

**Community Housing Council of SA Inc  
Policy Forum - CRA : A Changing World ?**

**SMALL GROUPS**

**Policy Issues**

A number of policy issues have been identified by the Community Housing Council of SA in respect of maximising CRA.

**Is such an approach morally justified or is it 'working the system' ? (Note that this approach has been accepted by the Commonwealth Government in respect of WA and Queensland)**

- "Working the system". CRA is supposed to belong to tenant only.
- Not morally justified.
- Entitlement Issue, to allow equity issues.
- On the face of it, it is immoral, however there are more issues that need to be addressed.

**Whose money is CRA ? Is it the tenant's ? Is it the landlord's ? Is it the State Government's ? (Under current rules, it is partly the tenant's and partly SACHA's. Under the previous Funding Agreement, Community Housing Organisations also got a small cut)**

- Belongs to tenant (By law)
- The CRA belongs to tenant, to help pay the rent.
- Tenant entitlement to pay the landlord.
- The Tenant.

**Should the policy apply to existing tenants of Community Housing Organisations funded under the usual SACHA program ?**

- No - should be across the board. As per Co-op Act, all policies must affect all tenants in the same way.
- No.
- Apply to everybody. Force it for existing people but not to the detriment of tenants. Current tenants will not be any worse off at the point of initial implementation can be brought up to make same.
- Yes.

**Should it apply only to new tenants of Community Housing Organisations funded by SACHA ? If so, should it apply in full at once or should it be phased in ?**

- No. Must be phased in gradually as per current Funding Agreement, no more than difference of \$10 every 6 months.
- No.
- In full at once → New tenants.
- No disadvantage to any tenant. All treated the same.

**Should it only apply to tenants of properties funded under the new Affordable Housing Innovations Program ('Growth CHOs'), on the grounds that these Community Housing Organisations will need to service borrowings used to acquire the properties ?**

- No. CRA is tenants money only, regardless of the organisations.
- No - because tenants should not have to service borrowing's. Retain status quo.
- Irrelevant → effect all.
- ?

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**If this happened, is it fair that tenants in similar financial positions will pay different rents and retain different amounts of income ?**

- No.
- No, but not applicable in light of previous answer.
- Only through the transitional period.
- All tenants should be treated the same.

**If the new policy applies to all tenants, should the share of CRA which they currently retain be protected ? (For tenants on higher Centrelink payments, the difference between the current policy and the Western Australian policy is substantial)**

- Yes.
- Yes.
- Only under transitional arrangements.
- Definitely yes! The tenant should retain their CRA (as is).

**If the policy applied to all CHOs, should the CHO be allowed to retain the extra income for agreed purposes such stock acquisition, upgrade to disability standards or major maintenance ?**

- Yes.
- Yes (5 votes)
- YES. All rental income belongs to the landlord and needs to be a re-negotiation of Funding Agreement. To benefit the Community Housing Sector. To ensure viability for the Sector.
- If the policy is implemented - divided opinion.

**Or should all the extra money go to SACHA to allow program expansion or for other purposes of benefit to community housing ?**

- Categorically No!!
- Yes (2 votes)
- NO. The monies paid by one CHO benefits others and not themselves. If CHOs keep the money themselves, then each CHO becomes an Independent entity.
- No & No.

**Or should CRA obtained under the changed policy be split between tenant, Community Housing Organisation and SACHA ? If so, on what basis should it be split ?**

- Only between tenant & CHO, NOT SACHA!
- Leave as now.
- NO. If kept with just CHO to the growth of Sector.
- Tenant should retain the normal entitlement.

**Would a changed policy impact on the level of participation within co-operatives ?**

- Yes - additional workload & extensive reduction in funds to participate & get to meetings etc., and a number of people may feel they should leave because they can't afford it; they'd be better off in private rental and keep their CRA.
- Unlikely.
- Participation is an Issue regardless.

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- Participation would be nil.

**Community Housing Organisations operating under the changed policy would be exposed to sovereign risk ie the possibility that the Commonwealth might change the rules to prevent tenants of Community Housing Organisations obtaining CRA. Is there a way to guarantee that if this happened rent would revert to 25% of assessable income ?**

- No.
- Why not? Make it like public housing.
- Currently two funding sources. One is declining one is increasing. Shouldn't we access both and not just rely on one source?
- No guarantees.

