1. Existing rent policy determines that rents in public housing are calculated at 25 percent of assessable income, with some exceptions, and are capped at a maximum of the market rent for the property.
2. Assessable incomes currently include those that have a “housing component”. However, under this arrangement, there are more than one hundred allowances that are deemed non-assessable or have different proportions applied as a result of past policy decisions and/or arrangements with the Australian Government.
3. The proposed rent reforms are intended to further reinforce that a social housing tenancy is provided for the duration of need and that there are other viable rental options available to households.
4. The proposed changes will reduce the number of exempt income sources (through a standardised definition of income), simplify calculations, increase equity and fairness between households, correct inconsistencies in rent assessment, and increase revenue across public housing.
5. Implementation commences from April 2014 for new tenants and from July 2014 for existing tenants as part of their annual rent review.
6. Cabinet approved to reform the way public housing rent is calculated.
7. *Attachments*
* Nil.