



Government of **Western Australia**
Department of **Communities**
Housing

**GOVERNMENT REGIONAL OFFICERS'
HOUSING (GROH)**

Client Agency Rent Policy

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GROH Client Agency Rent Policy

Purpose

This GROH Client Agency Rent Policy stipulates the basis upon which the Department of Communities (Communities) determines the rents it charges to Client Agencies for GROH dwellings, including how these rents are annually reviewed.

Legislation and References

- *Government Employees' Housing Act 1964*
- *Residential Tenancies Act 1987*
- GROH Allocations and Returns Policy

Scope

This Policy applies to all GROH dwellings. It is for use by Communities' employees and Client Agencies.

Definitions

Client Agency means either:

- an Employing Agency, which is a Department under the administration of a Minister of the Crown in the Government of the State, or any Crown instrumentality, hospital, board, body corporate or other body of whatever description, proclaimed as a Department under s.7 of the *Government Employees' Housing Act 1964*; or
- a Responsible Agency, which is the agency responsible for arranging the salary and other entitlements (including accommodation) of the tenant when this tenant is not an employee of an Agency.

Communities means the Department of Communities.

Cost recovery rent means the weekly rent charged to a Client Agency for a dwelling owned by Housing in a cost town. It is calculated using the cost of constructing the dwelling and the annual costs of maintenance, improvements, refurbishments, rates and other general rental expenses.

Cost town means a location in which Communities determines there is no viable rental market.

GROH means the Government Regional Officers' Housing program administered by the Department of Communities Housing Division.

GROH client means either:

- a Client Agency; or
- any other client serviced by GROH (**other GROH client**).

GROH dwelling means a house as defined in s.5 of the *Government Employees' Housing Act 1964* (GEH Act), which is owned, leased or constructed by Housing and allocated for use by GROH.

Housing means the Housing Authority, referred to in the *Housing Act 1980*, and operating within the Department of Communities.

GROH-owned dwelling means a GROH dwelling that is owned by Housing.

Improvement means any fixture or structure that increases the utility and amenity of a dwelling, for example grab rails, a shed or the enclosure of a patio.

Leased dwelling means a GROH dwelling that is leased from the private rental market by Housing.

Market rent means the weekly rent charged to a Client Agency for a GROH-owned dwelling. This rental amount is determined annually by a licensed independent valuer.

Market town means a location in which there is a viable rental market.

Officer means an employee of the Department of Communities - Housing Division.

Other GROH clients include other worker housing programs, e.g. Non-Government Organisations, non-proclaimed state government Agencies, other housing programs or private tenants.

RTA means the *Residential Tenancies Act 1987 (WA)*.

Viable rental market means a private rental market that Communities assesses is likely to be able to supply suitable rental properties to satisfy Client Agencies' demand.

Policy Statements

1. Determining Client Agencies' Rents

- 1.1. In each location in which there is a GROH dwelling, Communities assesses whether there is a viable rental market. This determines whether a town is a market or cost town.
- 1.2. *Market town rents*
 - i. For each GROH-owned dwelling that it is allocated in a market town, a Client Agency is charged the market rent.
 - ii. For each leased dwelling that it is allocated in a market town, the Client Agency is charged the rent stipulated in the initial lease agreement and set at subsequent rent reviews.
- 1.3. *Cost town rents*
 - i. For each GROH-owned dwelling that it is allocated in a cost town, a Client Agency is charged the higher of:
 - the market rent; and
 - the cost recovery rent.
 - ii. For each leased dwelling that it is allocated in a cost town, the Client Agency is charged the rent stipulated in the initial lease agreement and set at subsequent rent reviews.
 - iii. Cost recovery rents will be charged for up to 25 years from the year in which the GROH-owned dwelling was constructed or acquired by Communities.
 - iv. After 25 years, market rents will be charged to Client Agencies for GROH-owned dwellings in cost towns.

Appendix 1 illustrates how rents are determined in cost and market towns.

Appendix 2 contains lists of market and cost towns as at the date of the revision of this policy.

- 1.4. *Rent reviews*
 - i. Each year, the rents charged to Client Agencies for GROH-owned dwellings will be revised as follows:
 - market towns: the rent will be the updated rental valuation determined by an independent valuer; and

- cost towns: the rent will be the greater of:
 - the updated rental valuation determined by an independent valuer; and
 - the cost recovery rent, adjusted by the consumer price index for Perth in the year the rent is being assessed.

