



Fact Sheet 2: Rent and Rent Rebates

Every property leased by Housing ACT has a market rent, but most tenants do not pay that amount for their accommodation. Instead, they pay a rebated rent. Rebated rents exist so that people on low incomes can afford housing.

If you qualify for a rent rebate, the amount of rent that you have to pay is worked out according to a formula in the Public Rental Housing Assistance Program. This formula results in your rent being equal to a percentage of your 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.

Market Rent minus Basic Rent = Rent Rebate

If for any reason you lose the right to receive a rebate, then you would go back to paying the 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 give a completed rebate application form to Housing ACT. You will need to supply full details of your household income. Based on the formula described below, Housing will then determine if you are eligible for a rebated rent, and if so, what the rebate amount will be. Each approved rebate application usually lasts for a set period. This may be 6 months or 12 months. You will need to apply again before the end of the set period.

Losing a Rent Rebate

Once you are granted a rebate there are some requirements 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;
- Your income must remain below a certain point; and
- You must notify Housing ACT of any changes to your household income and changes to the number of people in your household.

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 period of approval, your rebated rent will remain unchanged until the next review. However, if you do not tell Housing ACT at the time the change 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 to which you were not entitled. The result of this would probably be a large debt, and at the worst you might get a jail sentence. You have a legal duty to provide accurate information about your income and living arrangements, and the cost of not doing so may be very serious.

Basic Rent

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 tenants listed on the lease).

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 a weekly income of \$100 or more. (Youth Allowance is not included in the household income if it is the young person's only income).

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

Step 4: Add together the amounts obtained in Steps 1 through to 3. 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 \$259.60 per week in Newstart Allowance payments. He receives no other income.

Eddie's weekly basic rent will be \$64.90 ($0.25 \times \259.60).

Example B: Anna is a single parent who lives with her daughter aged 17. Anna receives \$280.90 per week in Newstart Allowance payments. Her daughter receives Youth Allowance payments of \$116.80 per week plus income from a job of \$110 per week.

Anna's weekly basic rent will be \$70.23 ($0.25 \times \280.90) plus \$22.68 ($0.10 \times \226.80).

Therefore, her weekly basic rent will be \$92.91 per week.

Example C: Ruth is a single parent with 2 children aged 4 and 6. Ruth receives Parenting Payment of \$362.70 per week. She also receives Family Tax Benefit Part A of \$179.76 per week and Family Tax Benefit Part B of \$75.25 per week.

Ruth's weekly basic rent will be \$90.68 ($0.25 \times \362.70) plus \$17.98 ($0.10 \times \179.76). Therefore her weekly basic rent will be \$108.66 per week. (The Family Tax Benefit Part B Ruth receives is not counted in the calculation.)

Appeals

Remember that mistakes do sometimes occur and decisions made by Housing ACT in granting or not granting rebates can be appealed. (*See Fact Sheet 10: The Appeal Process*).

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 Canberra Community Law's advice line on 02 6218 7977.

Canberra Community Law is entirely independent of Housing ACT. All assistance is free.

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