



## Rent and Rental Fraud

### Overview

This policy explains how we calculate tenant's rent, review rent and address rental fraud so that we:

- Ensure tenants understand their responsibilities related to rent
- Achieve our vision of providing sustainable, safe and affordable housing as a foundation for customers to connect to opportunities and build their communities
- Act in line with our ETHIC values (Empowerment, Trust, Honesty, Inclusion and Creativity)
- Ensure a fair and transparent process
- Meet relevant legal, regulatory and contractual requirements.

### Scope

This policy applies to St George Community Housing and its subsidiaries (**we, our and us**) and outlines our rent setting approach for social housing tenancies. This policy does not apply to Affordable Housing tenants. Information about how rent is calculated for tenants living in affordable housing properties can be found in our Affordable Housing Policy.

### Purpose

This policy outlines how we calculate tenant's rent, review rent and address rental fraud.

### Definitions

#### Market rent

Market rent is the rent that would be charged for the property if the rent wasn't discounted. It is based on the rent likely to be paid for a similar property in the private rental market.

#### Tenant

The tenant is the person who signed the Residential Tenancy Agreement.

#### Household members

Household members are other people we have approved to live in the property.

### Market rent

The market rent for the property is the rent shown in the Residential Tenancy Agreement. If the market rent changes, we will give tenants written notice of the change as required by the *Residential Tenancies Act 2010* (NSW).

For capital properties that we own or manage, the market rent is based on the median market rent for a property of the same type and bedroom size in that postcode or local government area. We review and update market rents for these properties each year using information from the most current [Rent and Sales Report](#) by the Department of Communities and Justice (DCJ).

For leasehold properties that we rent from private landlords, the market rent is the rent we pay for the property. Market rents for these properties are updated when the rent we pay for the property changes. When a market rent in a leasehold property exceeds the market rent in the Rent and Sales report by 10-15%, we will conduct a review to confirm that the continued leasing of the property ensures best use of resources and affordable outcomes



for tenants. Our continued leasing of the property will be signed off by the relevant Head of Region.

## Rent Subsidy

Tenants in receipt of an income below the household [income limits](#) set annually by Homes NSW can apply for a rent subsidy to meet the cost of their market rent. The subsidy will vary based on the income and assets of the household as outlined in the 'Calculating a Rent Subsidy' section below.

Tenants and household members must provide appropriate details of their income and assets to us to be confirmed as eligible for a rent subsidy. This is done at the sign up and every six months as part of the bi-annual Rent Review. Detailed information on the Rent Review process is included in the Rent Review section below.

When applying for a rent subsidy, the tenant must provide details of all household members currently living in the property and details of income and assets for each household member aged 18 years and over. The tenant is responsible for providing these details as well as appropriate proof to substantiate income and assets for themselves and household members. If a rent subsidy is granted, the tenant will be charged rent based on a percentage of their household's income and assets.

When assessing eligibility for a rent subsidy, we will ensure that:

- Each assessment is equitable, consistent and transparent
- Any complex needs and vulnerabilities of tenants are considered in our communications
- Staff are sufficiently trained to understand and implement this policy
- Tenants have a right to appeal a decision once made.

## Ownership of property

Under our [Eligibility Policy](#) and the [NSW Community Housing Eligibility Policy](#), a person who owns a property which could reasonably be expected to resolve their housing need will not be eligible to receive community housing.



	50% or more share in a property	Less than 50% share in property	Interest in a block of land
Tenant	Not eligible for rent subsidy* – market rent applies	Eligible for rent subsidy	Eligible for rent subsidy
Tenant's spouse/partner			
Other household member	Eligible for rent subsidy		

\*Exemption to this could occur if the property is:

- In an isolated location
- An extremely rundown dwelling
- Overseas
- Tied up in a legal dispute, or
- If the tenant is unable to live in the property because of reasons beyond their control such as risk of violence or being unable.

Where a household member (not the tenant's spouse or partner) owns a 50% or more share in a property, the value of the property is included in assessment of the household's assets, and this will be proportional to the share in the property. This is in cases where no income is derived from the asset (i.e. the property is not rented out). However, if income is derived from the property, the rent subsidy assessment should be based on the income rather than the value of the property.

