

# 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. <b>Assessable Income</b>	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.
2.2. <b>Basic Rent</b>	This is the portion of the rent which represents either 25% or 30% of the household's 'Assessable Income'.
2.3. <b>Charged Rent</b>	Refers to the amount the tenant is required to pay on a fortnightly basis.
2.4. <b>Commonwealth Rent Assistance</b>	An income supplement provided by the Commonwealth government to eligible persons, based on the type of accommodation acquired, and amount of rent paid.
2.5. <b>Group Home</b>	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.

2.6. <b>Household</b>	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.
2.7. <b>Income and Assets Limits</b>	<p>Limits set out in the Department of Communities Community Housing Income and Assets Limit Policy, under the following classification categories:</p> <ul style="list-style-type: none"> <li>• <b>Band A</b> - Tenants and applicants whose 'Assessable Income' is <b>within</b> the public and community housing income limits,</li> <li>• <b>Band B</b> - Tenants and applicants whose 'Assessable Income' is <b>over</b> the public housing income limits.</li> </ul> <p>As a registered Tier 2 Community Housing Provider, Uniting WA provides accommodation services to <b>Band A</b> tenants / applicants.</p>
2.8. <b>Maximum Rent</b>	This is the cap applied to rents charged by Uniting WA. It is set at 74.99% of the Market Rent.
2.9. <b>Market Rent</b>	<p>This is the rent that a tenant in the private sector would expect to pay for a similar property of the same size, type and nearby location.</p> <p>The 'Benchmark Market Values' are released by the Australian Taxation Office (ATO) on an annual basis.</p>
2.10. <b>Shared Accommodation</b>	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. <b>Tenant</b>	Refers to an individual who is accessing, or has previously accessed, accommodation from Uniting WA's Community Housing service.

### 3. Policy

- 3.1. In accordance with 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 gross income (before 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 74.99% 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 / Transitional 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. Effective 1 July 2023, all tenancies are to be assessed against the 'Detailed Market Rent Value Benchmarks' set by the ATO.
- 4.7. The Detailed Market Rent Value Benchmarks outline the maximum amounts the ATO deem to be reasonable market values for accommodation, in consideration of a property's type, size and location.

- 4.8. The maximum rent charged by Uniting WA for Group Home or Shared Accommodation will be capped at the '1 bedroom house' Maximum Rent amount set by the ATO.
- 4.9. The maximum rent charge will be reviewed on an annual basis, in line with the latest Detailed Market Rent Value Benchmarks released by the ATO.
- 4.10. Uniting WA ensures equity across its property portfolio by ensuring no Group Home / 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 Home / Shared Accommodation property.

Calculation 1				
'Assessable Income' gross income- before tax)	X	25% (long-term accommodation) 30% (crisis and transitional accommodation)	=	'Basic Rent'
Calculation 2				
'Basic Rent'	+	Commonwealth Rent Assistance	=	'Charged Rent'
OR		74.99% of Market Rent set by ATO (this value can also be used where information is unavailable / withheld)	=	(the lowest amount of the two calculations will be 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



Approver's Signature

28 November 2023

Date

<b>Approver</b>	<b>Chief Executive Officer</b>
Responsible Officer/s	Senior Manager Community Housing
Document Owner	Senior Manager Community Housing
Specialist Advisor/s	
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## 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.
1	28/11/2023	Senior Manager Community Housing; Policy Officer	Minor templating amendments. Position title changes. Revised 'Maximum Rent' charge in line with ATO requirements for Group Home / Shared Accommodation settings.