

Services Australia calculate the amount of Commonwealth Rent Assistance (CRA) a household is eligible to receive based on their household type and how much rent they pay.

For a household to receive the maximum CRA payment amount, the rent payable must exceed the maximum threshold value as set by Services Australia. Most community housing rents attract the maximum CRA payment amount.

There are some households who will only be eligible to receive a part CRA payment, including:

- Single person households in receipt of low-income types such as JobSeeker or Youth Allowance; or
- Where rent is capped at a low market-based rent (below the maximum threshold value).

This document details the steps for calculating part CRA and explains the relevant formulas.

It looks at the Services Australia formula and explains how to use this to calculate and verify part CRA.

For the purposes of these calculations, the examples provided are for a **single person household in receipt of JobSeeker payment** (note: payment rates are current as of March 2024 and subject to change on 20 Sep and 20 March each year).

How CRA is calculated by Services Australia

There is a minimum amount of rent (minimum threshold) a household needs to pay to be eligible to receive CRA. For every \$1 of rent paid above the minimum threshold, \$0.75 of CRA is payable up to the maximum amount (maximum threshold).

As shown in the table below:

- To receive CRA, the rent payable must exceed \$146.00 per fortnight.
- To receive the maximum CRA of \$188.20, rent payable must exceed \$396.94 per fortnight.

Household type	If fortnightly rent is more than (minimum threshold)	To get the maximum payment the fortnightly rent is at least (maximum threshold)	The maximum fortnightly CRA payment is
Single	\$146.00	\$396.94	\$188.20

[How much Rent Assistance you can get - Rent Assistance - Services Australia](#)

The steps for calculating part CRA where the rent amount falls between these two figures are detailed below.

Steps to calculate part CRA

Step 1 – Calculate rent by applying the maximum CRA payment rate. Where the rent payable amount does not meet the maximum threshold, the part CRA amount will need to be re-calculated.

Step 2 – Calculate the part CRA amount using Formula 1 and apply that to the calculation.

Formula 1: $(\text{Income-based component} - \text{Minimum threshold}) \times 3 = \text{part CRA}$

Step 3 – Verify the part CRA amount is correct for the new rent payable calculated using Formula 2:

Formula 2: $(\text{Rent payable} - \text{Minimum threshold}) \times 0.75 = \text{part CRA.}$

Example - JobSeeker

Below is an example rent calculation for a single person household (no children) in receipt of a JobSeeker payment of \$762.70 per fortnight, assessed at 25 percent.

Step 1 – Calculate rent by applying the maximum CRA payment rate.

Income type	Payment rate	Percentage rate	Total
JobSeeker	\$762.70	25%	\$190.68 Income-based component
Maximum CRA	\$188.20	100%	\$188.20
			\$378.88 Rent payable

This has resulted in a rent payable amount of \$378.88. Given this does not exceed the maximum threshold of \$396.94, the household will not be eligible to receive the maximum CRA of \$188.20 applied to this calculation.

Step 2 – Calculate the part CRA amount using Formula 1, and apply that to the calculation:



Formula 1: (Income-based component – Minimum threshold)*3 = part CRA

$$(\$190.68 - \$146.00)*3 = \$134.03$$

Income type	Payment rate	Percentage rate	Total
JobSeeker	\$762.70	25%	\$190.68 Income-based component
Part CRA	\$134.03	100%	\$134.03
			\$324.70 Rent payable

Step 3 – Verify the part CRA amount is correct for the new rent payable calculated using Formula 2:

Formula 2: (Rent payable – Minimum threshold)*0.75 = part CRA

$$(\$324.70 - \$146.00)*0.75 = \$134.03$$

This verifies that the part CRA amount applied to the calculation in Step 2 is correct based on the rent payable amount.

The formulas explained

For the purposes of these calculations, the following values and formulas apply;

A = Income-based component

B = Minimum threshold

C = part CRA

D = Rent payable

Formula 1: (A – B)*3 = C

Formula 2: (D – B)*0.75 = C

Formula 3: A + C = D

Services Australia calculate CRA at \$0.75 for every \$1 of rent paid above the minimum threshold of \$146.00, up to the maximum amount of \$396.94. This is calculated using Formula 2;

Formula 2: (D – B)*0.75 = C

However, **D** is not yet known, as value **C** needs to be determined first.

The only values known at this stage are **B** and **A**.

Using the known values, **C** is calculated using Formula 1;

Formula 1: (A – B)*3 = C



Now that **C** is known, the rent payable can be calculated using Formula 3;

Formula 3: $A + C = D$

C is verified using Formula 2;

Formula 2: $(D - B) * 0.75 = C$

Relationship between Formula 1 and Formula 2

For the purposes of these calculations, we work back from the rent payable amount calculated in Step 3, where all values are known.

A = Income-based component **\$190.68**

B = Minimum threshold **\$146.00**

C = part CRA **\$134.03**

D = Rent payable **\$324.70**

The following equations explain the relationship between Formula 2 (verifies **C** is correct) and Formula 1 (used to determine **C**).

1. Formula 2 is known to be true

Formula 2: $(D - B) * 0.75 = C$

2. Substitute D in the formula, as $D = A + C$

$$(A + C - B) * 0.75 = C$$

3. Rearrange the equation to isolate C

$$0.75 * A + 0.75 * C - 0.75 * B = C$$

4. Subtract $0.75 * C$ from both sides of the equation

$$C - 0.75 * C = 0.75 * A - 0.75 * B$$

5. Simplify ($C - 0.75 * C = 0.25 * C$)

$$0.25 * C = 0.75 * A - 0.75 * B$$

6. Simplify again

$$0.25 * C = 0.75 * (A - B)$$

7. Divide both sides of the equation by 0.25

$$(0.25 * C) / 0.25 = (0.75 * (A - B)) / 0.25$$

$$\therefore (0.75 / 0.25) * (A - B) = C$$



8. 0.75 divided by 0.25 is **3**

Formula 1: $(A-B)*3 = C$

Both formulae are proven as correct.

Further assistance

Should you have any questions or comments in relation to the information in this resource please email leadingpractice@chiavic.com.au.

This resource will be periodically reviewed and continually updated based on sector feedback.

