collection is an assessable asset for rent subsidy assessment purposes. The gross value of the collection will be treated as a financial asset and deemed interest income will apply.</p>
Other Asset – for example: gold, silver or platinum bullion	<p>Bullion is an assessable asset for rent subsidy assessment purposes.</p> <p>Whether or not income is derived, the value of the asset will be treated as a financial asset and deemed interest income will apply.</p>
Property assets such as real estate, vacant land, infrastructure	<p>If a tenant or their partner owns or has a share in a property that could provide a viable alternative to social housing, they will not be eligible for a rent subsidy.</p> <p>If a tenant or their partner is leasing the property to another person, they are not eligible for a rent subsidy, irrespective of the amount of rent earned.</p>

**Table 4: Assessable income from investments**

**Assessable Income**

**Description / further rules if applicable**

Where the tenant or their partner has only a part share in the property, that share of any income generated by the property will be treated as assessable income.

Where the tenant or their partner has only a part share in the property and there is no income derived, the value of the property share will be treated as a financial asset and deemed interest income will apply.

If another household member owns or has a part share in a property in Australia:

- If income is derived, the income will be assessed.
- If no income is derived, the value of the property will be treated as a financial asset and deemed interest income will apply.

If a tenant, their partner or another household member owns a property overseas, any income generated by that property will be treated as assessable income. If a tenant, their partner or another household member owns, part-owns or has an interest in land or infrastructure used for farming, agricultural or other primary production purposes, the income generated is considered assessable income for rent assessment purposes. If no income is derived, the value of the property, part-share or interest in the land or infrastructure will be treated as a financial asset and deemed interest income will apply.

**Table 6: Non-assessable benefits and allowances paid by Centrelink and the Department of Veterans' Affairs**

<b>Non-assessable Income</b>	<b>Description / further rules if applicable</b>
ABSTUDY Fares Allowance	Helps cover the cost of travel between a young person's permanent home and place of study if they need to live away from home to study and receive ABSTUDY.
ABSTUDY Pensioner Education Supplement	Helps students with the ongoing costs of full-time or part-time study in a secondary or tertiary course.
ABSTUDY Youth Disability Supplement	Additional financial support for young people with physical, intellectual or psychiatric disability who receive specified income support payments.
Assistance for Isolated Children Scheme (AIC)	Includes the Boarding Allowance, Second Home Allowance, Distance Education Allowance and AIC Pensioner Education Supplement
Attendant Allowance (DVA)	Financial support for eligible veterans who require assistance due to specific service-related disabilities.
Bereavement Allowances or Bereavement Payments	<p>Where a partnered person receives the couple rate of a pension, and their partner dies, the surviving partner will continue to receive the equivalent Couple rate up to a maximum period of 14 weeks.</p> <p>During this period, the tenant or household member's income is assessed at the appropriate single rate of Centrelink pension or benefit to which they would otherwise be entitled.</p>
Carer Allowance	The Carer Allowance was previously the Domiciliary Nursing Care Benefit
Community Development Employment Project Participant Supplement (CPS)	CPS is additional assistance provided by Centrelink to some CDEP participants

**Table 6: Non-assessable benefits and allowances paid by Centrelink and the Department of Veterans' Affairs**

<b>Non-assessable Income</b>	<b>Description / further rules if applicable</b>
Carer Supplement / Carer Supplement DVA	An annual lump-sum payment to assist carers with the costs of caring for a person with a disability or medical condition.
Child Care Benefit	The Child Care Benefit is a specific payment to assist with the payment of child care fees
Child Care Rebate	Covers 50% of out of pocket child care expenses for approved child care, up to an annual limit per child, in addition to any other child care assistance.
Clothing Allowance (DVA)	May be paid to an eligible veteran, Member of the Forces, or member of a Peacekeeping Force for wear and tear and damage to clothing resulting from war or defence-caused disabilities, or the treatment of those disabilities. For example, damage may be caused by the wearing of surgical aids and appliances.
Commonwealth Redress Scheme	
Crisis Payment	A one-off payment equal to one week's payment of a person's benefit or allowance.
Disability Youth Supplement	The Disability Youth Supplement is paid to clients who are under 21 years of age and receive a Disability Support Pension.
Disability Pension (DVA) or Disability Allowance (DVA)	The Disability Pension or Allowance when paid by Veterans' Affairs is also known as War Disability Pension or War Disability Allowance. This is paid to compensate veterans for injuries or diseases caused or aggravated by war service or certain defence service on behalf of Australia. Payment types include totally and permanently incapacitated, temporarily totally incapacitated and blinded, intermediate rate and extreme disablement adjustment.

