

Rent Setting Policy

Purpose

This policy explains how CatholicCare Victoria Housing Ltd (CCVH) sets rent and calculates a rental rebate.

Scope

This policy applies to all tenancies managed by CCVH.

This policy applies to both residential rental agreements (rental agreements) and rooming house agreements. Unless stated otherwise, references to “renters”, “tenancies” and “rental agreements” also applies to rooming house residents.

Policy Statement

Guiding Principles

CCVH is committed to:

- Meeting our contractual, legal and regulatory duties
- Helping renters understand their rights and responsibilities in their rental agreement
- Setting weekly rent payment amounts that are affordable to people on a low to moderate income while maintaining the financial viability of CCVH
- Consistent and transparent decision making with clearly documented practices
- Giving due consideration to human rights and considering the impact of any decisions we make under the *Charter of Human Rights and Responsibilities 2006*.

Rent Setting Principles

The following principles apply to CCVH rent setting:

- Calculations of rent are based on total household income and the market value of the property.
- Rents for households are assessed for rental rebate eligibility at commencement of the tenancy and do not exceed 30% of gross household income. This 30% threshold excludes Commonwealth Rent Assistance (a rent subsidy from government available to renters of registered agencies who receive a Centrelink payment and are paying more than a specified minimum amount of rent)
- Rental rebate Eligibility is periodically reassessed by CCVH based on proof of income provided by renters for all members of a household aged 18 years and over.
- A weekly rent payable figure may include other charges, such as for water and electricity applying to the property (for example, in rooming houses and self-contained units which are not separately metered)

Market Rent

The market rent is the rent value that a property could attract in the private rental market. The initial market rent for the property is shown as the rent amount on the rental agreement.

For properties that CCVH owns, the market rent is determined at least every three years by a qualified independent valuer. For properties that CCVH manage but do not own, the market rent is generally set by the respective owner of the property and may be increased every 12 months.

If the market rent changes, CCVH will give renters at least 60 days written notice as required by the Residential Tenancies Act 2021 (RTA). If the market rent increases, this notice will also include:

- The amount of the increase
- The method by which the rent increase was calculated
- A statement informing the renter of their right to apply, within 30 days, to the *Director of Consumer Affairs Victoria* to investigate and report on the proposed market rent increase.

If the market rent decreases, CCVH will also reassess the rental rebate and advise the renter of any change to the weekly rent payment amount.

Rental Rebates and Calculating the Weekly Rent Payment

A rental rebate is the difference between what a renter pays and the market rent value of the property. This is the amount per week that CCVH subsidises the rent and is based on the total household income.

The market rent sets the maximum rent that CCVH can charge and provides the base for the calculation of the rental rebate. CCVH applies a rebate to the market rent to ensure that the rent is affordable to people on a low and moderate income.

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

- **Up to 30%** of base assessable household income (for assessable household incomes see (Appendix A) depending on the rent setting agreements relating to the rental property.
- **plus 15%** family tax benefit (if applicable)
- **plus 100%** Commonwealth Rent Assistance (if applicable) = **Rebated rent**.
CCVH caps the weekly rebated rent payment at 74.99% of the market rent
plus Additional Property Costs - if applicable. = **Total weekly rent payment**.

Where CCVH manages properties on behalf of other entities (i.e., the Director of Housing or local government), we charge 25% of assessable household income, in line with respective

Management Agreements. CCVH calculates the weekly rent payment:

- At the start of tenancy (see *Allocations and Sign-Up Policy*),
- Up to twice per year through a rent review process,
- Rent calculation is compared to market rent. Renters pay the lesser amount of the two.
- If there are any changes to a household's composition or income (see *Occupancy Policy*).

A renter can ask CCVH for a rent review at any time. To enable CCVH to assess eligibility for a rental rebate and calculate the weekly rent payment amount, renters must provide proof of income for all members of the household aged 18 years and over when it is requested.

The weekly rent payment calculation is based on total household assessable income received and the income that all household members are entitled to receive from Centrelink such as family tax benefits, pension, job seeker and other Centrelink benefits. Rent calculations are undertaken to determine if this includes Commonwealth Rent Assistance (CRA) according to client's eligibility for the CRA payment. An exception applies where a renter can provide evidence that they are not entitled to a payment. If a Centrelink income has been reduced or cancelled by a Centrelink penalty, CCVH will continue to base the calculation on 100% of the Centrelink entitlement.

