

# Rent Setting Policy (HCWA)

Operations Western  
Australia

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10

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## 1 Purpose

The purpose of this policy is to ensure that Housing Choices WA calculates resident's rents fairly and equitably and in accordance with legal and contractual obligations.

## 2 Scope

This policy applies to the activities of Housing Choices WA Operational Services (Community Housing and Property Assets) who are interacting with Housing Choices WA applicants, resident, household members and carers. This policy applies irrespective of whether staff undertaking activities are employed by that entity or another entity within Housing Choices WA.

This policy does not apply to tenancies that are not managed Licence to Occupy occupants.

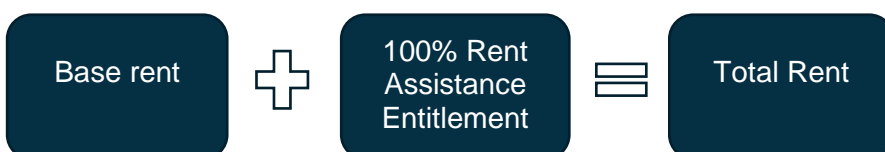
## 3 Policy Statement

Housing Choices WA provides affordable housing. Social and Affordable Housing is housing leased to eligible people at a rent less than 75% of Market Rent. Market Rent Housing will be leased at Market Rent.

We use a rent assessment process and method of calculation which, where applicable, complies with the Community Housing Rent Setting Policy, the Residential Tenancies Act 1987 and the National Rental Affordability Scheme (NRAS).

### 3.1 Rent calculation formula

Our Social Housing rents are set using a percentage of a household's total net assessable income (the base rent) plus 100% Rent Assistance entitlement, up to the Maximum Rent for the property. The calculation is therefore:



The combined incomes of all household members who are 16 years of age and over are used to assess the rent.

Our Affordable Housing rents are less than the Maximum Rent for the property.

Rents for Market Housing are the Market Rents.

### 3.2 Percentage of household income

Social Housing 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 resident meets the income criteria for Band A or Band B: Page | 2

- [Band A](#) residents pay **25%** of their total net assessable household income
- [Band B](#) residents pay **30%** of their total net assessable household income

### 3.3 Assessable Income

Assessable income is any regular, ongoing income and is for, or able to be used for, general living costs.

Assessable income includes but is not limited to:

- Wages, salary, pensions, benefits, allowances, superannuation, salary sacrificed amounts, maintenance, and interest from financial assets including savings;
- Payments that 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.

### 3.4 Non-assessable Income

We exclude some income sources from rent assessments. These are commonly payments for a specific purpose, not for general living costs. These are called [Non Assessable Incomes](#). These are reviewed periodically and are subject to change.

### 3.5 Rent assistance

Rent assistance is an income supplement payable to eligible people who rent in the private rental market or community housing. It is paid by Centrelink or the Department of Veterans' Affairs.

We will add 100% of the rent assistance a resident is eligible to receive to the base rent to calculate a (Social Housing) resident's total rent.

A resident in receipt of a DVA payment may exceed the DVA eligibility income limit for rent assistance. In such cases, the resident will be considered to be in receipt of the full amount of rent assistance they would otherwise be entitled to.

### 3.6 Maximum Rent

Residents that are eligible for Social or Affordable Housing will not pay more than the Maximum Rent at the time of the rent calculation.

### 3.7 Market Rent

Market Rent is determined using a recognised, external data source which includes, but is not limited to, the Australian Tax Office, Landgate, REIWA or a professional property market rent valuation.

For NRAS properties, Market Rent is as defined in the [National Rental Affordability Scheme Act 2008](#).

### 3.8 Rent Reviews

Social Housing residents are required to complete an Eligibility and Rent Review form and provide proof of household income annually and/or when there is a change of household income and/or circumstances.

If a resident's household income changes we must be advised within 14 days of the change.

Residents 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 resident advised in writing of the new rent.

Affordable and Market Housing rents will be reviewed annually.

### 3.9 Proof of income

Residents must provide proof of income for [all household members](#).

If a resident 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.

A recipient whose Centrelink payment is fully or partially cancelled because they have failed 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.

#### 3.9.1 Accepted Proof of income:

- 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.
- Residents 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 for the occupation in that industry.

### 3.10 Department of Veterans Affairs (DVA) Disability Pensions

A resident whose sole income is a non-assessable DVA Disability Pension, will be assessed using the full Centrelink benefit at the appropriate single or partnered rate to which the resident would otherwise be entitled.

If a resident'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 resident would otherwise be entitled.

### 3.11 National Disability Insurance Scheme

Payments relevant to the cost of housing will be assessed on a case by case basis.

### 3.12 Hardship

HCWA will apply a Hardship lens whereby Social and Affordable Housing residents resident or household members temporarily do not have access to an income.