**Would Community Housing Organisations be more inclined to house people capable of attracting CRA if CRA is retained by the Community Housing Organisation ?**

- There may be some, but none within this group.
- Not applicable - should be housed on need, not on Government payments. If above, they are carrying out their function.
- This should not be a question, it is insulting. Rents should be the same.
- Probably not - but different organisations have a set clientele basis.

**If the policy applied to existing tenants, it would reduce their real after-rent incomes – is this defensible ?**

- No.
- No.
- -
- No.

**Operational Issues**

There are also a range of operational issues which would need to be taken into account if a policy of setting rents to obtain maximum CRA were to be introduced by SACHA.

**Would a policy of maximising CRA have implications for GST status particularly in regard to the 75% rule ? How could this be addressed ?**

- Yes. Variable incomes is an issue.
- Don't know.
- -
- Yes - much more information required.

**Is it feasible to impose different sets of rules on Community Housing Organisations when rent-setting is already a complicated enough issue ?**

- No. K.I.S.S.
- No.
- -
- No.

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**What assistance would Community Housing Organisations require in order to operationalise a policy of attracting maximum CRA ?**

- Would need training, huge drive to find rent officer, more training, more drive, more training.
- Ways to work out new rents. Otherwise more information is required to answer fully.
- -
- Much more participation & more money would be required.

**Would it be feasible to have a system where the maximum CRA is captured and then split three-ways between tenant, Community Housing Organisation and SACHA ?**

- No.
- Yes, but do not agree with this idea.
- -
- No. - More work.

**What complications can you see in administering such a system eg when tenants may have fluctuating incomes and may be in and out of work over a period of weeks or months ? What about tenants who have been breached by Centrelink ?**

- Nightmare.
- No extra complications - still frequent calculations required.
- -
- Huge.

### **Principles**

Do you agree with the following draft principles ? Are there any others you would like to add ?

1. No tenant should be financially disadvantaged by changes to the Rent Policy concerning CRA

- Yes.
- Yes.
- -
- Yes - no one should be financially disadvantaged.

2. No CHO should be financially disadvantaged compared to the current situation

- Yes.
- Yes.
- -
- Yes.

3. No significant additional administrative burden should be imposed on CHOs

- Yes.
- Yes.
- -
- Yes.

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4. CHOs should be given effective support with training
  - Yes.
  - Yes.
  - -
  - CHOs should be offered effective support with training. Yes.
  
5. The policy should take account of current arrangements with service providers which some CHOs may have – this particularly affects CHOs which house people with disabilities
  - Yes.
  - Yes.
  - -
  - Yes. Take into account that individual groups have their own distinctive policies to deal with issues.
  
6. A simple rent calculator should be available to CHOs to assist with calculations
  - Yes.
  - Yes.
  - -
  - Yes. One that works.
  
7. Any CRA attracted by tenants and collected by CHOs should be kept within the community housing sector
  - Yes. All members of Co-ops.
  - No - kept by tenants anyway as now.
  - -
  - Yes.

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**Policy Options**

CHCSA could eventually arrive at one of several policy options. Which of these options do you support ? Are there any other options ?

- 1 We prefer to retain the status quo**
  - Choice A.
  - Yes.
  - NO.
  - Stay on status quo.
- 2 We support attracting maximum CRA but only if it does not apply to existing tenants**
  - Choice D.
  - No
  - NO.
  - No.
- 3 We support attracting maximum CRA only for tenants of projects funded under the Affordable Housing Innovations Program**
  - Choice C.
  - No.
  - No.
  - No.
- 4 We support attracting maximum CRA but only if the CRA is split fairly between tenant, Community Housing Organisation and SACHA**
  - Choice E.
  - We don't support maximum CRA policy anyway.
  - NO.
  - No.
- 5 We support attracting maximum CRA for all tenants, with the money being passed to the Community Housing Organisation**
  - Choice B, as long as it is not classed as part of their income.
  - No. (see above).
  - YES. 6) Support attracting max CRA from all tenants with all monies being passed to SACHA
  - No.