### Calculating a rent subsidy

The rent subsidy is based on the total household's assessable income, as assessable income is defined in the [Community Housing Rent Policy](#).

In summary, assessable income includes:

- Income from statutory payments, including Commonwealth Rent Assistance (CRA)
- Wages or casual earnings
- Self-employment
- Any assessable supplement payment.

Table 1 shows the percentage of income payable in social housing rent by different household members.

**Table 1**

<b>25-30%*</b> of income (before tax) for: the tenant, their spouse or live-in partner (regardless of their age), AND household members 21 years of age and over
<b>15%</b> of income (before tax) for all other household members aged 18-20 years.
<b>15%</b> of Family Tax Benefit A and B received by all household members
<b>100%</b> of Commonwealth Rent Assistance (CRA) that the household could receive



\*The assessment rate applied is determined by comparing the household's assessable income to household income limits for the appropriate household type as included in the [Tenancy Charges and Account Management Policy Supplement](#) and applying the appropriate rent assessment rules as included in the [NSW Community Housing Rent Policy](#).

### Commonwealth Rent Assistance (CRA)

The Australian Government provides this assistance for eligible households to assist with the cost of renting privately or from community housing providers.

We work out the amount of CRA that each household member should get based on how much rent they will pay and include that amount when we work out the rent. If they don't get the full amount that we think they could receive, we will ask them to provide us with a document from Centrelink which shows the amount of CRA that they are getting. Once we receive the document from Centrelink, we will review the rent amount and advise the tenant of the outcome.

If tenants or household members are blind and receive the Disability Support Pension or Age Pension, Centrelink may decide that they will be financially worse off if they receive CRA because of the asset test used. In these circumstances, we will classify the tenant/household member as being ineligible for CRA so that they are not disadvantaged.

### Proof of income

The [NSW Community Housing Rent Policy](#) specifies what can be used as proof of income for different income types. Acceptable proof of income for various income and asset types is available in the Department of Communities and Justice [Tenancy Charges and Account Management Policy Supplement](#) and outlined in Table 2:

Table 2

Type of income	Acceptable proof of income
Centrelink Pensions and Benefits	Current Centrelink Income Statement You do not need to provide this if you have given consent for us to get this information directly from Centrelink
Benefits and allowances paid by the Department of Veteran's Affairs (DVA)	Current income statement from the Department of Veterans' Affairs
Wages or salaries including casual earnings	Pay slips: <ul style="list-style-type: none"><li>• 4 weeks of pay slips if the tenant or household member works fixed hours</li><li>• 12 weeks of pay slips if the tenant or household member works casual hours (e.g., changes each week) and/or works overtime</li></ul> If pay slips are not available, we can accept either a signed letter from the employer on letterhead, detailing the tenant's employment status and gross weekly



	income, pay period, applicable tax, other deductions, and payee details. Or a completed Income from Employment Form completed by the employer.
Self-employed	Self-employed income will always be calculated on the income earned from the previous financial year. One of the following types of information must be provided for self-employed tenants or household members: <ul style="list-style-type: none"> <li>• Profit and loss statement completed by a chartered accountant, and most recent three months business and personal bank statements; or</li> <li>• A lodged and assessed Australian Tax Return from the Australian Tax Office website. This must include all pages of the tax return, which includes the individual's income, expenses and interest earned for the financial year.</li> </ul> <b>NOTE:</b> A 'Notice of Tax Assessment' cannot be accepted as details of a self-employed tenant income.
Superannuation	Current letter from the superannuation fund confirming the amount received
Income from an overseas government	Current letter from the respective government detailing the amount and frequency of payments
WorkCover or an insurance company/agency	Letter or statement from WorkCover or Insurance Company detailing the gross amount received
Savings/Investments/Shares	Letter or statement from the financial institution showing interest or dividend earned
Child Support or Maintenance	Statement from Child Support Agency or Centrelink detailing the amount and frequency of payments made or received

### Validity of documents

Documents must be original and no more than one month old on the date they are submitted. An exception is given for Tax Returns which must not be more than 13 months old. Centrelink income statements must be current showing the change in payments in line with the increase in CPI rates.



