

Fact Sheet | Rent

This information explains how rent is calculated by Community Housing Providers (CHPs) in South Australia.

Changes to Australian Government social assistance allowances, like the Pension and Jobseeker, from September 20, 2023, will impact on how much rent CHP tenants pay.



How is rent calculated by CHPs?

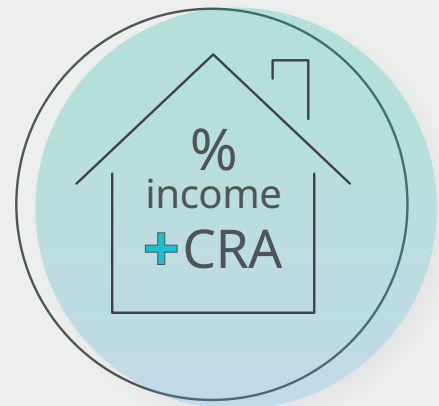
CHPs offer affordable and social housing for rent to eligible tenants in South Australia.



Social Housing

Tenants eligible for social housing are those receiving Australian Government social assistance allowances, like the Pension or Jobseeker. CHPs calculate the rent for a social housing tenant based on the tenant's assessable income, plus all of the Commonwealth Rent Assistance (CRA) payment they may receive.

Most tenants on income-based rent pay 25 per cent of their assessable income to their CHP plus CRA. Other models may apply for particular properties and individual cases.



Affordable Housing

Tenants eligible for **affordable housing** are those earning low to moderate incomes.

CHPs calculate the rent for affordable housing as either 25 per cent less than the property market rent, or 30 per cent of assessable income plus CRA.





What is assessable income?

Assessable income is income that tenants pay tax on for the whole tenant household.

This includes salary and wages, and most pensions, benefits and allowances paid by Centrelink and the Department of Veterans' Affairs.



What is Commonwealth Rent Assistance (CRA)?

CRA is a non-taxable payment from the Australian Government provided to people eligible for Centrelink payments who are paying rent in the private market. The CRA is a type of housing subsidy collected by CHPs, which are non-government organisations that provide affordable housing to people on low to moderate incomes.

Public housing tenants are not eligible to receive CRA because they pay rent to the State Government housing authority.



How do CHPs use the rent they collect from tenants?

Tenants' rent is the main income source for CHPs. They use it to repair and maintain properties, employ and retain staff, support tenants, pay bills (including payments to the State Government) and invest in new affordable and social housing stock.



Can CHPs increase tenants' rent?

CHPs can increase rent due to changing circumstances. This might occur if a tenant's assessable income increases or decreases.

If a tenant's assessable income increases, CHPs can increase the rent that is charged.

Most CHPs will conduct rent reviews twice a year to make sure rental payments remain affordable and reflect current tenancy budgets as accurately as possible.



Will changes in government social assistance payments affect rent?

Yes. Most pensions, benefits and allowances paid by Centrelink and the Department of Veterans' Affairs are considered "assessable income" for CHP rent-setting. Changes to these payments are likely to affect rent.



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Assessable
Income

Rent



Will changes to the Commonwealth Rent Assistance (CRA) affect total rent CHPs receive?

Yes. CHPs collect 100 per cent of a tenant's CRA payments because the CRA is a form of housing subsidy provided by the Australian Government to help provide affordable housing.



When are the next changes in government assistance and CRA expected?

From September 20, 2023, the Federal Government will increase most social security allowances to meet rising living costs.

For example, the Age Pension, Disability Support Pension and Carer Payment are all set to rise by \$38.90 a fortnight for singles and \$58.80 a fortnight for couples. Jobseeker Payment, Parenting Payment, and ABSTUDY will also increase.

This will see an increase in a tenant's assessable income and CRA payments. These increases will mean the amount of rent paid to CHPs will also increase.

Full details of the Federal Government's new social security allowance rates and thresholds are available on the Department of Social Services website.



How much can CHPs increase a tenants rent by?

CHPs are regulated and must set rent in line with SA Government policies designed to ensure housing is affordable.



Will CHPs automatically increase rent after September 20 due to government allowance increases?

Most CHPs will conduct rent reviews twice a year to make sure rental payments remain affordable and reflect current tenancy budgets as accurately as possible for their tenants.

From September 20, 2023, the largest indexation increase to social security payments in more than 30 years for allowances and 12 years for pensions will come into effect due to rising living costs.

These increases will be considered in the next rent review held by individual CHPs for their tenants. For more information on when this might be, please speak to your CHP.



Where do I go for more information?

Please contact your CHP for more information or speak to your Tenancy Officer.