

# Rent Policy

## 1. Policy Statement

Uniting Vic.Tas (Uniting) provides tenancy and asset management services for community housing to Uniting Housing Victoria (Uniting Housing), a Registered Housing Provider.

This policy outlines how Uniting determines and sets rents in long-term community housing programs. The policy aims:

- to ensure our housing is affordable for people on low to moderate incomes.
- to set rents for every tenancy in a fair and transparent manner.
- to enable Uniting Housing to meet its financial obligations and maintain financial viability to continue to provide affordable homes.
- to comply with contractual, legal, and regulatory obligations relating to affordability of rent in community housing.
- to comply with the *Residential Tenancies Act 1997*; and
- to fulfill Uniting’s social mission and relieve households from rental stress.

## 2. Scope

This policy applies to all Uniting Housing community housing tenancies which include, but are not limited to, tenancies in:

- Properties owned by Uniting Housing and Uniting Vic.Tas for use as long-term community housing
- Properties leased by Uniting Housing from the Homes Victoria for long term community housing
- Rooming Houses
- Properties managed under the Transitional Housing Management (THM) program, the From Homelessness to a Home (H2H) program and the Homes for Families program; and
- Properties managed as Affordable Housing, including properties under the National Rental Affordability Scheme.

This policy does not apply to properties used for crisis housing, Reid’s Guest House or Retirement Villages operated by Uniting.

## 3. Policy

### a. How Uniting set rents in community housing

Uniting manages community housing under various housing programs and arrangements.

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Rent setting approaches vary according to the housing type or program and will be based on one of the following approaches:

- **Income-based rent** – in social housing rentals the payable rent is set on the basis of the household’s gross income to a maximum of 25% or 30% of assessed income. Any Family Tax Benefit (FTB) received is assessed at 15%. Where the renter is eligible for Commonwealth Rent Assistance (RA), this is assessed as part of household income at 100%
- **Discounted (affordable) rent** – in affordable rental housing payable rent may be set on the basis of a % of market rent, generally 74.9% of the market rent.
- **Market based rent** – payable rent is set on the basis of the market rent value

Both **income-based rent** and **discounted rent** are subsidised rent models. This means the renter will pay less in rent than would be normally charged in the private rental market.

Subsidised rent models ensure that community housing rents are affordable for low-income individuals and families.

The following table sets out how different rent models apply to different housing types and programs:

Community housing type	Description	Rent setting approach
Long term community housing	Owned or leased by Uniting Housing (Victoria) and managed by Uniting under a social housing model.  This includes properties leased to Uniting Housing which are owned by Uniting Church of Australia Property Trust (Vic and Tas), owned by Homes Victoria, or owned by other entities or individuals	Income based rent, maximum 25% of assessed household income plus 15% of Family Tax Benefits where eligible plus 100% of maximum Rent Assistance applicable
Transitional Housing Management (THM) properties	Housing managed under the THM program of Homes Victoria	Income based rent, maximum 25% of assessed household income plus 15% of Family Tax Benefits where

Community housing type	Description	Rent setting approach
		eligible (Rent Assistance is not applicable in the THM program)
From Homelessness to a Home program (H2H) and Homes for Families (H4F) program of Homes Vic	Housing managed under homes Victoria programs to provide housing and support packages to people experiencing homelessness	Income based rent, maximum 25% of assessed household income plus 15% of Family Tax Benefits where eligible plus 100% of maximum Rent Assistance applicable
National Rental Affordability Scheme	Affordable rental housing operated under the National Rental Affordability Scheme	Discounted rent set at no more than 80% of market rent. Renter may be eligible for Rent Assistance
Affordable housing	Owned or leased by Uniting Housing and managed under an affordable housing model	Either discounted rent (maximum 74.9% of market rent) OR income-based rent up to 30% of assessed household income plus 15% of Family Tax Benefits where eligible plus 100% of maximum Rent Assistance applicable

### b. Rent payable

The rent payable in a community housing tenancy will be based on 1 of the 3 rent setting methods approaches, depending on the housing program/type:

1. Income-based, or
2. Discounted rent, or
3. Market rent

Income-based and Discounted rent setting methods are also described in the attached diagrams (Appendix A).

The rent payable will be determined before the tenancy starts, based on the housing type and, where relevant, assessed household income.

The Residential Rental Agreement will display the market rent for the property. The rent payable (if subsidised) is set out as an additional term to the residential rental agreement.

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## c. Assessing income for setting an income-based rent

Income-based rents are applicable across Uniting’s social housing tenancies. To offer an affordable, income-based rent in community housing, Uniting needs to assess the gross income of all renters in the household 18 years of age and over. Renters will be required to provide evidence of household income for assessment prior to starting the tenancy.