2. Reviewing towns' cost or market status

2.2 Communities will annually review and, if appropriate, change a town's status as a cost or market town.

2.3 Client Agencies will be advised of any changes to town status as part of the annual rent setting process.

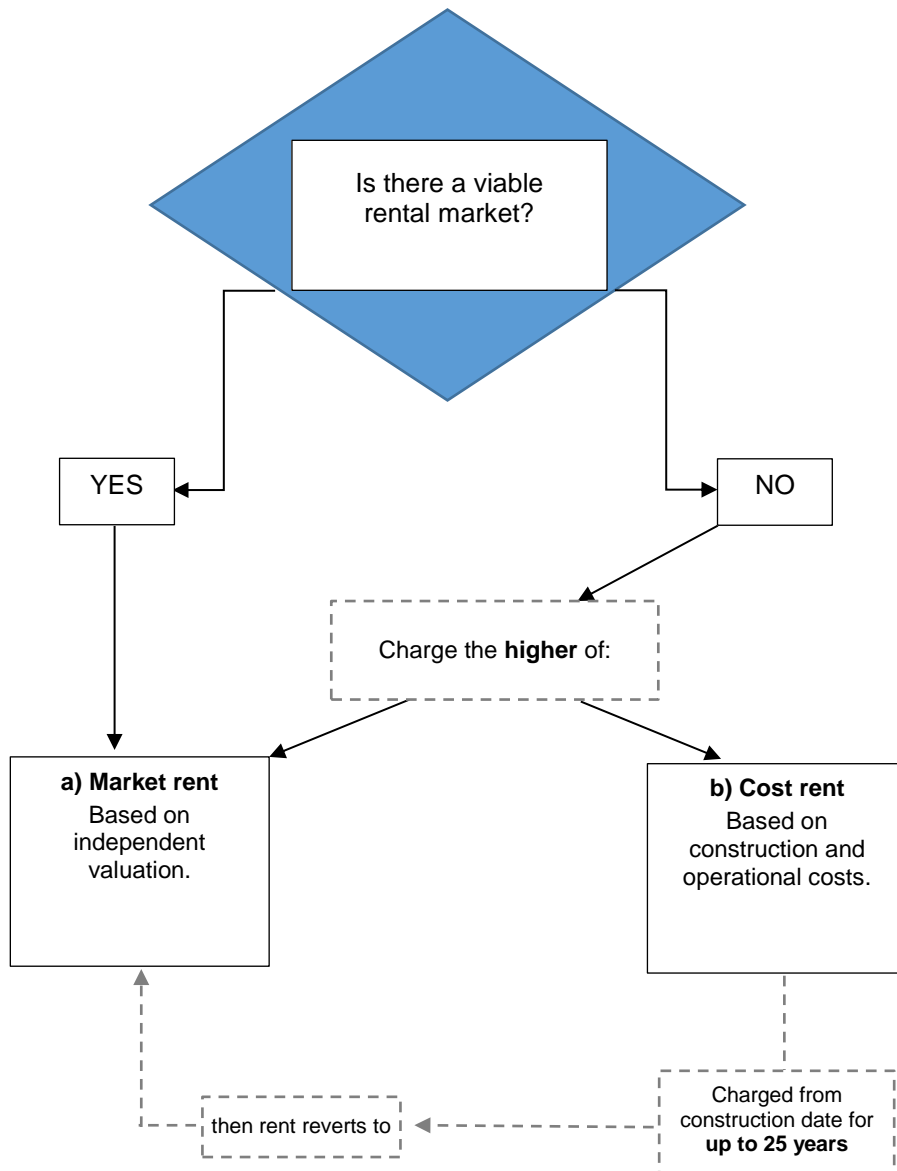
2.4 Changes in Client Agency rents resulting from a change to a town's cost or market status will apply from the following financial year.

3. Relocations and dwellings built for GROH by entities other than Communities

3.1 If, to meet a Client Agency's demand, a transportable dwelling is relocated from one cost town to another, the cost of relocation will be included in the calculation of the cost recovery rent.

3.2 Entities other than Communities that construct dwellings for use in GROH may use a cost recovery method to set the rents charged to Client Agencies. This cost recovery method must be approved by Communities.