### 3.13 Notice of rent change

- Residents will be given 60 days written notice of a change in the method of calculation which results in a rent increase.
- Residents will be given 14 days written notice of a rent variation where the method of calculation has not changed and the variation results in a rent increase.
- Rent decreases for Social Housing residents will be effective from the date of the change if the Eligibility and Rent Review form and proof of household income is received within 14 days of the notification or otherwise as required by the NRAS Act 2008.
- We may not repay an overpayment of rent if the resident has failed to notify us of a decrease in household income within 14 days, or has failed to complete and return a completed Eligibility and Rent Review form when requested.
- 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.
- Rent variations due to a change in a Social Housing resident's household income may occur at any time.
- A rent increase will be backdated where the resident's household income has increased and the resident has failed to notify us within 14 days.

### 3.14 Co-resident carers (Social Housing only)

An eligible [co-resident carer's](#) assessable income will be capped at 25% (Band A) or 30% (Band B) of the current full rate of the Centrelink Carer Payment (plus 100% of any rent assistance they may be entitled to) regardless of how much they earn or receive.

### 3.15 Temporary rent reduction

Sole Social and Affordable residents who need to stay in temporary accommodation and a fee is being charged for that accommodation can apply for a temporary rent

reduction for an approved period of time. This applies to specific accommodation such as:

- rehabilitation, hospital, respite, nursing home or similar
- residents experiencing domestic and family violence temporarily staying in a refuge, motel or with family and friends who are charging them rent.

Evidence of the need for the temporary accommodation, the fees charged and any arrangement for the care of the property may be requested.

If there are co-residents or approved household members continuing to live in the property during the resident's absence, the rent will be reassessed on their incomes only during the period of absence.

A temporary rent reduction can be cancelled at any time if the resident returns to the property or is found to be ineligible for the temporary rent reduction.

### 3.16 Ineligibility

Social Housing residents may be charged Maximum Rent if they:

- do not fully complete or return their annual Eligibility & Rent Review form
- do not provide proof of household income
- become ineligible for Social Housing

### 3.17 Appeals

Residents have the right to appeal against a decision made in relation to how their rent has been set.

## 4 References:

LEGISLATION & STANDARDS	RELATED INTERNAL DOCUMENTS
<ul style="list-style-type: none"> <li>• Residential Tenancies Act 1987</li> <li>• Centrepay Policy</li> <li>• Community Housing Rent Setting Policy 2009</li> <li>• National Rental Affordability Scheme Act 2008</li> <li>• Privacy Act 1988</li> <li>• Residential Tenancies Act 1987</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Discretionary Decision-Making Policy</a></li> <li>• <a href="#">Rent Arrears Policy</a></li> <li>• Extended Absence Policy</li> <li>• <a href="#">Privacy Policy</a></li> <li>• Rent Setting Workflow</li> </ul>

### 4.1 Glossary

Affordable Housing	Housing where rent is charged at less than Maximum rent, for applicants whose income exceeds Social Housing income limits
Band A (Social Housing)	Applicants who meet the Public Housing eligibility criteria.

Band B (Social Housing)	Applicants whose income exceeds the Public Housing eligibility criteria but does not exceed the eligibility criteria for entry to the <a href="#">National Rental Affordability Scheme</a> .
Household members	Residents, co-residents and people who usually reside with them such as their partners, dependents, non-dependents, non-family members and boarders.
National Rental Affordability Scheme (NRAS)	A Government initiative to reduce rental costs for eligible low to moderate income households by at least 20% below market rates.
Market Rent Housing	Housing that is leased to at a Market Rent.
Maximum Rent	Maximum Rent is 74.99% of the Market Rent.

## 4.2 Version Notes

Version	Date	Details	Author	Approver
1	26/09/07	Policy ratified and implemented	-	Board
2	21/08/13	Policy review: <ul style="list-style-type: none"> <li>Reference to variation to Maximum Rent for non-return of income details removed.</li> <li>Additional definitions for Protected and Non-Protected Special Condition Visas &amp; Veteran Affairs rent assistance</li> <li>Explanation of determining Market Rent when no REIWA suburb is provided.</li> <li>Reworded to include reference to 30 days written notice as required by Amendment Act.</li> <li>Exiting process extended to 6 months from date of first written notification of ineligibility. Reference to 60 days' notice removed.</li> <li>New clause to include extension as per Discretionary Decision-Making Policy.</li> <li>New clause regarding New Zealand citizens.</li> <li>New clause regarding Veteran Affairs rent assistance.</li> </ul>	M Shaw	A. Wilkerson
3	1/7/22	Policy revision	M. Shaw	N. Sangalli
4	20/6/17	Policy Review. Following inclusions added:	M. Shaw	S. Groome