**Table 6: Non-assessable benefits and allowances paid by Centrelink and the Department of Veterans' Affairs**

Non-assessable Income	Description / further rules if applicable
Disaster Recovery Allowance or Disaster Relief Payment	If the remaining income is less than the standard benefit rate, the assessment is based on the standard Centrelink pension or benefit to which the person would otherwise be entitled.
Distance Education Allowance	
Domestic Allowance	
Domiciliary Nursing Care Benefit	
Double Orphan Pension	Help with the costs of caring for orphaned children or children who are unable to be cared for by their parents in certain circumstances
Drought Force Supplement	
Educational Allowances paid for secondary school student	
Education Entry Payment	Available to people receiving some income support payments, to help with the cost of study.
Employment Entry Payment	
Essential Medical Equipment Payment	Helps with the additional cost of running essential medical equipment, medically required heating or cooling, or both.

**Table 6: Non-assessable benefits and allowances paid by Centrelink and the Department of Veterans' Affairs**

<b>Non-assessable Income</b>	<b>Description / further rules if applicable</b>
Family Tax Benefits Parts A & B taken through taxation system	Where Family Tax Benefits Parts A & B are taken through the taxation system or as a lump sum payment at the end of the financial year following the Family Assistance Office's FTB reconciliation process, these payments will not be assessed.
Fares Allowance	
Foster Care Allowances	Reimbursements received from non-government organisations such as Barnardo's to provide temporary foster care.
Financial Supplement Loan	
Flexible Support Payment	Established in 2011 to facilitate the delivery of the Australian Government Disaster Recovery Payments (AGDRP) and the Disaster Recovery Allowance (DRA). Payments made under the AGDRP are usually one-off lump sums, but there is provision for payment in instalments.
Funeral Benefits	
GST Supplement or Component	This payment is included in the Pension Supplement.
Guardianship Allowance	
Income Support Bonus	The last instalment was paid in September 2016; the Bonus is no longer paid.
Jobs Education and Training Child Care Fee Assistance	Helps with the cost of approved child care for eligible parents undertaking an approved activity.

**Table 6: Non-assessable benefits and allowances paid by Centrelink and the Department of Veterans' Affairs**

<b>Non-assessable Income</b>	<b>Description / further rules if applicable</b>
Language, Literacy and Numeracy Program Supplement	
Living Allowance/Board Provider	Living allowance is for assistance in meeting the day to day living costs of students or apprentices. The Living Allowance payments can be made to the board provider under certain circumstances. Linked to ABSTUDY.
Low Income Supplement, Low Income Family Support	These payments ended on 30 June 2017, and are no longer paid.
Maternity Immunisation Allowance	
Mobility Allowance	A payment for people with disability, illness or injury who cannot use public transport without substantial assistance and who participate in approved activities.
Multiple Birth Allowance	
National Green Jobs Corp Supplement	
Newborn Upfront Payment or Newborn Supplement	An increase to a person's Family Tax Benefit Part A payment when they have a baby or adopt a child.
Orphans Allowance/Pension (DVA)	Pensions paid to compensate widowed parents and dependent children of veterans who have died as a result of war service or eligible defence service. War widow's pension and orphan's pension are not affected by other income, except from other compensation payment.

**Table 6: Non-assessable benefits and allowances paid by Centrelink and the Department of Veterans' Affairs**

<b>Non-assessable Income</b>	<b>Description / further rules if applicable</b>
Pension Supplement	Regular extra income support payment to help eligible people meet the costs of medical and living expenses.
Pension Bonus Scheme	Designed to encourage people to remain in the workforce longer by offering a bonus to eligible people who wish to keep working beyond pension age.
Pensioner Education Supplement	Helps students with the ongoing costs of full-time or part-time study in a secondary or tertiary course.
Permanent Impairment Payment (DVA)	Permanent Impairment payments can be paid as a lump sum payment, a pension or a combination of both depending on which Act the condition is accepted under.
Pharmaceutical Allowance	Helps with the cost of buying prescription medicines. Paid to eligible income support recipients with their regular fortnightly Centrelink payment.
Prisoner Of War Recognition Supplement (DVA)	Provides special recognition of former surviving Australian prisoners of war (POWs), both veteran and civilian, for the severe hardships and deprivations they experienced.
Remote area allowance	Financial help for people who receive specified income support payments and live in a remote area.
Schoolkids Bonus	Helped with education costs and was automatically paid in January and July. Schoolkids Bonus has been phased out, with the final instalment paid in July 2016.
Statutory Care Allowance or Supported Care Allowance	Formerly known as Fostering and Boarding Out Allowance.
Stillborn Baby Payment	

