

Rent Setting Policy

Purpose

This policy explains how Foundation Housing assesses and reviews tenant rents. It also covers the responsibilities our Tenants have and gives details of the support we offer.

Definitions

Applicant means a person applying for accommodation in a Foundation Housing Property.

Assessable Income is the continuous or regular income of all Household Members over the age of 16. Household members include but are not limited to the tenant of the property.

Band A describes Tenants and Applicants whose Assessable Income is within the public housing income limits. These income limits are set out in the Community Housing Income and Asset Limits Policy.

Band B describes Tenants and Applicants whose Assessable Income is over the public housing income limits but within community housing income limits. These income limits are set out in the Community Housing Income and Asset Limits Policy.

Commonwealth Rent Assistance (CRA) is a non-taxable supplement Centrelink pays to people who are eligible to help them pay their rent.

Market Rent is the amount of rent that can be expected for the use of a property, in comparison with similar properties in the same area.

Household Member means a person living in a Foundation Housing Property, who has not signed a residential tenancy agreement with Foundation Housing.

Property means a residential premises managed by Foundation Housing.

Rent means the amount Foundation Housing charges a Tenant for the right to occupy one of our Properties.

Rent Review refers to the process by which FHL reviews and calculates the rent amount payable by a tenant.

Rent Variation is a change to the rent charged, resulting from a rent review.

Tenant means a person who has signed a residential tenancy agreement granting them the right to occupy a Foundation Housing Property.

Scope

This policy only applies to tenancies covered by the *Residential Tenancies Act 1987*. For lodging and shared homes, please see the Lodging Rent and Bond Policy.

Our commitment

Foundation Housing will apply this policy in an open, honest, and supportive way.

Foundation Housing will:

- help Applicants and Tenants get income details from Centrelink;
- act quickly on rent reviews if a Tenant's income has reduced; and
- tell Applicants and Tenants how to claim CRA.

How Foundation Housing sets the Rent

Foundation Housing is compliant with the Department of Housing & Works' Community Housing Rent Setting Policy and the Residential Tenancies Act 1987 (WA).

Foundation Housing calculates the Rent using a percentage of the Assessable Income plus the sum of any CRA the Household Members would be eligible for.



The percentage of income charged depends on whether the Assessable Income for the household is within Band A or Band B.

The maximum rent a tenant will pay is the market rent for their property at the point at which a rent assessment or review is made.

Tenants and Household Member(s) who are eligible to apply for a Centrelink payment but choose not to will be deemed to be receiving the relevant Centrelink payment.

Band A: For Band A Tenants, Rent will be 25% of gross Assessable Income (income before tax has been paid) plus the sum of any entitlement to CRA.

Band B: For Band B tenants, Rent will be 30% of net Assessable Income (income after tax has been paid) plus the sum of any entitlement to CRA.

Diagram 1: FHL rent setting formula



Rent Reviews

Tenants may ask for a rent review at any time. In the absence of any requests for review by the Tenant, Foundation Housing usually reviews the Rent annually. Foundation Housing may review the Rent earlier than annually if the Assessable Income of the household has changed.

Tenants' responsibilities

Tenants must tell Foundation Housing of any change to their household at the time the change occurs. This includes any change to the people who live in the Property, as well as any change to the Assessable Income of any household member.

Tenants must give Foundation Housing details of their income when requested, so that Foundation Housing can review their Rent.

Right of appeal

If an Applicant or Tenant does not agree with any of our decisions or actions, they can appeal under our Appeals Policy.

Relevant Legislation/Policy

- [*Residential Tenancies Act 1987*](#)
- [*Housing Authority Rental Policy Manual May 2022 \(Department of Communities WA\)*](#)
- [*community housing eligibility policy chep policy.pdf*](#)
- [*community housing eligibility guidelines.pdf*](#)
- [*community-housing-rent-setting-policy-chrsp.pdf*](#)
- [*community-housing-rent-setting-guidelines.pdf*](#)
- [*community-housing-allocations-policy-chap.pdf*](#)
- [*community-housing-allocations-guidelines-v2.pdf*](#)
- *GST and non-commercial rules – benchmark market rent values* (Australian Tax Office)
- *Non-commercial activities of charities, cost of supply and market value tests 2013* (Australian Tax Office)

Related Documents

- [*Absentee Rent Policy*](#)
- [*Appeals Policy*](#)
- [*Complaints Policy*](#)
- [*Market Rent Review procedure*](#)
- [*TCI - Tenant Contact Information - Form.pdf*](#)
- [*Multiple Consent Authority.pdf*](#)
- [*How we review your rent information sheet*](#)
- [*How we set your rent information sheet*](#)

Document Control

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June 2018	Update in accordance with change in organisational policy	Barry Doyle
August 2020	Review and update of related documents	Christabel Seneque
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