

Policy OPS.002

Rent setting

Carry On (Victoria) Ltd and its subsidiaries. Operating as Veteran Housing Australia (VHA).

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1 Purpose

Rent setting refers to a system of setting rents to ensure that they are in accordance with all relevant legislation, contracts and leases as well as the vision and mission of Veteran Housing Australia.

The policy also provides transparency for all stakeholders on rent setting practices.

This policy is required to be publicly available by the regulator, Homes Victoria.

2 Policy responsibility

Tenants – Timely and transparent advice to VHA regarding their change of circumstances.

CEO – Oversight and review of this policy. .

General Manager – Initiate operational actions in accordance with this policy. Approve variations within their delegated authority under this policy.

3 Principles

3.1 Rent setting

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 the lesser of:

- 25% of income, or
- 75% of Market rate

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 CEO.

This may also include employing incremental increases to support tenants in transitioning to increased rent payable amounts that may be significant.

3.2 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 tenant 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 tenant 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 tenant. Should the bond amount on the new property be more than the original bond held, the

tenant will be required to pay the difference which will be lodged with and held by the relevant state Bond Authority.

3.3 Communication around rent setting

Tenants 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 tenants understand exactly what their rent charge is and how it is calculated at all times.

3.4 Obligation of tenants

VHA requires its tenants 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 tenants continue to pay the correct amount and do not fall into rental arrears.

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

3.5 Rent decreases

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

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

Where the tenant 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. An example of a genuine reason would be medical incapacitation or incarceration impacting a tenants ability to freely communicate with VHA.

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.

4 Annual review

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

Tenants 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 tenant.

5 Assistance for tenants experiencing difficulties with rent

As a Veteran charity VHA has developed a range of practices to assist tenants 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 tenants to assist and refer them to access appropriate supports to sustain their tenancy and maintain a stable and secure home.

Tenants are encouraged to contact the VHA team to discuss if this arises.

6 Review, versions & approval

Action	Date
1 st Issue	2023
1 st Review	March 2026
Next Review	March 2027