**Table 6: Non-assessable benefits and allowances paid by Centrelink and the Department of Veterans' Affairs**

<b>Non-assessable Income</b>	<b>Description / further rules if applicable</b>
Telephone allowance	Helps with the costs of maintaining a telephone and a home internet service for people who receive specified income support payments.
Training Supplement	
Transition to Independent Living Allowance	Payment to young people who move from formal care to independent living.
Utilities allowance	Helps to meet the costs of regular bills such as gas, electricity and water for people on specified Centrelink payments.
Youth Disability Allowance	
Work for the Dole Supplement	

**Table 7: Non-assessable income from wages/salary/superannuation and other payments**

<b>Non-assessable Income</b>	<b>Description / further rules if applicable</b>
Child support payments, maintenance or maintenance in kind	If paid by the tenant or household member, this amount is deducted from gross income.
Clothing Allowance, Laundry Allowance	Payments made by employers to reimburse their staff for clothing or laundry expenses.
Honorarium	Honorarium, sitting fees or other payments for services as a director or on a volunteer board.

**Table 7: Non-assessable income from wages/salary/superannuation and other payments**

<b>Non-assessable Income</b>	<b>Description / further rules if applicable</b>
Travel and sustenance allowance, including car allowance	<p>Payments made by employers to reimburse their staff for expenses reasonably and necessarily incurred in travelling on official business and in performing specific duties at a temporary work location.</p> <p>Circumstances covered by travel and sustenance allowance include:</p> <ul style="list-style-type: none"> <li>• Employees being required to temporarily reside in hotels, motels, boarding houses, or to camp.</li> <li>• Employees being required to undertake journeys not requiring temporary residence.</li> </ul>
Superannuation	Where funds are non-accessible preserved funds prior to retirement.

**Table 8: Non-assessable income from investments**

<b>Non-assessable Income</b>	<b>Description / further rules if applicable</b>
Funeral Bond	Up to the Centrelink Allowable Limit.
Lump sum investments	<p>Any lump sum or capital amount that is used to generate an income stream is not assessable as savings (or investment income).</p> <p>The income stream generated from the lump sum is assessable income.</p>
Shares	<p>The share value is not assessable as savings (or investment income).</p> <p>The income generated from the shares is assessable income.</p>

**Table 8: Non-assessable income from investments**

Non-assessable Income	Description / further rules if applicable
Account used exclusively for funding from the National Disability Insurance Scheme (NDIS)	

**Table 9: Non-assessable special purpose payments**

Non-assessable Income	Description / further rules if applicable
Business Services Wages Assessment Tool Payment Scheme	<p>A one-off lump sum payment made to eligible supported employees with an intellectual impairment whose wages were assessed and paid under the Business Services wages Assessment Tool (BSWAT).</p> <p>The lump sum payment is not assessable for rent subsidy assessment purposes; however any income earned from the investment of that lump sum is assessable.</p>
Chilean Pension of Mercy	<p>The Chilean Pension of Mercy is paid by the Chilean Government to compensate and repair the moral suffering of the victims and relatives of victims of human rights abuse or political violence that occurred in Chile between 11 September 1973 and 10 March 1990 under the Pinochet Regime.</p>
Child support payments, maintenance or maintenance in kind	<p>If paid by the tenant or household member, these payments are deducted from gross income.</p>
Compensation payments under the Stolen Generation Reparation Scheme	
F-111 Deseal/Reseal Program ex-gratia lump sum payment (Australian Defence Forces)	<p>This payment is made in recognition of the special circumstances associated with deseal/reseal activities. It recognises that those who worked inside the F-111 fuel tanks for significant periods of time experienced</p>

