

## Addendum 4 to Community Housing Rent Policy

# Community Housing rent procedure for NDIS-SDA Tenancies

## 1. Procedure Details

For all community housing tenancies with Specialist Disability Accommodation (SDA) funding from the National Disability Insurance Scheme (NDIS), community housing providers must apply the Reasonable Rent Contribution (RRC) requirements established by the NDIS and outlined in the most current version of the *Specialist Disability Accommodation Addendum* to the [NDIS Terms of Business for Registered Providers](#), and as amended from time to time (see [the NDIS website](#) for more information).

Additional Services Levies are not able to be charged to Tenancies under this procedure.

Currently the **Reasonable Rent Contribution** section of the NDIS document linked above states:

The payment of Specialised Disability Accommodation (SDA) prices by the NDIA on behalf of a participant to a Provider does not prevent the Provider obtaining a reasonable rent contribution (RRC) directly from the participant. The amount of the RRC must not exceed the amount of the RRC specified below (SDA Rule 5.7).

### 1.2 The amount of the Reasonable Rent Contribution (RRC)

If the participant receives the Disability Support Pension, the RRC to be paid by a participant must not exceed an amount that is:

- 25 per cent of basic rate of the Disability Support Pension;
  - Plus: if the participant receives a pension supplement - 25 per cent of the Pension Supplement received;
  - Plus: if the participant receives a Youth Disability Supplement - 25 per cent of the Youth Disability Supplement received;
- Plus: if the participant receives Commonwealth Rent Assistance - 100 per cent of Commonwealth Rent Assistance received.

If the participant does not receive the Disability Support Pension (i.e. receives any other form of income) – the RRC must not exceed an amount which is:

- 25 per cent of basic rate of the Disability Support Pension (see below);
- Plus 100 per cent of any Commonwealth Rent Assistance received by the participant.

The “*basic rate of the DSP*” is the amount under the *Social Security Act 1991* that is the maximum basic rate for a person who is not under 21 and not a member of a couple. The appropriate rate for their age is to be used.

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### 1.3 Voluntary discretionary contributions above RRC

In exceptional circumstances a participant may choose to make a discretionary contribution over the RRC. This can only occur:

1. where the participant, despite other available options, **chooses** to access a higher cost category of SDA than is funded by the NDIS (such as SDA in a different location or of a different type); or
2. if the market rental value for a particular dwelling is higher than the SDA price plus RRC. This is unlikely but could occur due to a particular location.

If a Registered Provider proposes to charge rent that exceeds the SDA price plus the RRC because of the high market rental value for the property the Provider must not charge the participant that higher rent until the requirements in SDA Rules 7.30 and 7.31 have been met:

- a. the Provider must obtain and keep written certification from an appropriately qualified property valuer stating that the rent is fair and reasonable; and
- b. the Provider must notify the NDIA and provide the NDIA with a copy of the attestation referred to above.

As outlined above, any voluntary discretionary contribution arrangements are expected to be reflected in the rent component of the written service agreement between a provider and participant.

## 2. Maximum Rent

In addition to the NDIS directions outlined above, the SA Housing Authority requires that the combined rental income (reasonable rent contributions) received for a property will not exceed the Market Rent for that property (as determined by the Valuer General or an independent qualified Valuer taking account of the specialist nature of the accommodation).

This is especially relevant for Group Households where a number of non-related persons share accommodation e.g. in order to access common amenities and support services that are necessary due to disability. In such instances, the rents charged to each household should be reduced in a manner that is equitable to each, so that the combined rent is equal to or less than Market Rent (see section 3. Market Rent to be Determined).

## 3. Market rent to be Determined

Market Rent will be determined in a transparent and independent manner, e.g. by Valuer General, or by an independent qualified Valuer, and updated sufficiently regularly to maintain accuracy.

CHPs will make publicly available their procedure for determining Market Rent, and will have in place a mechanism that ensures that Market Rents can be substantiated, appealed and reviewed by stakeholders including SAHT and tenants.

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### Practical application of the above:

- CHPs may choose to appoint an independent valuer for some or all properties, or they may choose to use Valuer General Market Rents made available by SAHT once per year in approximately late July.
- If Valuer General Market Rents are used, CHP may request review by the Valuer General using the [Market rent query form](#).
- If an in-house valuer is used (e.g. a qualified Valuer employed and paid for by the CHP), the CHP must ensure that a fully independent assessment can be made easily in the case of a challenge or appeal by a tenant.
- Note that ATO benchmarks are an approximate value set for ATO purposes not for genuine market rent purposes. ATO benchmarks are not particular to the property/street/condition of a property, and may be higher than actual market rent for a specific property. ATO benchmarks are therefore not an acceptable methodology for determining a market rent for the purpose of calculating rent to be charged under this policy.

## 4. Rent Policy Accessibility and Accountability

Community housing providers are required to ensure this SAHT rent procedure and the NDIS Reasonable Rent Contribution document is made appropriately available to tenants and general public.

## 5. Related information

### 5.1 Controlling documents

This policy is based on and complies with:

- Master [Community Housing Agreement](#)
- [Community Housing Rent Policy](#)
- *Community Housing Providers (National Law) (South Australia) Act 2013*
- *National Regulatory System Community Housing- Regulatory Framework*
- *Residential Tenancies Act 1995 (SA)*
- [NDIS Terms of Business for Registered Providers](#)
- *Specialist Disability Accommodation Addendum to the Terms of Business for Registered Providers*
- See [the NDIS website](#) for more information.

### 5.2 Related guidelines

- [Addendum 1: Community Housing Rent Procedure for General Tenancies](#)
- [Addendum 2: Community Housing Rent Procedure for Supported Tenancies](#)
- [Addendum 3: Community Housing Rent Procedure for Affordable Tenancies](#)

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### 5.3 Date this procedure applies from

16 May 2019

### 5.4 Version number

1

The online version of the policy is the approved and current version. There is no guarantee that any printed copies are current.