Rent calculated by assessable income is compared to market rent and Renters pay the lesser amount.

Reduced Rent

CCVH may, at its discretion, charge a lower rent amount. This may be for a specified timeframe and/or in exceptional circumstances deemed appropriate by CCVH and the amended rent charge must be approved by the CEO. This may also include employing incremental increases to support customers in transitioning to increased rent payable amounts that may be significant. An application for a lower rental is processed in line with the CCVH Hardship and Temporary Absence Policy.

Service Charges

Service charges may apply to a household where water, heating, laundry that are not separately metered or other utility services or facilities are made available. The service charges are included in the weekly rent payment.

In accordance with the RTA, service charges must not exceed the cost of providing the service or facility to the household. CCVH reviews service charges as part of the rent review and gives written notice to renters of any variation.

Changes to Household Income

Renters must inform CCVH if their household income or family circumstances change by

completing a *Rental Rebate Form* and supplying evidence of the change within 21 days of the change occurring. Changes to a household includes:

- An increase or decrease in the income of any member of the household
- A household member turns 18 years of age
- A person joins or leaves the household.

CCVH will use the information provided to reassess the household's weekly rent payment. The table below explains when the new weekly rent payment will start.

Outcome of rent review		New weekly rent payment start date
Rent increases*	The renter told CCVH about the change within 21 days.	From the billing date after the rent review is completed.
	The renter did not advise CCVH about the change within 21 days.	From the billing date 21 days after the change occurred up until the effective date of the most recent rent review.
Rent decreases	The renter advised CCVH about the change within 21 days.	From the billing date after the change occurred.
	The renter did not advise CCVH about the change within 21 days.	

*There may be exceptions to rent increases for specific time limited programs. Where this occurs, renters will be advised accordingly.

Payment Options

CCVH requires rent to be paid two weeks in advance at the commencement of the tenancy and throughout the tenancy. Rent can be paid to CCVH through the following methods:

- **Centrepay:** Centrepay is a voluntary billpaying service which is free for Centrelink customers. Centrepay is CCVH's preferred method of payment.
- **Internet Banking:** Renters can set up a recurring internet banking transaction using CCVH's BSB and account details which are on the front page of the rental agreement.

Related Information

- CCVH Allocations Policy
- CCVH Financial Hardship and Temporary Absence Policy
- CCVH Occupancy Policy
- CCVH Rental Rebate form
- Housing Act 1983 (Vic)

- Residential Tenancies Act 2021 (Vic)
- Victorian Housing Registrar Performance Standard 1 (Tenant and Housing Services)
- Legal agreements between CCVH and the Director of Housing relating to the Victorian Housing Register and funding programs.
- Department of Families Fairness and Housing Rent Setting for Registered Housing Agencies
- Charter of Human Rights and Responsibilities 2006 (Vic)

Transparency and Accessibility

This policy will be publicly available on our website.

Version Control

Version	1.0	• Review frequency	Approved August 2023 Next Review: August 2025
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Appendix A: Assessable and Non- Assessable Income

CCVH adopts *Homes Victoria* assessable and nonassessable income guidelines.

Primary Income – Assessed maximum of 30% of Income.

- Abstudy 60+
- Abstudy Partnered 21+
- Abstudy Partnered with Dependents
- Abstudy Partnered No Dependents
- Abstudy Single 21+
- Abstudy Partnered with Dependents 21+
- Abstudy Single with Dependents 21+
- Abstudy Single Away from Home
- Abstudy Single with Dependents
- Abstudy Single at Home
- Abstudy
- Age Pension
- Age Pension - Pension Reform
- Asylum Seekers Allowance
- Austudy No Dependents
- Austudy Partnered with Dependents
- Austudy Partnered Special No Dependents
- Austudy Single with Dependents
- Austudy Single Special Rate
- Austudy
- Blind Pension
- Carer Pension
- Carer Pension - Pension Reform
- Community Development
- Clean Energy Supplement
- Compensation Payment
- Dad Partner Payment
- Defence Force Income Supplement
- Defence Force Reserve Payment
- Disability Wage Supplement
- Domestic Allowance
- Deprived Income
- DSP under 21 with Dependents

