Rent Setting Policy

Purpose
The purpose of this policy is to provide guidance as to how St Kilda Community Housing (SCH) sets rents and determines rental subsidies across its residential properties.

Scope
This policy applies to all properties managed or owned by SCH.

Policy Statement
SCH is committed to the provision of affordable long-term housing for low-income and disadvantaged single people.

In setting rents, SCH will:
- Determine rents in accordance with established affordability benchmarks.
- Communicate clearly, and in a variety of formats, to all residents and applicants the process by which rents are set and reviewed.
- Comply with its contractual, legal, regulatory and policy obligations regarding rental affordability.
- Ensure the rent setting and review process is transparent and fair
- Assist and support residents experiencing financial hardship to maintain tenancies.

Rent Setting
When setting rent, SCH takes in to account the following factors:
- Resident's income (such as Jobseeker, DSP, wages from employment)
- Entitlement to Commonwealth Rent Assistance (CRA)
- Additional property costs
  - The market rent for the property as determined either by the Department of Families Fairness and Housing (DFFH) for DFFH-owned properties or by the ATO Benchmark for properties owned by SCH.

When setting a rent and determining the amount of rental subsidy a resident will receive, SCH calculates household income-based rent as:
- 25% of gross resident income, plus
- Maximum Commonwealth Rent Assistance.

In properties owned by SCH, the rent charged may be calculated as:
- Up to 30% of gross resident income, plus
- Maximum Commonwealth Rent Assistance.

The amount of money that a renter pays each week is called the weekly rent payment. We use the following base calculation to work out the weekly rent payment:

	25% of base assessable household income (for assessable household incomes see **Appendix A**),
PLUS	**15%** family tax benefit (if applicable)
PLUS	**100%** Energy Supplement
PLUS	**100%** Commonwealth Rent Assistance (if applicable**)**

=   **Rebated rent** – St Kilda Community Housing caps the weekly rebated rent payment at 74.99% of the market rent

PLUS,   Additional Property Costs - where applicable
=   **Total weekly rent payment (See Appendix A for a working example)**

Assessable resident income is set according to the Income Assessment Guidelines as determined by the Department of Families, Fairness and Housing from time to time. SCH will provide a current copy of those Guidelines to residents and applicants upon request (**and they also form Appendix B of this policy**)

Provision of Information About Household Income
Residents are obliged to provide to SCH reasonable evidence that establishes their total household income when requested. This information will be requested:
- Before being offered a tenancy with SCH
- When SCH conducts its annual rent review

Rents are reviewed by SCH every 12 months in accordance with the provisions of the *Residential Tenancies Act 1997*.
SCH may increase rent to the maximum rent (without a subsidy) if the resident does not provide the information within the required timeframe.

If a resident subsequently provides information about household income after a rent review, changes will only take effect on and from that date the resident contacted SCH and provided reasonable details of household income. SCH may agree to backdate changes in rent in circumstances where SCH determines that the hardship provision of this policy applies.

Additional Property Costs
The majority of SCH properties provide utilities and facilities that would normally be paid for by the resident in addition to their rent. These additional services may include
- Electricity
- Gas
- Water (usage charges only)
- Central heating
- Linen
- Gardening
- Cleaning

The cost of providing these items will be incorporated into the calculation of the rent, as explained in the materials given to each resident at the start of their tenancy. This additional part of the rent will reflect the actual costs to SCH of providing these facilities and utilities.

Response to Changes in Household Circumstances Including Hardship
If a resident contacts SCH and is facing hardship with paying rent, SCH may:
- Re-assess the resident's rent based on this policy
- Determine that a different approach to rent should apply to that tenancy; or

- Backdate an adjustment to the rent payable by the resident in accordance with this policy

Generally, such changes will only take effect on and from the date the resident contacted SCH and provided reasonable details of the change in their household circumstances. SCH may agree to backdate changes in rent payable in circumstances where SCH determines that the resident ought to be granted relief from hardship.

SCH determines hardship by looking at the overall circumstances of the resident, including:
- Any material changes in the health of the resident
- Any disability of the resident
- The impact of family violence upon the resident
- Cultural considerations, including Aboriginal cultural considerations.

When a resident's income increases, for example through moving from Jobseeker payments to a pension, they are obliged to inform SCH immediately. Should they not do so, SCH may backdate any rent increase to the date the new payment was awarded.

How the Policy Can Be Changed
SCH may from time to time implement changes to this policy. The revised policy will apply to all tenancies on and from the date of the change.

SCH will implement strategies to mitigate the effect of any changes of this policy on residents.

Procedures
Procedures established by SCH will include processes to ensure compliance with this policy, including:
- How to set and review the affordable rent.
- Communication with residents and applicants about how SCH has determined their rent;
- Identification the rental approach that applies to a particular vacancy, property, or tenancy; and
- How residents may ask for a determination of rent to be reviewed.