Uniting determines which incomes to assess based on the public housing rent setting guidelines - <https://providers.dffh.vic.gov.au/rent-setting-and-rebate-operational-guidelines> .

Assessed income includes:

- Primary incomes paid by Centrelink (e.g., Jobseeker payment, Age Pension, Disability Support Pension)
- Family payments paid by Centrelink
- Wages and/or Workcover
- Self-employed income
- Investment income
- Superannuation payments
- Overseas pensions

Where a household is in receipt of Family Tax Benefit A or B, this income is assessed at a lower rate of 15%.

Where an income-based rent is paid, the calculation of rent payable based is capped at market rent.

## d. Rent Assistance

Renters who receive certain Centrelink payments are eligible for the Rent Assistance payment from Centrelink. Details are at <https://www.servicesaustralia.gov.au/rent-assistance>.

For tenancies on an income-based rent (excluding THM tenancies) rent payable will include 100% of Rent Assistance payment for which the household is eligible. It is the renter’s responsibility to claim this payment from Centrelink.

Renters in THM tenancies are not eligible to receive the Rent Assistance payment, therefore is not include in working out the rent payable.

## e. Service Charges

In some properties a service charge is payable as an additional charge to rent to cover shared utility costs across multiple tenancies where these costs cannot be individually levied (e.g., gas, electricity, water). The service charge will reflect the renter’s relative share of the actual cost of the provision of those services.

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The service charge is reviewed annually against the actual costs of services in the previous financial year.

**f. How rent can change**

In tenancies where an income-based rent is payable, Uniting reviews household income once a year. Uniting contacts all renters paying income-based rent to confirm household members aged 18 years and over who are living in the dwelling and the current income of those household members. Where a renter has given consent for Uniting to access their details through Centrelink income confirmation e-services, Uniting will obtain income and household information directly from Centrelink.

Uniting will reassess rent payable based on the household income assessment and notify renters of any changes in rent payable in writing.

**g. Market rent reviews**

All community housing properties have a market rent which may or may not relate to the rent payable, depending on the rent approach used to calculate rent payable.

Market rent for each property is assessed against the median rent for that property type in the same area or the advertised rent for an equivalent property currently on the market (based on location, type, size, and age).

Uniting reviews all market rents on community housing properties annually based on published market rent reports and benchmarks or an independent rent valuation. For example, the Homes Victoria Rental Report, released quarterly:

<https://www.dffh.vic.gov.au/publications/rental-report>

Uniting will give formal notice to renters of any increase in market rent on a property once a year. A change market rent will affect a renter paying discounted rent. However, changes to market rent do not affect renters paying income-based rent.

All Uniting renters will be given notice of any increases to market rent on their property, regardless of whether it affects their payable rent.

**h. Household income reviews**

In tenancies where an income-based rent is payable, Uniting will review household income once a year. Uniting will contact all renters paying income-based rent to confirm household members aged over 18 in the dwelling and their current income. Where a renter has given consent for Uniting to access their details through Centrelink income confirmation e-services, Uniting will obtain income and household information directly from Centrelink.

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Uniting will reassess rent payable based on the household income assessment and notify renters of any changes in rent payable in writing.

If renters do not provide information when requested, Uniting may increase rent to market rent level, as an income-based rent cannot be determined.

## **i. Income changes due to employment**

This policy aims to reduce the negative impacts an income-based rent policy in situations where a household increases income due to changes in employment income.

If a household increases income due to employment, Uniting will delay recalculating and increasing an income-based rent by:

- Assessing income for regular rent reviews only once a year
- If, outside of a regular rent review, a renter notifies us of an increase in income due to changes in employment, we will delay reassessment of that household's income and recalculation of rent by at least 3 months
- If employment income is variable, we will assess the average of income earned over a 13-week period
- If a renter notifies us that their income has reduced, we will immediately reassess household income to calculate a reduction in rent payable.

Renters have the right to receive an explanation of how their rent payable is determined by Uniting and request a review of the rent payable, to ensure the correct process has been followed. An outcome of a request for review will be provided in writing within 28 days.

## **j. Rent payment**

The residential rental agreement sets out how rent can be paid to Uniting. Rent is paid fortnightly in advance and is payable via Centrepay or electronic bank transfer. Renters must pay rent on time or risk being in breach of their residential rental agreement with Uniting.

Uniting's **Sustaining tenancies policy** sets out our approach to supporting renters experiencing difficulties in paying rent or meeting other obligations under the residential rental agreement.

## **k. Changes to policy**

Uniting may, from time to time, make changes to this policy. The revised policy will apply to all tenancies on and from the date of the change. Any changes to policy will be communicated to renters via a personal letter.

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Uniting will implement strategies to mitigate negative impacts of any changes of rent policy on renters and households.

