

RENT and RENT REBATES

Every property leased by Housing ACT has a market rent set for it, but most of their 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 qualify for a rent rebate, the amount of rent that you actually end up paying 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 the tenants' weekly household income. This is called the 'Basic Rent'.

It's called a 'rebated rent' because, if you qualify, the Commissioner for 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 don't have to pay the market rent for the property. If for any reason you lose the right to receive a rebate, then you would have to 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.

Welfare Rights & Legal Centre

Advice line
6247 2177

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. You must not provide false information or deliberately withhold information concerning your income.

If you are successful in getting a rebate, then there are some things you can't do if you want to keep it: 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 three months or more without the consent of Housing ACT; and your income needs to remain below a certain point.

Each approved rebate application usually lasts for six months, so you will have to apply again at least every six months (it could be more often). If you forget to apply for a rebate, you will be charged market rent until you do.

Sometimes Housing ACT decides that you are not entitled to a rebate for other reasons (for example if you sublet, or provide false information regarding your income), but the result is the same: if you are no longer eligible for a rebate, then the market rent must be paid.

CHANGES IN HOUSEHOLD INCOME

Once granted a rebate, you must advise Housing Act immediately if there are any changes in your household income as it may affect your rebate entitlement.

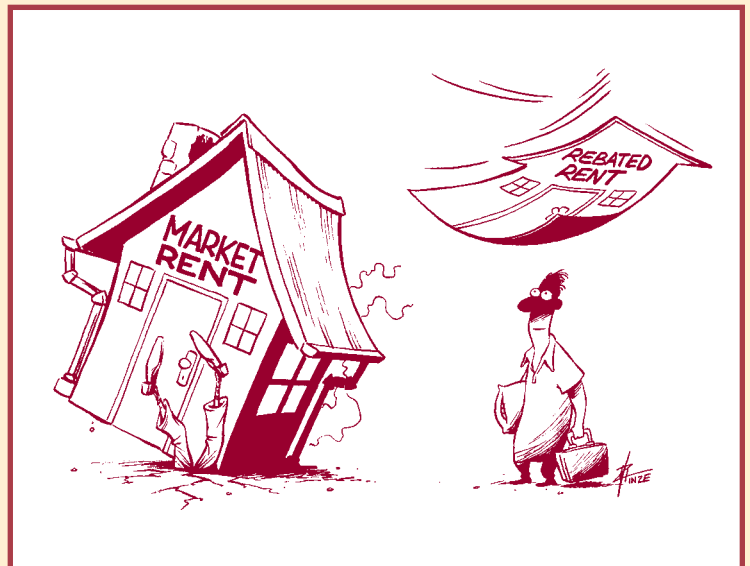
In most cases, where your income increases during the existing 6 month period of approval, your rebated rent will remain unchanged until the next review. However, if you do not tell Housing ACT of the change when it occurs, you could end up with a debt later.

FRAUD

If you knowingly provide false details about your income to Housing ACT, or deliberately withhold information that you are required to provide, you might face fraud charges based on you having received a rental rebate that you were not entitled to. The result of this would probably be a large debt at the very least, and at the worst you might get a gaol sentence. You have a legal duty to provide true information about your income and living arrangements, so do it — the risks of not doing so are just not worth it.

BASIC RENTS

The formula used to calculate Housing ACT tenants' "Basic Rent" is based on the house-



hold income received by all members of the household (not just the tenant/s).

Income includes:

- ▶ Most Centrelink benefits
- ▶ Pensions
- ▶ Overseas pensions
- ▶ Most Veteran Affairs benefits
- ▶ Wages
- ▶ Overtime
- ▶ Allowances
- ▶ Interest earned on investments
- ▶ Interest earned on savings accounts
- ▶ Money received from other sources

To work out your weekly basic rent, you need to follow these short 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.)

Examples

EXAMPLE A: Eddie, a single person, receives \$194.60 per week in Newstart Allowance payments. He receives no other income.

Eddie's weekly basic rent will be \$48.65 ($0.25 \times \194.60).

EXAMPLE B: Anna is a single parent who lives with her daughter aged 17. Anna receives \$210.50 per week in Newstart Allowance payments. Her daughter receives Youth Allowance payments of \$87.15 per week plus income from a job of \$110 per week.

Anna's weekly basic rent will be \$52.63 ($0.25 \times \210.50) PLUS \$19.72 ($0.10 \times \197.15) = \$72.35 per week

EXAMPLE C: Ruth is a single parent with 2 children aged 4 and 6 years. Ruth receives Parenting Payment of \$232.10 per week. She also receives Family Tax Benefit A of \$130.48 per week and Family Tax Benefit B of \$56 per week.

Ruth's weekly basic rent will be \$58.03 ($0.25 \times \232.10) PLUS \$13.05 ($0.10 \times \130.48) = \$71.08 per week. (The Family Tax Benefit B money Ruth receives is not counted in the calculation).

APPEALS

Remember that decisions made by Housing ACT in granting or not granting rebates can be appealed, and mistakes do get made. The first step is to ask for the Housing Review Committee to hear your appeal. If you're still unhappy, the ACT Administrative Appeals Tribunal is the next appeal stage. For more information see **The Appeals Process** (Housing fact sheet Number 10).



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.