- Disability Pension
- Disability Pension - Pension Reform
- Disability Pension Youth Away from Home
- Disability Pension Youth at Home
- Veteran Affairs Disability Pension
- Disability Youth with Dependents-Pension Reform
- University Scholarship/Grant and Bursaries
- Exceptional Circumstances Relief Payment
- Farm Household Support
- Farm Family Restart
- Flexible Support Payment
- Foster Allowance
- Formal Training Allowance
- Incentive Allowance
- Investment/Savings Interest
- Imputed Pension
- Income Stream and Annuities Asset
- Income Stream and Annuities Income
- Income Support Supplement
- Imputed Top-up to appropriate Centrelink Rate
- Jobseeker Payment
- Mature Age Allowance
- Pension Supplement Notional
- Newstart Allowance < 18 with Dependents
- Newstart Allowance with Dependents 18-20
- Newstart Allowance
- Newstart Allowance at Pension Rate
- Approved Program of Work Supplement
- Orphan Pension (18 and under)
- Overseas Pension
- Overseas Assets (deemed interest rate)
- Overseas Income
- Overseas Pension Special
- Partners Allowance
- Paid Parental Leave
- Parenting Payment Partnered
- Parenting Single Pension
- Real Estate Asset (deemed interest rate)
- Real Estate Income
- Remedial Tuition Allowance

- Self-Employed Adjusted Nett Profit
- Service Pension - Pension Reform
- Service Pension
- Sheltered Workshop Allowance
- Sickness Allowance 18-20
- Sickness Allowance
- Sickness Allowance Single with Dependents
- Sickness Allowance at Pension Rate
- Special Benefit
- Special Benefit Single with Dependents
- Special Benefit at Pension Rate
- Superannuation Payments
- Supplementary income
- Trust and Companies Asset
- Trust and Companies Income
- Top-up to appropriate Centrelink Rate
- Wages (PAYE employees)
- War Widow Pension - Pension Reform
- Work Care Payments
- Widows Allowance
- Widows Allowance at Pension Rate
- Widows Pension
- Widows Pension - Pension Reform
- Wife Age/DSP Pensioner
- Wife Age/DSP Pensioner - Pension Reform
- Youth Allowance Away from Home
- Youth Allowance at Home
- Youth Allowance Partnered no Dependents.
- Youth Allowance Partnered and Dependents
- Youth Allowance Single with Dependents
- Youth Allowance Special Away from Home
- Youth Allowance Special at Home
- Youth Allow Special Partnered and Dependents
- Youth Allowance

Family Incomes: Assessed at 15%

- Adequate Means of Support Pension paid by the Department of Veterans' Affairs
- Clean Energy Supplement, FTB part A
- Clean Energy Supplement, FTB part B

- Family Lump Sum Supplement (A)
- Family Lump Sum Supplement (B)
- Family Tax Benefit - Part A
- Family Tax Benefit - Part B
- Imputed Family Lump Sum Supplement (A)
- Imputed Family Lump Sum Supplement (B)
- Imputed Family Tax Benefit - Part A
- Imputed Family Tax Benefit - Part B

Non-assessable Income

- Adequate Means of Support Pension paid by the Department of Veterans' Affairs
- Additional payments made by other countries to victims of war as a result of their war experiences that do not affect the full entitlement of Centrelink payments are also excluded as assessable income.
- Austudy Loan
- Austudy Pensioner Educational Supplement
- Baby Bonus (formerly known as Maternity Payment) – paid to families for children born or adopted after 1 July 2007. Only the deemed interest rate is applied to any savings or investments where the amount has been deposited. See Maternity Payment.
- Basic Parenting Payment (partnered) - formerly known as Basic Parenting Allowance – This payment was included in Family Tax Benefit Part B from 1 October 2000 and assessable from this date.
- Bereavement Payment
- Book Allowance
- Carer's Allowance (formerly known as Child Disability Allowance and Domiciliary Allowance)
- Community Development Employment Project (CDEP) Payment Supplement – only the base rate amount
- Community Empowerment Project Payments (paid by the City of Yarra)
- Child Care Benefit
- Children's Trust Funds where the household member has no access to the funds.
- Clean Energy Advance – one off payment made from May 2012 (i.e., before the Clean Energy Supplement) to pensioners, other income support recipients, families receiving Family Tax Benefit payments and Seniors Supplement recipients, provided they met eligibility requirements. The deemed interest rate is applied to any savings or investments where the amount has been deposited.
- Dept. of Health and Human Services (the department) Caregiver payments. This payment is made by the department to families involved in caring for foster children.
- Double Orphan Allowance