### I. Rent Procedures

Rent Procedures set out processes to ensure compliance with this policy, including:

- Rent setting method for all housing types
- Market Rent reviews
- Income and rent review processes; and
- Changes to household circumstance.

## 4. Definitions

Term	Meaning
<b>Affordable housing</b>	Rental housing where rent is charged at less than market level
<b>Affordable rent</b>	Rent which is set at a level which should represent no more than 30% of household income
<b>Assessable income</b>	Income earned by any member of the household aged 18 years or over which is included in calculating income-based rent
<b>Community housing</b>	Rental housing owned and/or managed by a registered community housing provider
<b>Discounted Rent</b>	Rent payable which is set at a fixed percentage lower than market rent
<b>Gross income</b>	Income before tax is taken out
<b>Homes Victoria</b>	Victorian government housing agency which provides funding for several rental programs managed by Uniting
<b>Household income</b>	Combined income of all members of a household aged 18 years and over who live in a Uniting rental home
<b>Income based rent</b>	Rent payable which is determined on the basis of a percentage of assessed household income.
<b>Market rent</b>	The value of rent on a property should it be rented in the private market.

Term	Meaning
<b>Rent Assistance</b>	Commonwealth Rent Assistance, a Centrelink payment for assisting eligible persons with the cost of rent.
<b>Rent payable</b>	The rent which must be paid at a particular dwelling
<b>Residential Rental Agreement</b>	Legal agreement between a rental provider (landlord) and renter (tenant) to rent a home
<b>Service charge</b>	A charge to renter for utility costs (e.g., electricity, gas, water) where these cannot be directly charged to the renter by the utility provider

## 5. Transparency and accessibility

This policy will be available on the Uniting Housing and Uniting Vic. Tas websites

If you require this policy in a language other than English, or in accessible format please contact Uniting.

This policy will be fully reviewed within 3 years of the approval date.

## 6. Legislation/Regulations

This policy implements the obligations of Uniting under:

- *Housing Act 1983*
- *Residential Tenancies Act 1997*
- *Residential Tenancies Regulations 2021*
- Charter of Human Rights and Responsibilities 2006
- Victorian Housing Registrar Performance Standards
- Service Level Agreement between Uniting Vic Tas and Uniting Housing

## 7. Related Documents

Rent Setting Procedure

Rent Arrears Policy

Rent Arrears Procedure

[Rent Assistance](#)

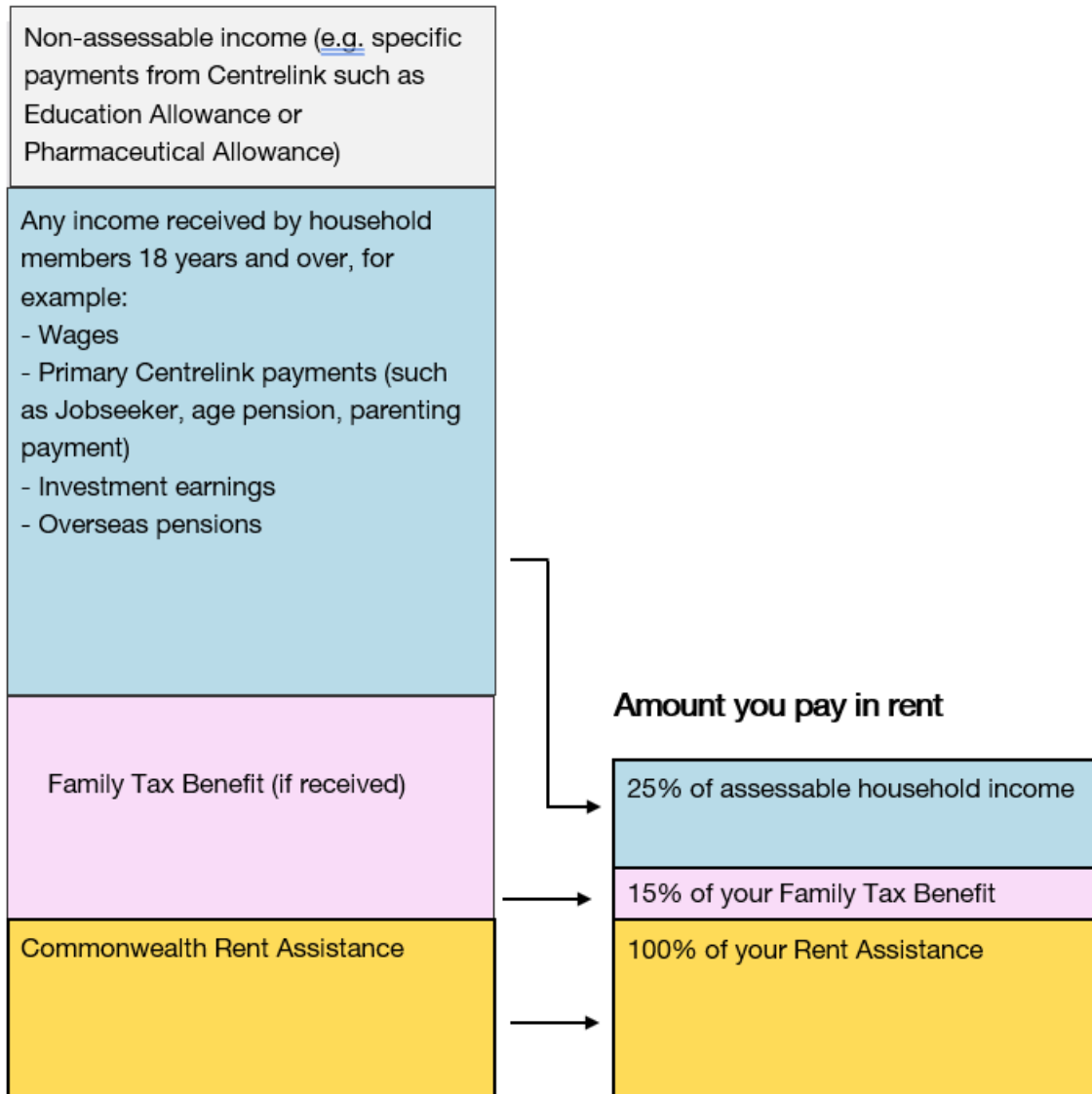
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## Appendix A