		<p>1.3 Disability criteria</p> <p>4.2.6 Former residents with history of violence may not be housed.</p> <p>4.3.3 Inclusion of NRAS additional information.</p> <p>6 Exit Planning introduced</p> <p>7.10 Market Rent charged for ineligible residents.</p> <p>8.1 Notifiable change of income increased from \$20 to \$50.</p> <p>8.7 Reference to Extended Absence Rent Reduction.</p>		
5	1/11/18	Inclusion of review & reference table	M. Shaw	K. Moorey
6	30/01/20	<p>Policy review</p> <ul style="list-style-type: none"> <li>• Eligibility taken out of this policy and moved to Allocations Policy.</li> <li>• Policy simplified and new format implemented.</li> <li>• Rent Calculation Formula amended – reference to the way in which maximum rent is calculated has been removed</li> <li>• Net (after tax) replaces Gross (before tax)</li> <li>• Introduction of bi-annual reviews for Indexed government payments.</li> <li>• Removed charge Market Rent.</li> <li>• Migrants with Assurances of Support clause added</li> <li>• National Disability Insurance Scheme reference</li> </ul>	M Shaw	Compliance Committee
7	06/08/20	Addition of Co-Resident Carers assessable income cap.	R Cavanagh	Compliance Committee
8	18/02/21	Business name change and minor re-formatting. No change of policy content.	R Cavanagh	M Shaw
9	1/7/22	Policy review	M. Shaw	N. Sangalli
10	5/4/2024	Policy review to accommodate market rental	Management and Assurance Team	N. Sangalli



#### English:

If you need an interpreter, please call TIS National on 131 450 and ask them to call **Housing Choices Australia** on **1300 312 447**. Our business hours are **9am to 5pm, Monday to Friday**.

You can also visit the TIS National website for translated information about the service TIS National provides. Visit: [www.tisnational.gov.au](http://www.tisnational.gov.au)

#### Arabic:

إذا كنت بحاجة إلى مترجم، يرجى الاتصال بـ TIS الوطنية على الرقم 131 450 وأطلب منهم الاتصال بنا على هاتف رقم **1300 312 447** Housing Choices Australia. ساعات العمل الخاصة بنا **9am to 5pm, Monday to Friday**.

يمكنك أيضا زيارة موقع TIS الوطنية للحصول على معلومات حول الخدمات التي تقدمها TIS الوطنية. قم بزيارة: [www.tisnational.gov.au](http://www.tisnational.gov.au)

#### Farsi (alt Persian):

اگر به مترجم نیاز دارید، لطفاً با شماره تلفن تیس نشنال 131 450 تماس بگیرید و از آنها بخواهید با **Housing Choices Australia** به شماره **1300 312 447** تماس بگیرید. ساعت کاری ما **9am to 5pm, Monday to Friday** است.

[www.tisnational.gov.au](http://www.tisnational.gov.au) شما همچنین می توانید به وب سایت تیس نشنال برای اطلاعات در مورد خدماتی که تیس نشنال فراهم می کند مراجعه کنید. به

#### Vietnamese:

Nếu quý vị cần thông dịch viên, xin hãy gọi cho Dịch vụ Thông Phiên dịch Quốc gia (TIS Quốc gia) theo số 131 450 và yêu cầu họ gọi cho **Housing Choices Australia** theo số **1300 312 447**. Giờ làm việc của chúng tôi là **9am to 5pm, Monday to Friday**. Quý vị cũng có thể vào thăm trang mạng của TIS Quốc gia để có thông tin về các dịch vụ mà TIS Quốc gia cung cấp. Hãy vào thăm [www.tisnational.gov.au](http://www.tisnational.gov.au)

#### Somali:

Haddii aad u baahan tahay turjumaan, fadlan ka wac TIS National taleefanka 131 450 waxaad ka codsataa inay kuu wacaan **Housing Choices Australia** iyo **1300 312 447**. Saacadaha Shaqadu waa **9am to 5pm, Monday to Friday**.

Waxaad kaloo booqan kartaa website-ka TIS National ee macluumaadka turjuman oo ku saabsan adeegga TIS National ay bixiso. Ka eeg: [www.tisnational.gov.au](http://www.tisnational.gov.au)

#### Simplified Chinese:

如果您需要口译员，请拨打TIS National 的电话131 450，请他们打电话给**Housing Choices Australia**，电话号码：**1300 312 447**。我们的营业时间是**9am to 5pm, Monday to Friday**。

你也可以访问TIS National 的网站，了解TIS National提供的服务。网址：[www.tisnational.gov.au](http://www.tisnational.gov.au)

#### Traditional Chinese:

若你需要口譯員，請撥打TIS National電話131 450並請他們轉接 **Housing Choices Australia** 的電話 **1300 312 447**。我們的工作時間是 **9am to 5pm, Monday to Friday**。

你也可以瀏覽TIS National 網站瞭解TIS National 的服務資訊，網址：[www.tisnational.gov.au](http://www.tisnational.gov.au)

#### Spanish:

Si necesita un intérprete, por favor llame a TIS National en el 131 450 y pida que lo comuniquen con **Housing Choices Australia** en el **1300 312 447**. Nuestro horario de oficina es **9am to 5pm, Monday to Friday**.

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#### Italian:

Se hai bisogno di un interprete, telefona a TIS National al numero 131 450 e chiedi di chiamare **Housing Choices Australia** al **1300 312 447**. I nostri orari d'ufficio sono **9am to 5pm, Monday to Friday**.

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**For other languages, access to an interpreter is available by contacting Housing Choices Australia on 1300 312 447.**