## Rent Review

We review each tenant's household income and rent charges at least every 6 months as required in line with the [NSW Community Housing Rent Policy](#).

At each review, tenants are sent a Rent Review Notification Letter and will be asked to provide current proof of income for themselves and every household member 18 years of age or over. The types of documents that we can accept as proof of income are listed in the Proof of Income section of this Policy. Tenants and household members who receive income through Centrelink can give us permission to confirm their income through filling out a Tenant Multiple Consent Authority Form.

This letter is sent 60 days before the indicated rent increase date, as well as an additional 7 days for expected post to be delivered.

### Failure to respond

If the tenant does not provide income details for the household by the due date they will no longer be eligible for a rent subsidy and will be required to pay market rent from the specified due date and may be subject to New South Wales Civil and Administrative Tribunal (NCAT) action.

A tenant can appeal the decision of the market rent charge. See below Appeals section for more information on making an appeal.

### When household income changes

It is a condition of the Tenancy Agreement to notify us within 21 days if there is a change in the household income and/or the people in the household move in or out.

When we are informed about these changes, we will ask for proof of income and assets for adult household members and review the rent amount within 14 days of receiving the new income details. After we review the rent, we will notify tenants in writing in any changes in their assessed rent. The letter will indicate the date that the new rent amount will start. When the rent assessment results in an increase of rent charged to the tenant, we will ensure that any action taken to increase the tenant's rent complies with the *NSW Residential Tenancies Act 2010* (NSW).

Table 3 below outlines effective start dates of new rent charges:

**Table 3**

Rent review outcome		New rent start date
Rent increases	The tenant told us about the change within 21 days	The billing day after rent review is completed.
	The tenant did not tell us about the change within 21 days	The new rent will start on the date that the income changed.
Rent decreases	The tenant told us of the change within 21 days	The new rent will start on the date that the income changed.
	The tenant did not tell us about the change within 21 days	The billing day after rent review is completed.



The relevant Head of Region can make decisions about rent start dates outside of this policy.

### **Rental Fraud or Changes in Income**

If a tenant has committed rental fraud or hasn't told us about changes to their household income, we might backdate the rent to the date the income changed, cancel their rent subsidy and charge market rent. Refer to the 'Rental Fraud' section below for more details about how we manage rental fraud.

### **Other circumstances**

#### **No statutory income or a reduced statutory income**

A statutory income is an income received from Centrelink or another government agency (e.g. Department Veterans' Affairs).

There may be situations when a tenant or household member receives no statutory income or a reduced statutory income because they have chosen not to apply for an income which they are eligible or are not eligible to receive a statutory income because they:

- have gone overseas and have become ineligible for further payments for a specified period
- receive a job seeker payment, have not sought work, and have become ineligible for further payments for a specified period
- have received compensation or other lump sum payment that is less than the relevant statutory income, or Centrelink deems them to have sufficient resources and Centrelink expects them to use those resources for living expenses
- are New Zealand citizens who are in Australia on a non-protected Special Category Visa
- have breached Centrelink mutual obligation requirements
- are repaying Centrelink debt.

In these situations, the rent subsidy will be assessed based on the statutory allowance the tenant or other household members would normally receive (including CRA and family tax benefits if applicable).

Where a tenant or household member cannot get a statutory income, they must give us relevant evidence which shows that they are not able to do so. If a person:

- is not able to get an income from Centrelink, and
- has gone through all possible appeal options with Centrelink,

we will charge \$5 a week rent for that person when while we are working out the appropriate rent amount. If other people are living in the household, we will still use their income to work out the rent.

### **Visas**

There may be situations when a tenant or household member is not eligible to receive a statutory income due to their visa type. In these situations:

- If the Visa does not entitle the holder to Centrelink payments or concession cards and does not have working rights, we will charge \$5 a week rent for that person when we are calculating the appropriate rent amount.



