

Community Housing Rent Setting Guidelines

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1 Introduction

The purpose of this document is to provide Community Housing Organisations (CHOs) with guidance when applying the Community Housing Rent Setting Policy (CHRSP).

The Community Housing Rent Setting Guidelines (the Guidelines) should be read in conjunction with the CHRSP and should not be used or implemented independently.

2 Scope

The CHRSP applies to:

- CHOs that have a legal agreement with the Housing Authority (operating within the Department of Housing and Works) to provide **Social Housing** (Band A), and/ or **Affordable Rental Housing** (Band B) to eligible Applicants/ co-Applicants/ Tenants/ co-Tenants;
- **Transitional Accommodation** where the rent setting is not specified within individual agreements, policies or programs;
- Where the Housing Authority has a financial/ interest in Dwelling/s within a CHO portfolio;
- Affordable Rental Housing (Band B) projects delivered in partnership between the State Government and CHOs;
- Community Disability Housing Program (CDHP). For further information, please refer to the Community Housing Disability Program Policy and Community Housing Disability Program Guidelines.

It may also be utilised where a CHO provides Social Housing and/ or Affordable Rental Housing programs within their portfolio, as defined by the Housing Authority.

2.1 General Information

The CHRSP works in conjunction with Community Housing (CH) and Public Housing policies, which can be found at Community Housing - resources (www.wa.gov.au), and Department of Housing and Works Public Housing resources.

There are two categories of CH rent settings referred to in these Guidelines:

- Social Housing (Band A) is based on income eligibility settings as set out in the Community Housing Eligibility Policy (CHEP); and
- 2. **Affordable Rental Housing** (Band B) is based on income eligibility settings as set out in the Community Housing Eligibility Policy (CHEP).

CHOs charge a reduced or subsidised rent for Social and Affordable Rental Housing dwellings by reference to income and at less than or equal to the market rent, as specified in the CHRSP.

- **1. Market Rent** The amount of rent a tenant in the private market would pay for a similar property in that area.
- **2. Maximum Rent** The cap applied to subsidised rents charged by CHOs accessing GST charity concessions. It is set at 74.99% of the Market Rent.

3 Assessable and Non-Assessable Income

Refer to CHRSP, section 4

Assessable income for rent setting differs from the assessable income for determining continued eligibility.

CHOs may refer to the *Housing Authority Rent to Income Policy* contained in the Housing Authority Rental Policy Manual for assistance when determining assessable or non-assessable income for Social Housing (Band A) rent settings. These income types are also applicable to Affordable Rental Housing (Band B) rent settings. Rent in the CHRSP is derived from the combined income or deemed income of non-dependent householders over the age of 16 years, which is regular, ongoing and provided to meet the general costs of living, and may also include the income of any eligible co-resident carer (see section 4.4, below).

3.1 Assessable Income Types – Rent Setting

Table 1: Assessable Rental Income Types - Rent Setting

Assessable Income – Rent Setting			
General Income	Wages, salaries, superannuation, salary sacrificed amounts, child maintenance and interest from financial assets including savings.		
Statutory Income	Pensions, benefits, supplements and allowances.		

3.2 Non-Assessable Income Types – Rent Setting

Table 2: Non-Assessable Government Rental Income Types - Rent Setting

Non-Assessable Government Income Payments – Rent Setting				
Abstudy Pensioner Education Supplement	AIC Pensioner Education Supplement			
Assisted and Isolated Children	Attendant Allowance			

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Non-Assessable Governme	nt Income Payments – Rent Setting		
Austudy Education Pension Allowance	Bereavement Payment		
Child Disability Allowance – One Off	Clothing Allowance (DVA)		
Crisis Payment	Dad and Partner Pay		
Decoration Allowance (DVA)	Disaster Recovery Allowance		
DVA Disability Pension	DVA Disability Compensation Payment - General Rate		
DVA Disability Compensation Payment - Intermediate Rate	DVA Disability Compensation Payment – Temporary Special Rate		
DVA Disability Compensation Payment - Special Rate	DVA Disability Compensation Payment - Extreme Disablement Adjustment		
Education Tax Refund Payment	Emergency Payment		
Emergency Recovery Payment (including Burial Assistance, Hospital, medical and Repatriation Expenses)	Essential Medical Equipment Payment		
Exceptional Circumstances Relief Payment	Ex-Gratia Payment		
FACS Pensioner Education Supplement	Flexible Support Payment		
Funeral Expenses – One Off	HECS or Course Fees		
Income Support Bonus	Mobility Allowance		
Newborn Supplement	Newborn Upfront Payment		
Orphans Allowance/Pension (DVA)	Overseas Add-On Payment (For Child)		
Pensions Loan Scheme	Permanent Impairment Payment (DVA)		
Prisoner of War Recognition Supplement (DVA)	Recreation Transport Allowance (DVA)		
Remote Allowance (DVA)	School Kids Bonus		
Special Employment Advance	Stillborn Payment		
Student Education Payments (DVA)	Student Start-Up Scholarship		
Veterans Supplement (DVA)			

4 Rent Settings

Refer to CHRSP, section 5

4.1 Social Housing Rent Setting

CHOs must charge Social Housing (Band A) rent settings for Social Housing tenancies.

Social Housing rent settings are aligned to the Housing Authority's Public Housing rent setting requirements (*Housing Authority Rent to Income Policy* contained in the Housing Authority's Rental Policy Manual).