**Table 9: Non-assessable special purpose payments**

<b>Non-assessable Income</b>	<b>Description / further rules if applicable</b>
	greater concentrations of the chemicals and solvents associated with the F-111 deseal/reseal process.
Japanese Internment Act payment	A one-off payment of \$25,000 to Australian service personnel and civilians held as prisoners of war between 7 December 1941 and 29 October 1945, or to their surviving partners.
Jury attendance or court appearances	Jury attendance - payments for out of pocket expenses
Korean Internment payment	One-off payment of \$25,000 to veterans who were interned by the North Korean military forces between 27 June 1950 and 19 April 1956, or their surviving partner.
Legacy Allowances	
Local Carer Awards	
Overseas restitution/compensation payment or allowance	A specific payment by the German, Swiss, Austrian or other European Governments.
Victims of Crime Compensation	A lump sum payment made to compensate a victim of a crime.

**Table 10: Non-assessable payments paid by the National Disability Insurance Agency (NDIA) for National Disability Insurance Scheme (NDIS) participants**

<b>Non-assessable Asset</b>	<b>Description / further rules if applicable</b>
Self-managed budget	Payment/s to the participant or the participant's nominee for the purchase of reasonable and necessary disability support services.

**Table 10: Non-assessable payments paid by the National Disability Insurance Agency (NDIA) for National Disability Insurance Scheme (NDIS) participants**

<b>Non-assessable Asset</b>	<b>Description / further rules if applicable</b>
Agency managed budget	Payment/s to a participant's support provider to pay for reasonable and necessary disability support services.
Plan managed budget	Payment/s to a Plan Manager to pay for reasonable and necessary disability support services.
Automated Transport Budget	Automated payment/s to a participant's nominated bank account. Payments can be made weekly, fortnightly or monthly depending on a participant's support package.

**.Table 11: Deductible business expenses**

<b>Deductible business expenses</b>	<b>Deductible business expenses</b>
Advertising	Postage
Courier costs	Printing
Depreciation	Public risk insurance (Premiums)
Electricity (non-domestic)	Rent for commercial premises or a virtual trading space i.e. an electronic retail outlet
Equipment and lease of equipment	Salary for employees
Freight	Stationery
Gas (non-domestic)	Superannuation levy for employees
Goods to be sold	Telephone (non-domestic)

**.Table 11: Deductible business expenses**

<b>Deductible business expenses</b>	<b>Deductible business expenses</b>
Insurance fees and premiums essential to the primary purpose of the business	Tools
Interest component of a loan repayment where the loan was made for the primary purpose of the business	Travel
Licenses that are essential to the business	Subscriptions
Materials	Wages for employees
Motor vehicle expenses essential to the primary purpose of the business	

**Table 14: Non-deductible business expenses**

<b>Non-deductible business expenses</b>	<b>Non-deductible business expenses</b>
Accountancy fees	Licences that are not essential for the business
Amenities and refreshments for staff	Medicare levies
Bank or money transfer fees, bank surcharges or dishonour fees, account service fees	Motor vehicle expenses that are not essential to the business
Book keeping fees	NRMA or other roadside service fees
Broadband, internet and Wi-Fi support and access fees	Office cleaning costs, cleaning products

Company Registration and Return costs	Office maintenance and refurbishment
Computer Consumables	Payroll tax and expenses such as payroll preparation fees
Course costs and staff training	Personal expenses
Debts of the business, including liability of bad debts	Principal component of loan repayment
Domestic expenses	Protective clothing and uniforms
Donations	Purchase of capital items, small plant equipment, including mobile phones, laptops, notepads or other electronic devices
Drawings	Rent for residential premises
Dry cleaning or laundry	Research costs
Electricity (domestic)	Salary for the business owner
Entertainment costs	
Expenses paid forward	Signage
Fees –membership of professional associations, financial or business advice	Stamp Duty
Fees - parking, tolls, vehicle storage	Storage fees for goods to be sold
Fees – Web content manager	Superannuation contributions for the self-employed person
Fines – parking, speeding or other (e.g. food handling fines)	Taxation levies

Gas (domestic)

Telephone (domestic)

Gifts or donations

Training and professional development courses for the self-employed person

GST on goods purchased to be on-sold

Wages for the business owner

Insurance Premiums – Life, Workers Compensation, Home and Contents, or Income Protection

Water usage – where business is highly dependent on water, e.g. beautician, growing plants, dog washing.

Legal fees

Web site development costs.