- If the Visa does not entitle the holder to Centrelink payments or concession cards but does include working rights, we will assess the rent based on the statutory allowance the tenant or household member would normally receive (including CRA and family tax benefits if applicable).

For tenants on relevant visas, confirmation of visas from the Visa Entitlement Verification Online service (VEVO) provided by the Department of Immigration and Border Protection will be required every rent review.

### Casual or seasonal wages

If a tenant or household member's income changes frequently because they do casual or seasonal work, we will use their average income from the past 3-6 months or their income from their last tax return when we are working out their rent.

### Self-employment

If a tenant or household member is self-employed, we will ask them to give us their most recent tax return or a profit and loss statement from an accountant. We follow the rules set out in the NSW Community Housing Rent Policy to work out their income. If their income is less than the standard rate of Job Seeker, we will use the current rate for Job Seeker to calculate their rent subsidy.

### Overtime payments

We will include overtime payments as income when we are calculating rent.

### Rent during approved absences

Tenants must pay their rent while they are away from the property. Tenants must inform us if they are going to be absent from the property for more than two weeks by completing an [Absence from a Property Form](#).

If tenants are going to be away from their property for long extended periods, we may ask them to voluntarily give up their tenancy and vacate the property, so it can be allocated to another person in need of housing assistance. Refer to our [Absence from Property Policy](#) for more information.

In some situations, a tenant can ask us to reduce the rent that we charge them while they are away from their property for short periods. Holidays, including visits within Australia or overseas for purposes such as visiting family or dealing with immigration matters in their home country, do not constitute eligibility for a reduction in rent. Table 4 outlines the circumstances where we may approve a reduction in rent.

If a tenant or household member is approved for reduced rent, we will charge that person \$5 rent per week while we calculate the household rent. If other household members, we will still use their income to work out their share of the household rent. Table 4 outlines the principles applied when determining a reduction in rent based on relevant circumstances.

**Table 4**

Circumstances	Details
<p>The tenant or household member is going to be away from their property, and will be paying for other accommodation, because they are going into:</p> <ul style="list-style-type: none"> <li>• hospital for long term care,</li> <li>• a nursing home,</li> </ul>	<p>We will charge that person \$5 per week rent if they need to pay costs at the place where they are staying. They will need to show us evidence that they must pay costs at the place where they are staying.</p> <p>The reduced rent can be approved for up to 12 weeks. After the 12 weeks, we re-assess</p>



<ul style="list-style-type: none"> <li>• rehabilitation facility,</li> <li>• respite care,</li> <li>• a refuge or other accommodation because they are at risk or escaping domestic violence</li> </ul>	<p>the person's situation and determine whether cancellation or extension of the rent reduction is required.</p> <p>Victim-survivors escaping domestic violence situations who retain their social housing tenancy may also be eligible for \$5 rent. Each case will be assessed at the time of request.</p>
<p>The person (a tenant or household member) is incarcerated and the reason for incarceration is not related to an offence constituting a breach of the tenancy agreement</p>	<p>We will charge that person \$5 per week rent.</p> <p>The reduced rent can be approved for up to 26 weeks if the reason for incarceration is not related to a breach of tenancy.</p> <p>If the term of incarceration is expected to be longer than 26 weeks, and the tenant is the sole person in the household, the tenant will be required to give up their tenancy and arrange to vacate the property. If the tenancy is not relinquished, once the approved period ends, the rent amount the person paid before the rent reduction will apply.</p> <p>If the term of incarceration is expected to be longer than 26 weeks, and there are other authorised adult household members, a household member may apply for succession of the tenancy. Refer to our <a href="#">Succession of Tenancy Policy</a> for more information.</p> <p>Rent reduction/s due to incarceration will be capped at a maximum of 26 weeks in total during each tenancy with us.</p> <p>For transitional tenancies, where the maximum time a person can live in a property can be limited under program guidelines, we will only approve a rent reduction for up to 12 weeks.</p>

Decisions to reduce rent during approved absences outside of this Policy can be made by the relevant or Head of Region depending on the length of the approved absence.

## Start Work Bonus

The Start Work Bonus assists tenants and household members who are starting work for the first time or returning to work after a break.