The base rent for Social Housing tenancies is <u>25% of gross</u> household assessable income for non-dependant householders above 16 years of age plus rent assistance, and not exceed market rent value (or maximum rent, where applicable).

The rent charged will be the lesser of the income-based application or market/maximum rent for that property. The household should not be charged more than 25% of their household income plus eligible rent assistance.

4.2 Affordable Rental Housing Rent Setting

CHOs who provide Affordable Rental Housing should charge Affordable Rental Housing (Band B) rent settings for eligible tenancies (see CHEP).

The base rent for Affordable Rental Housing tenancies must be equal to or higher than <u>25% and no more than 30% of net</u> household assessable income for non-dependant householders above 16 years of age plus rent assistance, and not exceed market rent value (or maximum rent, where applicable).

4.3 Transitional Accommodation Rent Setting

CHOs who provide Transitional Accommodation which does not have rent settings specified by an individual policy, agreement or program should charge rents equal to or higher than <u>25% and no more than 30% of net</u> household assessable income for non-dependant householders above 16 years of age plus rent assistance, and not exceed market rent value (or maximum rent, where applicable).

4.4 Co-Resident Carer Rent Setting

Where a household requires a co-resident carer and this is the principal place of residence of the carer, the carer's income shall not be assessed for the purposes of eligibility but will be for rent assessment.

Where a co-resident carer resides in a dwelling where rent is set by income, they will be deemed as receiving the full rate of the Carer Payment, Pension Supplement and Energy Supplement if their actual income exceeds this total.

For further information, please refer to the Housing Authority's *Housing People with Disabilities Policy* contained in the Housing Authority's <u>Rental Policy Manual</u>. CHOs determine eligibility for co-resident carer rent setting using evidence from sources such as Centrelink, National Disability Insurance Scheme (NDIS) plans and/ or advice from a doctor or medical specialist.

4.5 Rent Setting Calculator

The Department of Housing and Works has developed and maintains the Rent Setting Calculator that all CHOs can access to assist in the calculation of rent. To access this calculator and support on using this tool, contact CommunityHousing@dohw.wa.gov.au.

5 Market Rent

Refer to CHRSP, section 6

If the income-calculated rent exceeds the market rent (or maximum rent, where applicable), CHOs should adjust the rent, ensuring that the tenant's rent remains consistent with their rent setting.

5.1 Maximum Rent GST Concession

CHOs accessing GST charity concessions should charge maximum rent based on 74.99% of market rent in accordance with <u>A New Tax System (Goods and Services Tax) Act 1999</u> (GST Act) provisions.

CHOs should seek their own advice from the <u>Australian Tax Office</u> (ATO), including any implications if their rents exceed the maximum amount allowable under the GST Act.

5.2 Charging Market Rent

Tenants may be charged market rent, or maximum rent where applicable, if they:

- become ineligible for Social Housing or, where relevant, Affordable Rental Housing.
- do not provide evidence of current Household income when requested; or
- do not respond to annual income review to confirm ongoing eligibility.

5.3 Determining Market Rent

Market rent value may be determined by:

ATO scales <u>Applying benchmark market values</u> | <u>Australian Taxation Office</u>
 and <u>Benchmark market value tables</u> | <u>Australian Taxation Office</u>; or

- WA Valuer General's listed amounts; or
- REIWA values; or
- Professional valuation; or
- An average from local listings/ agents.

CHOs should ensure the method of calculating market rent is fair and consistent across tenancies and included in their organisation policy and agreements.

6 Rent Assistance

Refer to CHRSP, section 7

Community Housing tenants may be eligible for Commonwealth Rent Assistance (CRA) payments via Services Australia (Rent Assistance - Services Australia) or Rent Assistance from the Department of Veterans Affairs (DVA).

CHOs should calculate rent based on the maximum eligible CRA (<u>How much Rent Assistance you can get - Rent Assistance - Services Australia</u>).

Rent Assistance from DVA is means tested, however the full eligible amount should be considered when calculating rent. Tenants should seek advice from <u>DVA</u> on their eligibility and impact of claiming this payment on any other payments and allowances they may be eligible for.

Once the CHO has provided evidence or a rent certificate, the tenant should lodge a Rent Assistance claim to Services Australia (How to get Rent Assistance - Rent Assistance - Services Australia). If the Rent Assistance approved by Services Australia differs from the rate applied in the tenant's rent calculation, the tenant's rent needs to be reassessed.

Some CHOs may use the Electronic Verification of Rent (EVoR) service to update and verify tenant rent details with Services Australia. Further details can be found at: Electronic Verification of Rent (EVoR) - Services Australia.

7 Definitions

The terms and definitions in the CHRSP and Guidelines are contained in the Community Housing Policy Definitions.

8 Support and Advice

For support and advice about CH policies, procedures and guidelines, please email CommunityHousing@dohw.wa.gov.au. Further information may also be found at wa.gov.au.

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For information regarding the Community Housing registration process, please contact the Registrar of Community Housing at Registrar@dohw.wa.gov.au.

For further information on the *Residential Tenancies Act 1987* and obligations as a landlord, refer to or contact the Department of Energy, Mines, Industry Regulation and Safety on 1300 304 054 or www.dmirs.wa.gov.au/renting.

9 Document Control

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