Rent Setting Policy (Service charges)

Purpose

This policy explains how St Kilda Community Housing (SCH) determines, reviews and communicates rent payable for renters in properties it owns or manages. It also explains the information SCH requires, renters' rights and responsibilities, and the links to financial hardship and arrears support.

Scope

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

Policy Statement

SCH will set and review rent in a way that:

- uses established affordability benchmarks and complies with contractual, legal and regulatory obligations;
- is fair, consistent, transparent and accountable;
- gives renters clear information about how their rent is determined and how they can ask for a review;
- responds promptly and respectfully to changes in renter's circumstances, safety or wellbeing that may affect rent;
- provides early support where a tenancy may be at risk; and
- takes appropriate account of human rights, family violence and relevant cultural considerations, including Aboriginal cultural considerations.

Rent Setting

SCH will calculate the rent payable in accordance with this policy. SCH undertakes a market valuation procedure based on the ATO Market Value Guidelines.

SCH considers:

- the renter's assessable gross income;
- the renter's entitlement to Commonwealth Rent Assistance (CRA); and
- the applicable market rent for the property.

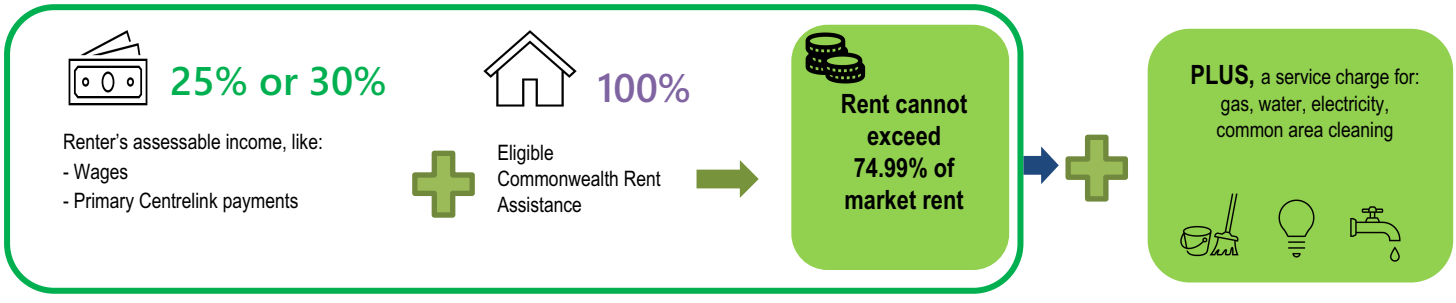
Income based rent

SCH calculates income-based rent using the renter's assessable income, in accordance with the current DFFH Income Assessment Guidelines. SCH will provide a current copy of the relevant income-assessment information on request.

Income-based rent is calculated as 25% or 30% of gross renter's assessable income plus the maximum eligible CRA payable to the tenant. For private properties not owned by State, rent will be calculated up to 30% of gross renter's assessable income plus maximum eligible CRA. For the remaining properties rent will be calculated up to 25% of gross renter's assessable income plus maximum eligible CRA.

Rent payable will not exceed the market rent as set out in the market valuation procedure based on the ATO Market Value Guidelines.

Rent cannot exceed 74.99% of assessed market rent as described above.



Market based rent

Market-based rent is the maximum or default rent payable for a property before any income-based subsidy is applied. SCH will assess market-rent reviews with a minimum of 12 months between each review, in line with the RTA.

What is a Service Charge?
The property you live in provides facilities and utilities to you (such as water, gas, electricity, cleaning of common areas and gardening expenses). SCH charges the actual cost as a service charge to the amount you pay.

Service charges are calculated based on the actual cost of providing the services or facilities during the previous period and will not exceed the cost of providing them.

Service charges are shown separately from your rent and are not included when applying rent affordability caps. They may increase or decrease as costs change, but SCH will notify you before any changes take effect.

Renter income information

Applicants and renters must provide reasonable evidence of total renter's income when requested by SCH, including:

- before a tenancy or residency is offered;
- during a scheduled rent review; and
- when renter's income changes and SCH will review the rental calculation.

Where sufficient information is not provided, SCH may be unable to assess or continue an income-based rental calculation and will apply the applicable market-based rent.

Rent reviews and changed circumstances

SCH will review rent at least every 12 months and will provide renters with written notice before a scheduled review. Renters may also ask SCH to review the calculation of their rent at any time and may request a further explanation of how their rent was determined.

Renters must notify SCH when their income changes. This includes gaining or ceasing employment, or a change to income support.

When a renter's income increases or decreases, their rent may be adjusted to reflect the change. SCH will reassess rent using the information provided and will advise the renter in writing of the outcome and the effective date of any change. Changes will be applied in accordance with SCH's documented rent-setting procedure, relevant management agreements and legal requirements.

Financial hardship

Where a renter experiences genuine and unforeseen financial hardship that affects their ability to meet rental payment obligations, they may request temporary financial hardship assistance under **SCH's Financial Hardship and Temporary Absence Policy**. A hardship arrangement may include a temporary rent reduction where SCH approves it in writing.

Where an ongoing change in income or circumstances affects the calculation of rent, SCH will manage the matter through a rent review under this policy.

Rent arrears

Renters must pay rent in accordance with their agreement. If a renter has difficulty paying rent, SCH encourages them to contact their Property Manager as early as possible. SCH will work with renters to understand the issue, consider appropriate support and manage arrears in accordance with the **Rent Arrears Policy**.

Communication, Accessibility and Complaints

SCH will provide clear information about rent setting, reviews and any applicable charge at the start of a tenancy or residency, during regular reviews and on request. SCH will communicate changes in a way that is accessible to renters and will make this policy available on its website.

A renter who disagrees with a rent calculation, service charge or related decision may ask SCH to review it. A renter may also make a complaint in accordance with **SCH's Complaints and Appeals Policy**.

Definitions

Renter's assessable income	Income that SCH assesses for the purpose of calculating rent, in accordance with the applicable DFFH guidelines.
Commonwealth Rent Assistance	An Australian Government payment that may be payable to eligible renters.
Income-based rent	Rent calculated using renter's income and the applicable rent-setting method.
Market rent	The amount a property could reasonably be rented for in the private market.
Market-based rent	The maximum or default rent that may be charged for a home before an income-based subsidy is applied.
Property costs	Costs of services or facilities provided at a property that are included in rent payable.
Rent payable	The amount the renter is required to pay for their home.
Rent review	An assessment of renter's income during a tenancy to ensure the rent payable reflects current circumstances.
Service Charge	A separate charge for shared services or facilities provided at a property.

Related Policies and Procedures

Financial Hardship & Temporary Absence Policy
Rent (Setting) Policy
Rent Arrears Policy
Ending a Tenancy Policy
Complaints and Appeals Policy

Legislation and Standards

Residential Tenancies Act 1997 (Vic)
Housing Act 1983 (Vic)
Charter of Human Rights and Responsibilities Act 2006 (Vic)
Performance Standards for Registered Housing Agencies

Version Control

Version No	8.0	**Review frequency**	3 years
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