- Double Orphan Pension (assessable prior to 23 November 2008)
- Education Allowances
- Education Entry Payment
- F-111 ex-gratia \$40,000 or \$10,000 lump sum payments for participants in the F-111 Deseal/Reseal programs. The one-off payment is not assessable, however where the payment is invested, the deemed interest rate should be applied, and the resultant amount included as assessable income.
- Family Tax Benefits for 6th and subsequent child
- Family Tax Initiative (For assessments prior to 1 October 2000)
- Family Tax Benefit Lump Sum Amount of \$600 paid before 30 June 2004. This was a one-off payment of \$600 per child paid to all families entitled to receive Family Tax Benefit Part A during the 2003/04 financial year. The deemed interest rate is applied to any savings or investments where the amount has been deposited.
- Family Tax Benefit Part A Lump Sum Supplement paid in respect of the 2003/04 financial year. This payment commenced on 1 July 2004. Families have two years from 30 June 2004 to claim.
- Fares Assistance
- Formal Training Allowance - paid with Centrelink pension/allowance
- Foster Allowance
- GST for allowances
- Income of residents under 18 years of age
- Language, Literacy and Numeracy Supplement
- Large Family Supplement
- Lump sum funds invested into income stream products such as annuities
- Maternity Payment (now known as Baby Bonus) –paid to families for children born or adopted after 1 July 2004. Only the deemed interest rate is applied to any savings or investments where the amount has been deposited. See Baby Bonus.
- Minimum Family Allowance (formerly known as Basic Family Payment) – This payment is included in Family Tax Benefit Part A after 1 October 2000 and assessable after this date.
- Minimum Family Allowance for dependents aged 18 – 24. This payment is included in Family Tax Benefit Part A after 1 October 2000 and assessable after this date.
- Mobility Allowance
- Multiple Birth Allowance
- Neighbourhood Renewal Community Survey Payments made to both interviewees and interviewers (This applies to tenants or residents in identified Neighbourhood Renewal Areas only)
- Orphan Pension (18 years and under)
- One off Economic Support Payment

- Pension Bonus Scheme (formerly Older Australian's Bonus) – a one-off non-taxable bonus payment of \$500 paid to older Australians of Age Pension age. The payment was part of the 2007/08 Federal budget and was paid to recipients of the Age Pension, Mature Age Allowance, Widow Allowance, Partner Allowance, Commonwealth Seniors Card and Veterans' Affairs Gold Card holders. The deemed interest rate is applied to any savings or investments where the amount has been deposited.
- Pension Supplement (formerly known as GST Component of Pensions)
- Pharmaceutical Allowance
- Prisoner of War (Japan and Korea) \$25,000 lump sum compensation payment. Paid to surviving Australian service personnel (or their surviving widows/widowers) in 2001 (Japan) and 2004 (Korea). The one-off payment is not assessable, however where the payment is invested, the deemed interest rate should be applied, and the resultant amount included as assessable income
- Remedial Tuition Allowance
- Rent Assistance paid to tenants who have a tenancy agreement with the Director of Housing (the tenant should notify Centrelink that they are a Departmental tenant)
- Restitution payments from Foreign Governments
- Schoolkids bonus
- School Start Bonus – one off payment paid to families with children starting prep and year seven at a government or non-government school. The deemed interest rate is applied to any savings or investments where the amount has been deposited.
- Superannuation funds, lifetime annuities that cannot be realised or drawn from
- Superannuation funds, lifetime annuities of persons under retiring age whose funds are realisable but choose not to access them.
- TAC Impairment Annuity Benefit
- Telephone Rental Concession
- Travel, Meals, Laundry and Accommodation Allowances
- War Disability Pensions (Department of Veterans' Affairs)
- Work for the Dole Supplement
- Youth Disability Supplement