

RENT SETTING POLICY

Category: Community Housing

Effective date:	17/02/20	Custodian:	General Manager Community Housing
External references:	<ul style="list-style-type: none"> • ATO Guidelines for Long Term Accommodation • Centrepay Policy • Community Housing Income & Asset Limits Policy 2013 • Community Housing Rent Setting Policy 2009 • National Rental Affordability Scheme Act 2008 • Privacy Act 1988 • Residential Tenancies Act 1987 • Residential Tenancies Regulations 1989 	Internal references:	<ul style="list-style-type: none"> • Allocation Policy • Discretionary Decision-Making • Policy • Extended Absence Policy • Feedback, Enquiries, Complaints & Appeals Policy • Information & Records • Management Policy • Non-Assessable Incomes • Privacy Policy
Version:	V6 Last Review 31/01/2020	Review:	16/02/22

PURPOSE

The Rent Setting Policy ensures that we use a process and method of calculation that is fair and equitable for all residential tenants and complies with the Housing Authority's Rent Setting Policies, the Residential Tenancies Act 1987 and the National Rental Affordability Scheme. This policy explains our rent calculation formula and the information we use to determine a tenant's rent.

SCOPE

This policy applies to residential tenants whose rent is set according to their household income. It does not apply to tenancies where the rent is set at a fixed amount.

RENT CALCULATION FORMULA

Rents are set using a percentage of a household's total net assessable income plus 100% Rent Assistance entitlement, up to the Maximum Rent for the property.



POLICY & GUIDELINES

POLICY	GUIDANCE NOTES
<p>Percentage of Household Income</p> <p>Tenants will pay a percentage of their total net (after tax) assessable household income as base rent. The percentage of rent charged depends on whether the tenant meets the income criteria for Band A or Band B.</p> <p>Band A tenants pay 25% and Band B tenants pay 30% of their total net assessable household income.</p>	<p>Band A refers to tenants whose household income is within the Social Housing Income Limits.</p> <p>Band B refers to tenants whose household income is within the Affordable Housing Income Limits.</p> <p>The Social Housing and Affordable Housing Income Limits are set out in the Housing Authority's <i>Community Housing Income and Assets Limits Policy</i>.</p>
<p>Assessable Income</p> <p>The incomes of all persons in the household who are 16 years of age and over are used to assess the rent.</p> <p>Household income which is regular, ongoing and is for, or able to be used for, general living costs is assessable.</p> <p>Assessable income includes but is not limited to:</p> <ul style="list-style-type: none"> • Wages, salary, pensions, benefits, allowances, superannuation, salary sacrificed amounts, maintenance, and interest from financial assets including savings. • Payments which are, or can be, received fortnightly as regular income and can be planned for. • Payments which temporarily replace a recipient's primary source of income. 	<p>Household members are tenants, and people who usually reside with them such as their partners, dependents, non-dependents, non-family members and boarders.</p>
<p>Non Assessable Income</p> <p>Access Housing excludes some sources of income from rent assessments. These are commonly payments for a specific purpose, not for general living costs. These are called Non Assessable Incomes.</p>	<p>Access Housing's Non Assessable Income list is attached to this policy (Attachment A).</p>
<p>Rent Assistance</p> <p>In assessing the total rent, 100% of the rent assistance the household is entitled to will be added to the base rent.</p> <p>It is the responsibility of tenants to make sure that they and their household members are claiming their full Rent Assistance entitlement.</p>	<p>Rent Assistance is paid by Centrelink (CRA) or the Department of Veteran Affairs (DVA).</p> <p>Tenants in receipt of a DVA payment may exceed the DVA eligibility income limit for Rent Assistance. In such cases, the tenant will be considered to be in receipt of the full amount of Rent Assistance they would otherwise be entitled to.</p>

<p>Maximum Rent</p> <p>No tenant will pay more than the Maximum Rent for the property.</p>	<p>Maximum Rent for social and affordable housing properties in which the Department of Communities has an interest is 74.99% of the Market Rent for the property at the time of the rent calculation ¹.</p>
<p>Market Rent</p> <p>Market Rent is determined using a recognised, external data source such as REIWA, the Australian Tax Office or Landgate.</p>	<p>For NRAS properties, Market Rent is as defined in the National Rental Affordability Scheme Act 2008.</p>
<p>Rent Reviews</p> <p>Tenants will be required to complete an Annual Rent Review and Rent will be reviewed where there is a change of household income and/or circumstances.</p> <p>If a tenant's household income changes the tenant must advise Access Housing within 14 days of the change to enable a Rent Review to take place.</p> <p>All Reviews require the tenant to complete an Eligibility and Rent Review form and provide proof of household income.</p> <p>Tenants whose sole income is a government benefit which is indexed bi-annually are not required to notify of the household income increase as it will be processed automatically, and the tenant advised in writing of the new rent.</p> <p>Tenants who fail to respond to the Annual Eligibility Rent Review, fail to provide proof of household income or fail to advise of a change in circumstances will be charged Maximum Rent for the property.</p>	
<p>Proof of household income</p> <p>Tenants must provide proof of all household income.</p> <p>Tenants housed under NRAS must provide additional evidence as required.</p> <p>If a tenant or household member is eligible for a payment, benefit, or allowance but chooses not to apply for it, or is receiving an amount less than they are entitled to, they will be considered as being in receipt of the full amount of that income and it will be included in the rent assessment.</p> <p>A recipient whose Centrelink payment is fully or partially cancelled because they have failed</p>	<p>Accepted Proof of income:</p> <ul style="list-style-type: none"> • Pension or benefit recipients must provide a Centrelink or DVA Income Statement which is not more than 4 weeks old. • Wage and salary earners must provide at least 6 consecutive pay slips or an Employer's Certificate of Earnings or verification letter. If pay slips are used, an average will be taken from the period provided. • Tenants and household members who are self-employed must provide their last financial year ATO income tax assessment. If they are unable to provide this, they will be assessed at the equivalent award rate

