



Policy

Rent Setting



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1. Purpose

This policy will outline Southern Cross Housing's (SCH) criteria for the assessment of household rent payable for Community Housing Tenants.

2. Scope

This policy applies to the method of calculation of rent for all approved applicants who meet SCH's eligibility requirements for Community Housing. This policy provides guidance to SCH Property Managers on the calculation of rentals for all eligible, approved applicants, and should be read in conjunction with the SCH Policy on Eligibility. Rents are set in accordance with the *Community Housing Income and Asset Limits (CHIAL) Policy 2020* (Department of Communities).

3. Policy Statement

Southern Cross Housing Ltd (SCH) offers Community Housing accommodation to those individuals who are unable to access or maintain adequate or appropriate housing in the private sector.

Assistance is provided irrespective of gender, marital status, race, religion or disability.

Tenants are taken from the Housing Authority (Department of Communities) priority joint wait-list (JWL) in the first instance as per the Community Housing Agreement with the Department of Housing 17 December 2010, and Southern Cross Housing.

Rents will be set in accordance with income and asset holdings of applicants who meet the eligibility criteria set by the Department of Communities for Community Housing.

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There are two Bands for income eligibility, Band A and Band B. Current income and asset holdings for a single person and a couple are shown below, (taken from the *Community Housing Income and Asset Limits (CHIAL) Policy 2020*, (Department of Communities). There are additional limits for those applicants with a Disability, and applicants that live in the North West/Remote areas for both Band A and Band B. Refer to the *Community Housing Income and Asset Limits Policy (CHIAL) 2020*, (Department of Housing) for a full account of income and asset limits.

Band A (income)

Metro and Country:

Single Income:	\$450 per week	(\$23,475 annual income)
Couple (dual income):	\$710 per week	(\$37,038 annual income)

Assessable Assets: *(include: any cash or money in a bank, building society or credit union account, interest bearing deposits, fixed deposits, bonds, debentures, shares, property trusts, friendly society bonds and managed investments, unlisted equity and property trusts).*

Cash Asset Limit Single person:	\$38,400
Cash Asset Limit Couple (dual income)	\$63,800

Band B (income)

Metro and Country:

Single Income:	\$985 per week	(\$51,398 annual income)
Couple (dual income):	\$1,362 per week	(\$71,061 annual income)

Assessable Assets: *(include: any cash or money in a bank, building society or credit union account, interest bearing deposits, fixed deposits, bonds, debentures, shares, property trusts, friendly society bonds and managed investments, unlisted equity and property trusts).*

Cash Asset Limit Single person:	\$332,000
Cash Asset Limit Couple (dual income)	\$412,500

All prospective applicants must provide the following information with a completed application form for assessment of eligibility.

1. Recent bank statements for a consecutive three months.
2. Centrelink Statement of Benefit.

If working, additional documentation will be required as follows;

- three months' pay slips or, if self-employed, a previous year tax assessment lodged with the Australian Taxation Office.

Band A tenants pay no more than 25% of their gross assessable income as rent. *Gross* income refers to the **pre-income tax** (before tax) income of a household or individual.

Band B tenants should pay no more than 30% of their net (post-tax) income. *Net* income refers to the **post-income tax** (after tax) income of a household or individual.

Commonwealth Rent Assistance (CRA) is a Commonwealth payment made to recipients for income support payments to assist in the payment of rent. CRA is counted as the maximum amount for which each applicant of a household is entitled.

SCH uses a 'Rent Calculator' to calculate rent and CRA and is supplied by the Community Housing Industry Association, the calculator is updated regularly to reflect the latest information from the Department of Communities for Community Housing Organisations.

Example on how rent is calculated using the Rent Calculator, for a single person eligible for the maximum CRA payment – Band A:

<p>Base Rent: = \$215.00pf = 25% of Gross assessable income of \$860.60pf (rounded down)</p>	<p>Commonwealth Rent Assistance (CRA): = \$116.55 (max CRA) (paid to tenant)</p>	<p>Total Rent Payable: Rent \$163.45 + CRA \$116.55 = \$280 rent per fortnight (maximum charge).</p>	<p>Based on a Market Rent Value for a 1 Bed property @ \$280pf.</p>
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Band B applicants are calculated using the Rent Calculator in the same way, note - Band B tenants should pay no more than 30% of their net (post-tax) income. *Net* income refers to the post-income tax (after tax) income of a household or individual.

Rents are capped to a maximum of 75% of market rent value for Band A and Band B applicants.

4. Roles & responsibilities

Property Managers: Management of properties within portfolio, both owned and managed. Includes but not limited to allocation, income and asset assessment, suitability of property (fit), location etc.

5. Related legislation & standards

Legislation / Standard	
Residential Tenancies Act (WA) 1987	Division 1 – 27A.
Residential Tenancies Regulations 1989	5AB
Residential Tenancy Agreement	Clause 55
National Community Housing Standards Manual, third edition, May 2010	Standard 1.2 Establishing and maintaining tenancies, 1.2.1 Rent management
Community Housing Income and Asset Limits (CHIAL) Policy	2020 – Section 6.
Community Housing Rent Setting Policy	2009

6. Supporting SCH policies, procedures & other documents

Document Title	
Community Housing Rent Setting Manual, <i>Community Housing Coalition</i>	Updated June 2014
Community Housing Agreement (HA and SCH 17/12/2010)	Section 35, Asset Management
Rent Setting Calculator (CHIA) – March 2020	SCH600/8/0326
SCH Procedure – Rent Setting	
SCH Policy – Eligibility and Allocation - Community Housing	
SCH Procedure – Eligibility and Allocation – Community Housing	

7. Feedback

Feedback on this policy must be directed to the Document Owner outlined in the cover of this policy.

