

Community Housing

Rent Setting Policy

1. Purpose and Scope

- 1.1. As a registered Community Housing Organisation (CHO), Uniting WA is committed to ensuring its tenants have access to accommodation at a suitable, affordable cost, in accordance with the Department of Communities' (DoC) Community Housing Rent Setting Policy, and the *Residential Tenancies Act (WA) 1987*.
- 1.2. The purpose of this policy is to outline Uniting WA's rent setting practices, undertaken by the Community Housing team, as relevant to the type of community housing accommodation being provided (long-term, crisis / short-term, group and shared accommodation).

2. Glossary of Terms/Definitions

Term	Definition
2.1. Tenant	Refers to an individual who is accessing, or has previously accessed, accommodation from Uniting WA's Community Housing service.
2.2. Income and Assets Limits	Limits set out in the Department of Communities Community Housing Income and Assets Limit Policy, under the following classification categories: Band A -Tenants and applicants whose 'Assessable Income' is within the public and community housing income limits, Band B - Tenants and applicants whose 'Assessable Income' is over the public housing income limits. As a registered Tier 2 Community Housing Provider, Uniting WA provides accommodation services to Band A tenants / applicants.
2.3. 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. The 'Benchmark Market Values' are released by the Australian Taxation Office (ATO) annually.

2.4. Maximum Rent	This is the cap applied to rents charged by Uniting WA. It is set at 74.99% of the Market Rent.
2.5. Basic Rent	This is the portion of the rent which represents either 25% or 30% of the household's 'Assessable Income'. This may be reduced if the rent is capped at ATO Maximum Rent or Uniting WA Maximum Rent.
2.6. Charged Rent	This is the amount the tenant pays on a fortnightly basis.
2.7. Assessable Income	Any income which is regular, ongoing and provided to meet the general costs of living for the purpose of calculating rent. There are a small number of payments which are either regarded by Uniting WA as 'non-assessable' or are assessed at a lower percentage rate.
2.8. Household	All persons living at the address with the consent of Uniting WA. Some allowance is made for visitors who will not stay for longer than 6 weeks.
2.9. Group Home	A private residence and care model for those with complex health needs. Property or residence in which the tenant has legal right to one room (bedroom) and share a major area of their accommodation with others. A major area of accommodation is a bathroom or kitchen.
2.10. Shared Accommodation	A property or residence in which the tenant has legal right to one room (bedroom) and share a major area of their accommodation with others. A major area of accommodation is a bathroom or kitchen.
2.11. Commonwealth Rent Assistance (CRA)	An income supplement provided by the Commonwealth government to eligible persons, based on the type of accommodation acquired, and amount of rent paid.

3. Policy

- 3.1. As outlined in the DoC Community Housing Rent Setting Policy, Uniting WA will uphold the following rent setting rules:
- 3.1.1. Rent will be charged at a rate no less than 25%, and no more than 30%, of a household's net income (after tax).
 - 3.1.2. The total amount of Commonwealth Rent Assistance (CRA) the tenant is eligible for will be factored into any determination of rent, even if the tenant has not claimed this assistance.
 - 3.1.3. Rent will not exceed the Maximum Rent (set by the ATO at 75% of Market Rent), ensuring Uniting WA maintains GST-free status.
 - 3.1.4. Uniting WA will clearly communicate any rent determinations made following a **Tenancy Rent Assessment**, within a **Tenancy Agreement**.
 - 3.1.5. A co-resident carer looking after a person with a disability will have their rent capped at 25% of the Centrelink Carer Payment, regardless of their total assessable income.
 - 3.1.6. Parents who are not social housing tenants, caring for children with disability over 18, will be eligible for the cap. However, a co-resident carer who is married to or in a de-facto relationship with the person with disability will be ineligible.

4. Rent Setting

- 4.1. As summarised in **Figure 1** below, Uniting WA calculates the appropriate rate of rent through a **Tenancy Rent Assessment** where the tenant, and other household members, provide relevant information to determine the 'Assessable Income'.
- 4.2. Should the necessary information be unavailable, or is withheld, the tenant can be charged the 'Maximum Rent' until such information is provided, unless otherwise negotiated.
- 4.3. The 'Assessable Income' is then used to determine the 'Basic Rent', by multiplying the 'Assessable income' with the appropriate percentage:
- **Long-term Accommodation** - 25% of assessable income
 - **Crisis / Short-term Accommodation** - 30% of assessable income
- 4.4. The maximum amount of CRA available to the tenant is then added to the 'Basic Rent' to calculate the 'Charged Rent' to the tenant.

- 4.5. The ‘Charged Rent’ figure is then checked against the Maximum Rent – the tenant will be charged the lower of the two amounts.

Considerations for Group Home / Shared Accommodation Settings

- 4.6. Group Home or Shared Accommodation will be assessed against ‘Other dwelling 1 bed’ within the ATO Market Rent Value Benchmarks.
- 4.7. Maximum Rent for Group Home or Shared Accommodation will be capped at the ‘Transitional Benchmark’ value for long-term accommodation, set out by the ATO.
- 4.8. After 2023, the Transitional Benchmark will be replaced by the ‘Detailed Market Rent Value Benchmarks’ under which Group Home / Shared Accommodation will be assessed against ‘Other dwelling 1 bed’.
- 4.9. This is to be reviewed annually and will not exceed the ATO Maximum Rent for Other dwelling 1 bed accommodation.
- 4.10. Uniting WA ensures equity across its property portfolio by ensuring no group / shared accommodation tenants’ charged rent exceeds the lowest Perth Zone set by the ATO. This measure acknowledges the limited degree of choice each tenant has as to their allocated group or shared accommodation property.

Calculation 1				
‘Assessable Income’ gross income- before tax	×	25% (long-term accommodation) 30% (crisis accommodation)	=	‘Basic Rent’
Calculation 2				
‘Basic Rent’	+	CRA	=	‘Charged Rent’ (if lower than ‘Maximum Rent’)
OR (where information is unavailable / withheld)		‘75% Maximum Rent’ (ATO Benchmark)	=	Rent Amount Charged

Figure 1 – Rent Setting Calculations Summary

5. Variations

- 5.1. Uniting WA reserves the right to vary or change this policy from time to time.

6. Related Documents

- 6.1. Residential Tenancies Act (WA) 1978
- 6.2. Residential Tenancies Regulations 1989
- 6.3. DoC Community Housing Rent Setting Policy

6.4. DoC Community Housing Income and Asset Limits Policy

7. Authorisation of any Changes or Retirement



30 July 2022

Approver's Signature

Date

Approver	Chief Operating Officer
Responsible Officer/s	Practice Lead Community Housing
Document Owner	Practice Lead Community Housing
Specialist Advisor/s	
Effective date	30 July 2022
Next review expected by	1 August 2025
Date of last review	N/A

8. Version Control

Version No.	Review Date	Reviewers	Comments
0	30/07/2022	Practice Lead Community Housing, Policy Officer	Re-branded. Position title changes. Content reviewed to merge CH Rent Setting Policy and CH Rent Setting Policy Group / Shared Accommodation.