¹ Excludes tenants under Contracts outlined in Attachment B

<p>to meet their obligations and/or requirements will be considered as being in receipt of that source of income and it will be included in the rent assessment.</p>	<p>for the occupation in that industry. Additional NRAS evidence required will be advised at allocation and prior to rent reviews. The evidence required can be viewed at: www.dss.gov.au/housing-support</p>
<p>Department of Veterans Affairs (DVA) Disability Pensions</p> <p>In the event that a tenant's sole income source is a non-assessable DVA Disability Pension, the rent will be assessed using the full Centrelink benefit at the appropriate single or partnered rate to which the tenant would otherwise be entitled.</p> <p>In the event that a tenant's non-assessable DVA Disability Pension is paid in conjunction with any other Centrelink benefit, the rent will be assessed using the full Centrelink benefit at the appropriate single or partnered rate to which the tenant would otherwise be entitled.</p>	<p>The non-assessable DVA Disability Pensions are General Rate, Intermediate Rate, Special Rate and Extreme Disablement Adjustment.</p>
<p>National Disability Insurance Scheme</p> <p>Payments relevant to the cost of housing will be assessed on a case by case basis.</p>	
<p>Migrants with Assurances of Support</p> <p>Where a migrant with an Assurance of Support is the partner of a tenant or household member who is in receipt of a Centrelink payment, the tenant or household member will be considered to be in receipt of the Centrelink payment at the partnered rate.</p>	
<p>Notice of rent change</p> <p>Tenants will be notified of any changes to their rent as per the Residential Tenancies Act 1987.</p>	<p>60 days written notice will be given of a change in the method of calculation which results in a rent increase.</p> <p>14 days written notice will be given of a rent variation where the method of calculation has not changed and the variation results in a rent increase.</p> <p>Rent decreases will be effective from the date the tenant notified Access Housing of the change if the Eligibility and Rent Review form and proof of household income is received within 14 days of the notification or as required by the NRAS Act 2008.</p> <p>Rent increases (when the method of calculation has changed) will not occur within 6 months of the last increase or during the term of a fixed term tenancy unless otherwise provided for in the Tenancy Agreement.</p> <p>Rent variations due to a change in the tenant's</p>

	household income may occur at any time.
Appeals Tenants have the right to appeal against a decision made in relation to how their rent has been set.	

NON ASSESSABLE INCOME

Income Source
Abstudy Fares Allowance
Abstudy Incidentals Allowance
Abstudy Pensioner Education Supplement
Abstudy School Fees Allowance
Assistance for Isolated Children Scheme (AIC)
Bereavement Payment
Carer Adjustment Payment
Carer Supplement
Child Disability Allowance
Crisis Payment
Dad and Partner Pay
DVA Attendant Allowance
DVA Clothing Allowance
DVA Decoration Allowance
DVA Disability Pension - Extreme Disability Adjustment*
DVA Disability Pension – General Rate*
DVA Disability Pension - Intermediate Rate*
DVA Disability Pension – Special Rate (AKA Totally & Permanently Incapacitated Pension) *
DVA Permanent Impairment Compensation Payment
DVA Prisoner of War Recognition Supplement

Income Source
DVA Veterans Supplement
Education Entry Payment
Employment Entry Payment
Energy Supplement
Essential Medical Equipment Payment
Fares Allowance
Income Support Bonus - Centrelink
Isolated Children's Allowance
Mobility Allowance
Newborn Supplement
Newborn Upfront Payment
Pension Supplement
Pensioner Education Supplement
Pharmaceutical Allowance
Recreation Transport Allowance (DVA)
Reimbursements
Single Income Family Supplement
Stillborn Baby Payment
Student Start up Loan
Telephone Allowance
Utilities Allowance

*DVA Disability Pensions

- In the event that a tenant's sole income source is a non-assessable DVA Disability Pension, the rent will be assessed using the full Centrelink benefit at the appropriate single or partnered rate to which the tenant would otherwise be entitled.
- In the event that a tenant's non-assessable DVA Disability Pension is paid in conjunction with any other Centrelink benefit, the rent will be assessed using the full Centrelink benefit at the appropriate single or partnered rate to which the tenant would otherwise be entitled.

Attachment B

Contract	Expiry Date
City of Perth	2023