

Rent Setting Policy

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 Veteran Housing Australia, as an affordable, social and community housing provider. Veteran Housing Australia (VHA) practises clear and transparent processes when setting clients' rents.

Aim

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

Principles of VHA's Rent Setting Policy

AGREEMENTS WITH STATE AND FEDERAL GOVERNMENTS

VHA manages many of its properties according to agreements with State and Federal Governments, partners or investors. VHA is required to observe its contractual or program obligations in relation to setting rents for all properties that are managed under such agreements. VHA officers are responsible for ensuring that these agreements are upheld and rent amounts are set as per its contractual arrangements in the first instance.

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

RENT SETTING AND GROSS HOUSEHOLD INCOME

For properties VHA manages which are not subject to rent setting agreements with State and Federal Governments, partners, or investors, VHA 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 client is eligible,
- With the total amount being capped as per the market rent ruling defined by the Australian Taxation Office for GST compliance

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

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

RENTAL BONDS

Where applicable, VHA 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 client 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 client transferring to a different VHA 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 client. Should the bond amount on the new property be more than the original bond held, the client will be required to pay the difference which will be lodged with and held by the relevant state Bond Authority.

COMMUNICATION REGARDING RENT SETTING

Clients 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 VHA. VHA is committed to ensuring its clients understand exactly what their rent charge is and how it is calculated at all times.

To provide great service, VHA requires its clients 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 VHA clients continue to pay the correct amount and do not fall into rental arrears.

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

RENT DECREASES

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

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

BACKDATING OF RENT DECREASES

Where the client 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 General Manager up to one month in arrears. Applications for the backdating of rent decreases of more than one month requires the approval of the Chief Executive Officer.

RENT AND/OR INCOME REVIEWS

VHA 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 client 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 client changing and may result in either increasing or decreasing, depending on their circumstances at the time of the review.

Clients 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 client.

ASSISTANCE FOR CLIENTS EXPERIENCING DIFFICULTIES WITH RENT

VHA has developed a range of policies including its 'Hardship Policy', 'Sustaining Tenancies Policy' and 'Linking Tenants to Supports Policy', to assist clients 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.

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

RENT INCREASES WHEN HOUSEHOLD INCOMES CHANGE DUE TO EMPLOYMENT

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

Related legislation

EXTERNAL LEGISLATION AND FRAMEWORKS

Housing Assistance Act 1996 (Cwlth)
2003 Commonwealth State Housing Agreement
Housing Act 1983 (Vic)
Office of Housing - Homelessness Assistance Program Guidelines and Conditions of Funding 2006-2009 (Vic)
Consumer Charter for Community Managed Housing and Homelessness Services
National Community Housing Standards: Section 3 - Tenants Rights and Participation
HASS Standards: Section 1 Upholding and Promoting Rights
Anti-Discrimination Act for your state
Equal Opportunity Act and Regulations for your state
Relevant Residential Tenancies Act and Regulations for your state
State funding and service contracts and agreements
Lease documentation as appropriate
State Government Communities Housing Sector Rental Policy applicable to your state
Funding deeds (as appropriate)
State Housing Authority Allocations framework (as applicable)
National Regulatory Code
Victorian Regulatory Framework
WA Community Housing Regulatory Framework - Performance Outcome 1 - Tenant and housing services

VHA RELATED POLICIES AND PROCESSES

VHA Client Feedback Policy
