

## Frequently Asked Questions

March 2011

# Community Housing Rent Reforms

### What are the community housing rent reforms?

The community housing rent reforms introduced in 2008 are part of the *Planning for the Future* program - the NSW Government's five-year strategy to grow the community housing sector.

The reforms will create a community housing sector that is sustainable and better able to direct resources where they are needed most. It will also deliver more housing, better services and provide higher quality accommodation for people in need.

### What is Commonwealth Rent Assistance?

Commonwealth Rent Assistance (CRA) is a non-taxable payment provided to low income individuals and families who are in the private rental market. CRA is generally paid through Centrelink.

Community housing tenants are eligible to receive CRA because they live in properties managed by non-government providers. The payment is not available to public housing tenants.

### What is the purpose of Commonwealth Rent Assistance (CRA)?

The purpose of CRA is to give extra assistance to people on lower incomes to help them pay their rent.

### How does the community housing rent policy work?

All community housing tenants sign a standard residential tenancy agreement that defines

the rent for each property. Tenants who cannot afford to pay the rent for the property may apply to their community housing provider for assistance to pay a subsidised rent.

### What is a rent subsidy?

Rent subsidy is the difference between the rent paid by the tenant and the market rent (rent that would be charged for a similar property in the private market).

The rent subsidy is not paid to tenants directly. Under this scheme tenants pay the rent balance after the subsidy has been subtracted from the market rent price.

### How has the way subsidised rent is calculated in the community housing sector changed?

The method of calculating community housing rents has changed in two ways:

- CRA is now classed as a rent supplement not as income. This means that all of the CRA payment a household is entitled to will be included in the calculation of the subsidised rent.
- The proportion of Family Tax Benefit payments included in the calculation of subsidised rent has increased from 11 per cent to 15 per cent, bringing it in line with public housing.

### How will the new rent arrangements affect tenants?

Tenants who are not entitled to receive either Family Tax Benefit or CRA will not be affected by the changes.

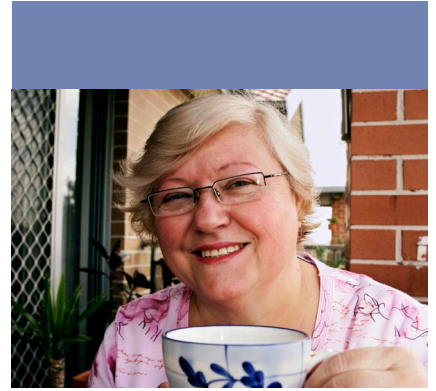
Tenants entitled to CRA will now have the full amount included in their rent calculation. Households will be affected by this in different ways depending on their circumstances. Subsidised rents for the affected tenants will increase but a large part of that increase will be offset by the additional CRA payment provided by the Commonwealth Government as a result of the new way of calculating rents. In no case can rent charged exceed the market rent.

Clients in crisis housing are exempt from the rent changes.

### How will the changes be introduced?

Many community housing providers have already implemented the rent reforms since 2008. However some providers who manage properties under the Community Housing Rent Policy have not yet made these changes, but will implement the new rent arrangements from 1 March, 2011.

For these providers the changes will only apply to tenants who take up their tenancies from 1 March 2011 and the rent rates for the existing tenants will remain unchanged.



# Community Housing Rent Reforms

Providers who commenced the rent reforms prior to March 2011 have implemented the changes for both new and existing tenants. However for existing tenants the new rent arrangements are being introduced in stages. While the overall rents for existing tenants may increase, household contributions will not be more than \$10 per week per year as a result of the new arrangements. Housing providers will advise their tenants of the new rent. Tenants experiencing financial difficulties should speak with their community housing provider.

### Why are the changes being introduced?

The new way of calculating rent will enable community housing providers to better maintain existing properties as well as provide more homes for individuals and families who are in need.

### Are similar arrangements in place in other states?

Yes. New rental arrangements for CRA and Family Tax Benefit are already in place in Queensland and Victoria. Currently other states are considering similar approaches.

### What is being done to make sure the changes are implemented properly?

Housing NSW has provided training to community housing providers to ensure the changes are implemented successfully.

### Who can I contact for more information?

Tenants requiring further information should contact their community housing provider for assistance.

It is illegal for an officer of Housing NSW to ask for money or favours or other benefits of any kind in exchange for helping you with your housing needs.

It is also illegal for you or anyone else to offer money or favours or other benefits of any kind to an officer of Housing NSW in exchange for helping you. If you have any information regarding this, please contact Business Assurance on 1300 HOUSING (1300 468 746). Housing NSW may refuse the provision of further housing services to anyone who has engaged or sought to engage in corrupt or illegal conduct.

#### Translation service

Arabic	خدمة الترجمة الخلية والشهنية المجانية اتصل على الرقم 131 450
Chinese	免費的翻譯傳譯服務 致電 131 450
Russian	Служба бесплатного письменного и устного перевода Позвоните по номеру 131 450
Spanish	Servicio Gratuito de Traducción e Interpretación Llame al 131 450
Vietnamese	Dịch vụ Phiên dịch và Thông dịch Miễn phí Điện thoại: 131 450