Appendix 1: How Client Agency rent type is determined



Appendix 2 (a): Market Locations

Albany	Denmark	Kununurra
Augusta	Derby	Lancelin
Australind	Dongara/Port Denison	Leeman
Binningup	Dunsborough	Leinster
Boddington	Esperance	Manjimup
Bremer Bay	Exmouth	Margaret River
Broome	Geraldton	Merredin
Bunbury	Harvey	Narrogin
Busselton	Hopetoun	Northam
Capel	Jarrahdale	Pannawonica
Carnarvon	Jurien Bay	Point Samson
Cervantes	Kalbarri	Port Hedland
Collie	Kalgoorlie/Boulder	Quinninup
Dalyellup	Karnet	South Hedland
Dampier	Karratha	Tom Price
Denham	Katanning	Walpole

Appendix 2 (b): Cost Locations

Ardyaloon	Dowerin	Menzies	Tambellup
Badgingarra	Dumbleyung	Miling	Tammin
Balgo Hills	Dwellingup	Mingenew	Three Springs
Ballidu	Eneabba	Moora	Tjirrkarli
Beacon	Eucla	Morawa	Tjukurla
Bencubbin	Fitzroy Crossing	Mount Barker	Tjuntjuntjara
Beverley	Frankland	Mount Magnet	Toodyay
Bidyadanga/Lagrange	Gairdner	Mount Margaret	Trayning
Bindoon	Gascoyne Junction	Mukinbudin	Useless Loop
Binnu	Gingin	Mulga Queen	Wagin
Blackstone	Gnowangerup	Mullewa	Wananami
Bolgart	Goomalling	Muludja	Wanarn
Borden	Halls Creek	Munglinup	Wandering
Boyup Brook	Hyden	Nannup	Wangkatjungka
Bridgetown	Jameson	Narembeen	Warakurna
Brookton	Jerdacuttup	Newdegate	Warburton
Broomehill	Jerramungup	Newman	Warmun
Bruce Rock	Jigalong	Norseman	Waroona
Burringurrah	Kalannie	Northampton	Wellstead
Cadoux	Kalumburu	Northcliffe	Wickepin
Calingiri	Kambalda	Nullagine	Wickham
Camballin	Kellerberrin	Nungarin	Williams
Cane	Kirup	Nyabing	Wiluna
Carnamah	Kiwirrkurra	One Arm Point	Wingellina
Cascade	Kojonup	Ongerup	Wongan Hills
Condingup	Kondinin	Onslow	Woodanilling
Coolgardie	Koorda	Paraburdoo	Woolah/Dawul
Coorow	Kukerin	Pemberton	Woorloo
Corrigin	Kulin	Perenjori	Wundowie
Cosmo Newberry	Lake Grace	Pia Wadjari	Wyalkatchem
Cranbrook	Lake King	Pingelly	Wyndham
Cue	Latham	Pingrup	Yalgoo
Cunderdin	Laverton	Quairading	Yandeyarra
Dalwallinu	Leonora	Ravensthorpe	Yerecoin
Dandaragan	Looma	Roebourne	York
Darkan	Mandangala	Rottnest Island	Yulga Jinna
Djarindjin	Marble Bar	Salmon Gums	Yuna
Djugerari	Meckering	Scaddan	
Donnybrook	Meekatharra	Southern Cross	

Document History

ISSUE	DATE	REASON	POLICY AUTHORS	OFFICER'S TITLE	DATE LOADED on Internet
1	September 2018	Amalgamate Cost Recovery Rent Policy with Relocation of Transportable Housing Policy and revision as part of GROH Policy Review 2017/18	Chris Walker	Policy and Research Officer	September 2018

Authorisation

<i>Version</i>	<i>Authorised by</i>	<i>Approval Date</i>	<i>Effective Date</i>	<i>Sections modified (if applicable)</i>
[1.0]	Executive Director Contracting	September 2018	September 2018	

Summary Information

Responsible Officer	Executive Director Contracting
Contact Officer	Senior Policy and Practice Officer, Contracting
Superseded Documents	<ol style="list-style-type: none"> 1. GROH Cost Recovery Rent Policy 2. Relocation of Transportable Houses Policy
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Document Control	This document is published on the Housing website, www.housing.wa.gov.au , under the 'GROH Agencies' section of the 'Investors & Partners' menu.
Associated Documents	<ul style="list-style-type: none"> • <i>Government Employees' Housing Act 1964</i> • <i>Residential Tenancies Act 1987</i> • Housing Maintenance Policy Manual