

# Rent Setting Policy

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## 1. Introduction

Rent setting refers to a system of setting rents to ensure that rents are in accordance with national and state-based requirements and obligations and the vision and mission of Aboriginal Community Housing (Vic) Limited as an affordable, social and community housing provider. ACHVL practises clear and transparent processes when setting customers’ rents.

## 2. Aim and scope

This policy applies to Aboriginal Community Housing (Vic) Limited.

ACHVL aims to offer properties for rent at affordable rates, so that the rent a customer will pay is determined with consideration of the customers household income, the customers capacity to pay and relieves housing stress for our customers.

## 3. Principles of ACHVL’s Rent Setting Policy

### 3.1. Agreements with State and Federal Governments

ACHVL manages many of its properties according to agreements with State and Federal Governments, partners or investors. ACHVL is required to observe its contractual or program obligations in relation to setting rents for

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all properties that are managed under such agreements. ACHVL representatives are responsible for ensuring that these agreements are upheld and rent amounts are set as per its contractual arrangements in the first instance.

ACHVL complies with Australian Taxation Office (ATO) requirements regarding rent setting, to ensure it maintains its charitable tax concessions.

### 3.2. Rent setting and gross household income

For properties ACHVL manages which are not subject to rent setting agreements with State and Federal Governments, partners, or investors, ACHVL sets rent to ensure affordability at:

- Up to 30% of gross household income inclusive of all sources, plus
- 100% of any Commonwealth or Department of Veterans Affairs Rent Assistance for which the customer is eligible,
- With the total amount being capped as per the market rent ruling defined by the Australian Taxation Office for GST compliance

ACHVL may, at its discretion, charge a lower rent amount. This may be for a specified timeframe and/or in exceptional circumstances deemed appropriate by ACHVL and the amended rent charge must be approved by the Operations Manager. This may also include employing incremental increases to support customers in transitioning to increased rent payable amounts that may be significant.

To help achieve its aim of setting affordable rents, ACHVL also makes every attempt to develop and manage safe, affordable, suitable, and quality housing that gives people stability to build their life and community.

### 3.3. Rental bonds

Where applicable, ACHVL will take a rental bond at the start of a new tenancy, up to an amount equal to 4 weeks rent. All bonds will be lodged with and held by state Bond Authorities until such time as a tenancy ends and the customer vacates the property.

Any bond amount paid will be released, minus any amount owing or applicable deductions, following the vacation of the property and the end of a tenancy as per state legislative requirements.

In the case of a customer transferring to a different ACHVL property, the existing bond may, in some circumstances, be transferred to the new tenancy and property. If this occurs, all amounts owing, or applicable deductions relating to the previous property and tenancy, remain payable by the customer. Should the bond amount on the new property be more than the original bond held, the customer will be required to pay the difference which will be lodged with and held by the relevant state Bond Authority.

### 3.4. Communication regarding rent setting

Customers are advised under which rent program their property is managed and how their rent is calculated at the time they sign their tenancy agreement with ACHVL. ACHVL is committed to ensuring its customers understand exactly what their rent charge is and how it is calculated at all times.

To provide great service, ACHVL requires its customers to communicate clearly regarding any changes to their circumstances at any time. Notification of any change of income and/or the household within 14 days of the change occurring is required to ensure ACHVL customers continue to pay the correct amount and do not fall into rental arrears.

If customers have any queries, they are encouraged to contact their nearest ACHVL office to discuss these in detail.

### **3.5. Rent decreases**

ACHVL is aware that from time to time, its customers' household income encounters changes that may result in the rent amount payable decreasing for some customers paying income-based rent.

Any applicable rent decrease will be effective from the date ACHVL was notified of the change in the customer's household income and provided all required documentation information and evidence has been received from the customer by ACHVL within 7 days of notification, where practicable.

### **3.6. Backdating of rent decreases**

Where the customer has an acceptable and genuine reason for having been unable to provide the required documentation within the designated period of 7 days from the initial notification of change of circumstances, consideration may be given to backdating the rent decrease to the time of the change in gross assessable household income.

Approval can be sought from the Operations Manager up to one month in arrears. Applications for the backdating of rent decreases of more than one month requires the approval of the Senior Manager.

### **3.7. Rent and/or income reviews**

ACHVL conducts Rent and/or Income Reviews for all of its tenancies at least once per calendar year, according to program requirements and relevant legislation in its operating jurisdictions. During this process, the rent payable by the customer will be reviewed by assessing their gross household income should they be on an income-based rent, or against market rental and/or discount market rental values, in line with the program guidelines under which the property is managed. These reviews may result in the rental amount payable by a customer changing and may result in either increasing or decreasing, depending on their circumstances at the time of the review.

Customers will be notified in writing of the outcome of the review and any changes to the amount of rent payable with adequate notice provided, as determined by the relevant governing legislation and/or contractual obligation under which the property is managed. This includes if there are no changes to the current amounts payable by the customer.

### **3.8. Assistance for customers experiencing difficulties with rent**

ACHVL has developed a range of policies including its 'Hardship Policy', 'Sustaining Tenancies Policy' and 'Linking Tenants to Supports Policy', to assist customers whose circumstances have changed or who have incurred additional costs associated with their health, disability, remote location or other circumstances that impact on their cost of living.

ACHVL is committed to working with its customers to assist and refer them to access appropriate supports to sustain their tenancy and maintain a stable and secure home. Customers are encouraged to use the provisions of the supporting policies in the case of rent difficulties.

### **3.9. Rent increases when household incomes changes due to employment**

ACHVL seeks to assist its customers to increase their financial confidence and capacity to participate economically and in their communities. For customers who advise ACHVL, outside of a Rent Review process, that their household income has increased due to the securing of employment, ACHVL will provide a transition period of up to 6 months before increasing the rent payable, if they are on an income-based rent.

## 4. Related legislation, industry frameworks and standards, ACHVL policy and procedures

### 4.1. External legislation and frameworks

Housing Assistance Act 1996 (Cwlth)
2003 Commonwealth State Housing Agreement
Housing Act 1983 (Vic)
Consumer Charter for Community Managed Housing and Homelessness Services
HASS Standards: Section 1 Upholding and Promoting Rights
Anti-Discrimination Act for Victoria
Equal Opportunity Act and Regulations for Victoria
Victorian Residential Tenancies Act and Regulations
State and Commonwealth funding and service contracts and agreements
Funding deeds (as appropriate)
National Regulatory Code
Victorian Regulatory Framework

### 4.2. ACHVL related policies and processes

ACHVL Housing policies and procedures
Related processes in ACHVL Tenancy Manuals
ACHVL Customer Feedback (Complaints and Appeals) policies and procedures

## 5. Monitoring and review

This document should be periodically reviewed and revised by the board of ACHVL. Revisions should be made as and when required. The period between reviews must not exceed two years. The date for review of this document is on or before March 2024. This policy remains valid until such time that a new version is published.



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### Review history

Document reference	Date and version	Reason for review	Review frequency	Owner	Approver
xxx	Version 1.0, March 2022	New policy	Every two years	National Manager Operations	National Manager Operations Managing Director

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