

Rent Setting

1.0 Policy

Uniting Housing Australia is committed to providing affordable rental housing to those most in need while maintaining financial viability of the organisation.

Uniting Housing Australia is committed to compliance with DHHS Guidelines for Registered Housing Agencies and to the Victorian Housing Registrar's Performance Standards.

Uniting Housing Australia (UH) will allocate tenants and set rent for its properties using a fair and transparent process. These processes will be documented and will be available to all stakeholders of UH properties.

2.0 Overview

This procedure has been developed to detail the process of rent setting in UH's long term properties. Rent setting can be complex and this procedure has its foundation in two supporting documents:

1. Housing Registrar Information Sheet no. 7 – Rent setting by registered housing agencies
2. DHHS Guidelines for registered housing agencies – tenant eligibility, allocation and rent setting for properties funded by DHHS
(soon to be replaced with Victorian Housing Register Community Housing Allocations Policy and Procedure)

This procedure has simplified the rent setting process for general use in usual allocation circumstances. When the circumstances are not usual and require more complex assessments then the two foundation documents in conjunction with the general principles within this procedure are to be used by Tenancy Workers and their Manager to set the rent.

3.0 Scope

This procedure applies to all workers (employees, volunteers and contractors) of Uniting Housing Australia (UH).

This procedure applies to all UH long term properties which include but are not limited to:

- General Lease properties
- Rooming Houses
- NRAS properties
- UH owned properties
- Properties with a DHHS registered interest

This procedure does not apply to Transitional Housing Management (THM) properties.

This procedure is for rent setting only – community housing eligibility determinations is detailed in TH 007 Tenancy Eligibility & Allocations.

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4.0 Definitions

CRA	Commonwealth Rent Assistance payment
Applicant	Prospective tenant
Tenant	Tenant or Resident or Occupant

5.0 Procedure

5.1 Rent setting method

- a) UH will set rent at the lowest of:
 - ◆ Market Rent except NRAS properties are 80% of Market Rent or
 - ◆ 75% of ATO benchmarked rent (link in 6.0 References) or
 - ◆ UH's formula –
 - 25% of Assessable Household income
 - 15% of Family Tax Benefits and Child support
 - 100% of applicable CRA
- b) Assessable income is determined by DHHS in the Rental Rebated Manual Appendix 2.9 (link in 6.0 References)
- c) Applicable CRA is determined by Centrelink and is based on receiving 75c for every dollar spent on rent over a certain amount. (Chart is linked in 6.0 References)

5.2 Using the CRA payment chart to determine Full Rent

Using the CRA payment chart the following calculation can be followed to determine the rent:

1. Calculate 25% of income and 15% of FTB = Part rent
 2. Add Maximum CRA for the tenants circumstances
 - If the total amount is more than "full amount if your fortnightly rent is more than" column - Then add the Maximum CRA to the above Part rent to give the Full Rent fortnightly payment due.
 - If total amount is less than "full amount if your fortnightly rent is more than" column - Start Again
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1. Calculate 25% of income and 15% of FTB = Part rent
 2. Subtract 'minimum rent you need to pay' column from Part rent.
 3. The remainder is 25% of the applicable CRA so multiply the remainder by 3
 4. And add to Part rent to give the Full Rent fortnightly payment due.

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5.3 Income information

- a) Applicants and tenants are obliged to provide UH with reasonable evidence that establishes the total household income of occupants aged 18 and over when requested by UH before being offered a tenancy and when a rent review is carried out.
- b) UH may increase a tenants rent to Market Rent if the tenant does not provide the information within the timeframe required
- c) If the tenant subsequently provides information about the household income after a rent review, changes will only take effect on and from the date the tenant contacted UH and provided the current income information.

5.4 Market Rent

- a) DHHS will provide Market Rent values for General Lease properties to UH annually in June.
- b) UH will engage a qualified Property Valuer to provide Market Rent values for NRAS properties once every 4 years. DSS will provide the Index % for Market Rents to be annually reviewed based on the Market Rent provided by the Valuer.
- c) UH will determine Market Rents for other properties after considering a number of factors such as: advice from local Real Estate agents, Market Rents of comparable properties and Building Land valuations.

5.5 Rent calculation information

- a) UH will provide tenants in writing (email or letter) with a clear and transparent explanation as to how their rent has been calculated.
- b) All tenants have the right to ask UH to review the way that their rent has been determined and to provide further explanations.
- c) UH will document the rent calculation for each tenant and store the document in the tenancy file.

5.6 Rent reviews

- a) UH will conduct a rental review on each property once a year, generally in June with new rent being charged from 1 September.
- b) Tenants are obliged to provide household income information during the rent review. UH may increase a tenants rent to Market Rent if the tenant does not provide the information within the timeframe required.
- c) UH will provide clear information to the tenant on how their rent has been reviewed and how the tenant can appeal the new rent determination.

5.7 Changes to household circumstance

- a) UH will respond appropriately to changes in household circumstances to prevent undue hardship
- b) Tenants may contact UH when facing hardship in paying rent, UH may determine:
 - to reassess the tenants rent based on this procedure
 - to determine that a different approach to rent setting should apply
 - to back-date an adjustment to the rent payable which the tenant is entitled
 - to agree to an adjustment in the rent payment expectations

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- c) UH determines hardship by looking at the overall circumstances of the household including:
- any change to the household composition
 - any material change in the health of the tenant or household member
 - any disability of the tenant or household member
 - the impact of family violence on the tenant or household member
 - cultural considerations, including Aboriginal cultural considerations.

6.0 References/ Related Documents

Housing Act 1983 (Vic)

TH 007 Tenancy Eligibility & Allocations

MT 005 Privacy & Data Protection

MT 009 Managing Client Complaints

Housing Registrar Information Sheet no. 7 – Rent setting by registered housing agencies

- [DHHS Guidelines for registered housing agencies – tenant eligibility, allocation and rent setting for properties funded by DHHS](#)
- [DHHS Rental Rebated Manual Appendix 2.9 Assessable and Non-assessable Income](#)
- [ATO Benchmarked Rent](#)
- [Commonwealth Rent Assistance \(CRA\)](#)