# How we calculate income-based rent

### Income your household receives



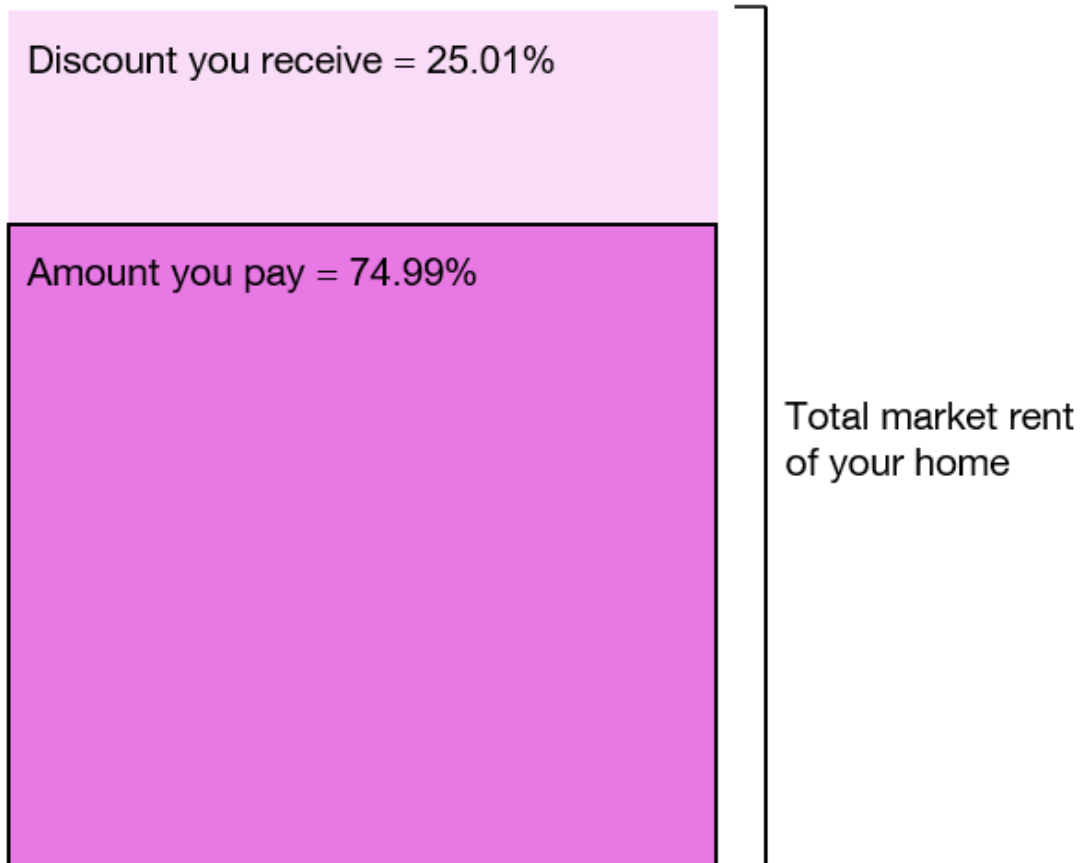
This is the main way that rent is worked out for community housing tenancies.

In THM tenancies Rent Assistance is not included as income for rent as THM renters are ineligible for this payment.

The total amount paid in rent will always be less than market rent.

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## How we calculate discounted rent



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