If a tenant or household member over the age of 18 is approved for the Start Work Bonus, it means that the extra money earned from working will not be included in the calculation of the household rent for up to 26 weeks and that their portion of the household rent will remain the same for that period as it was before they started work.



Tenants can apply for a Start Work Bonus by submitting a [Rent Subsidy Application Form](#) and including income details for all other adult household members. At the end of the Start Work Bonus period of 26 weeks, we will carry out a rent review and the rent will be recalculated based on your new household income in line with Table 1: Percentage of income payable in social housing rent.

A tenant or household member will be approved for the Start Work Bonus if:

- the tenant or household member is over the age of 18
- the tenant informs us that they or a household member within 21 days of starting work
- they had previously been unemployed for at least 12 months (If claiming the start work bonus for the first time) or 3 years (if they have previously claimed the start work bonus)
- the tenant receives a rent subsidy and the person applying for the Start Work Bonus did not include wages as a source of income before they started the job, i.e., they are not already in existing employment.

A tenant or household member will not be eligible for a Start Work Bonus if they:

- are already paying market rent
- are changing jobs
- are moving from casual to permanent work, or from part-time to full-time work
- have received a Start Work Bonus in the past 18 months
- the tenant or household member is not currently paying a \$5 per week rent
- the tenant or household member is a low wage earner who receives an income below the Jobseeker Payment (or other statutory benefit) appropriate for their age and household composition.

## Rental Fraud

Because a rent subsidy is based on a tenant's eligibility and circumstances, we may ask a tenant to verify their eligibility for a rent subsidy at our request. This may occur at any time during the tenancy and for different reasons.

Rental fraud occurs when a tenant:

- provides us with false, incomplete, or misleading information about their household income or assets
- doesn't tell us within the required timeframe if there is a change in circumstances that could impact their rent, or
- sublets their property or allows unauthorised occupants to live in their property (refer to our [Occupancy Policy](#) for more information).

When we investigate an allegation of rental fraud, we will apply procedural fairness. We will ensure that tenants are made aware of any allegations and will be advised of their right to:

- provide evidence to refute any allegations made against them
- have a support person or advocate present at any interviews
- have access to an interpreter (if needed)
- be given a record of the interview if requested and have the chance to read it and check that it is correct.



If we receive information that a tenant is receiving a rent subsidy that they may not be entitled to, we are required to investigate. Once investigated, our response may include any or all of the following:

- Cancellation or adjustment of the rent subsidy – this may be backdated, and the debt placed on the tenant's rental account
- In cases of serious and deliberate fraud, take formal action to terminate the tenancy
- If the fraud is of a criminal nature, refer the matter to NSW Police

## Payment Options

Tenants can pay their rent by:

- Centrepay deductions
- [BPOINT through the our website](#)
- Internet banking
- EFTPOS
- Bank deposits
- Money orders
- Cheques
- Payment at our offices

We do not accept cash payments. For security reasons, credit/debit card details must not be sent to us via email, text, or any written format.

## Rent receipts and rent statements

A tenant can ask us for a rent statement at any time. If a tenant asks us for a rent statement, we will give them the statement within 7 days.

## Confidentiality

If we receive information about possible rental fraud, we will not reveal the details of the person who gave us the information unless required by law, or unless the person gives their approval. Depending on the severity of the allegations we may contact the NSW Police.

We will not provide any details about the outcome of the investigation to the person who provided the information.

## Requests for information

We may receive requests for information from other government agencies. We will only share information with government agencies, where we are required or authorised to provide information by law.

Requests for information will be managed by the Privacy Officer.

## Appeals

Tenants can appeal our decisions about their rent calculation. Our [Appeals](#) Policy has more information on appeals.

## Relevant legislation, regulations or standards

- [Residential Tenancies Act 2010 \(NSW\)](#)



## Related documents/resources

- [Homes NSW Policy: Community Housing Rent Policy](#)
- [Fact sheet: Rent](#)
- [SGCH Policy: Occupancy](#)
- [SGCH Policy: Appeals, Complaints and Feedback](#)

## Policy information

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