



## Policy and Procedure - Community Housing

### Rent Setting

#### 1. Purpose & Scope

- 1.1. This policy applies to Long Term and Transitional community housing tenancies.
- 1.2. UnitingCare West (UCW) sets rent in accordance with the Community Housing Rent Setting Policy.

#### 2. Definitions

- 2.1. Market Rent: This is the rent that a renter in the private sector would expect to pay for a similar property of the same size, type and nearby location. UCW uses the detailed benchmark Market values provided by the Australian Taxation Office (ATO).
- 2.2. Maximum Rent: This is the cap applied to rents charged by UCW. It is set at 74.99% of the Market Rent.
- 2.3. Basic Rent: This is the portion of the rent which represents 25% or less of the assessable household income. It will generally be 25% of the assessable household income but may be reduced if the rent is capped at Maximum Rent.
- 2.4. Charged Rent: This is the amount the tenant pays on a fortnightly basis. It may be Basic Rent plus CRA or the Maximum Rent – it will be the lower of the two figures.
- 2.5. Assessable Income: This includes most Centrelink payments but excludes specific purpose allowances, the basic component of Family Tax A and a 'wage allowance'. It also includes wages, overseas pensions, and investment income and maintenance payments.
- 2.6. Household: All persons living at the address with the consent of UnitingCare West. Some allowance is made for visitors who will not stay for longer than 6 weeks. There are also a small number of payments which are either regarded by UnitingCare West as 'non-assessable' or are assessed at a lower percentage rate.



### **3. Rent Setting Procedures**

- 3.1. The Market Rent is determined by reference to the ATO Market Rents.
- 3.2. Maximum Rent is determined by multiplying the Market Rent by 75%.
- 3.3. Assessable Household income is determined by income information provided by the tenant and other household members.
- 3.4. If this information is withheld or unavailable, the tenant will be charged the Maximum Rent until such information is provided unless otherwise negotiated.
- 3.5. Basic Rent is determined by multiplying each type of assessable income by the relevant percentage.
- 3.6. The maximum amount of CRA available to the tenant is then added to the Basic Rent.
- 3.7. The figure from 2.4 is then checked against the Maximum Rent – the tenant will be charged the lower of the two amounts – Charged Rent.

### **4. Authorisation**

Approved by: \_\_\_\_\_ 

**Date: 25<sup>th</sup> October 2019**