

Rent Setting and Rent Review Policy [H02]

1. Purpose

The purpose of this policy is to outline how rent is determined for YWCA National Housing and YWCA Housing (YWCA) residents, specifically:

- How rent is calculated.
- What information renters need to provide.
- Renters' rights and responsibilities in relation to rent.
- How rent can change.
- What happens if renters miss paying rent.

2. Scope

This policy applies to all forms of housing owned and/or managed by YWCA including community and affordable residential rental properties and rooming houses. All relevant programs are managed according to agreements with State and Federal Governments, partners, or investors, where applicable. YWCA is required to observe its contractual and program obligations in relation to setting rents for all properties that are managed under such agreements.

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

This document is a national policy covering YWCA Housing and YWCA National Housing. All references to YWCA Housing include both unless specifically stated otherwise. Where state-based variations exist in policies and procedures, these will be identified in this document.

3. Definitions

Applicant	A person who has applied for social housing.
Assessable income	Means the total assessable household income is defined by the housing program and is calculated at: <ul style="list-style-type: none"> • 25% of household income and 15% FTB and Child support payments plus 100% CRA; or • 30% of household income, 15% FTB plus 100% CRA for Affordable Housing
Commonwealth Rent Assistance (CRA)	An Australian Government subsidy payable to those in receipt of some form of Commonwealth benefit, to assist them to rent in the private rental market or community housing.
Income earning household member	Any member of the household who earns an income from any source including but not limited to wages, salary, Centrelink benefits and compensation payments.
Market-based rent	The maximum rent that will be charged excluding the service charge (if applicable).
Maximum Rent	Means the maximum YWCA will charge for a property, i.e. <ul style="list-style-type: none"> • State government specified property rent (if applicable); or • 74.99% of market rent

Rent, Subsidy, and/or Income Review	Means an assessment of household income and/or composition, conducted during a tenancy, to align the rent payable by the resident with their current circumstances
Rent payable	Means the amount the resident is required to pay per period as specified in their agreement or subsidy and rent review. Rent payable will be the lower of Maximum Rent or Assessable Household Income, plus 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).
Rent review	An assessment of household income and/or composition during a tenancy, to align the rent amount payable with the resident's current circumstances.
Rent subsidy	If the Assessable Household Income is less than the Maximum Rent, the Rent Subsidy is the difference between the two amounts
Rental agreement	A signed agreement that sets out the rights and duties of the resident and the housing provider, in accordance with the state-based legislation.
Resident	For brevity, the term 'resident' refers to renters and tenants of rented premises, and residents of rooming houses.

4. Responsibilities

4.1 Leaders –General Manager Housing Operations

- Assisting housing staff to follow this procedure. Ensuring good management of evidence in the tenancy management system.
- Recommending any changes to this procedure.

4.2 People and Culture

- Incorporating this procedure into staff induction and training.
- Ensuring staff are aware of and have access to this procedure.
- Escalating feedback about this procedure to the document owner/writer.

4.3 Employees – Housing staff and Community Housing Officers

- Informing tenants of their rights and responsibilities in accordance with this document.
- Keeping records of the process in the relevant systems.
- Recommending improvements to this policy and procedure.

5. Policy

YWCA sets rent to fulfil its social mission and to ensure that its housing is affordable for residents.

YWCA will determine the following before an offer is made:

- Approach to rent that applies to the property; and
- Approach to the affordability of rent is appropriate and sustainable for that household.

In applying this policy YWCA will ensure:

- Rent is set in accordance with established affordability benchmarks.

- Communication to applicants and residents on how rent is set and reviewed is clear and made available in a variety of formats.
- Changes in household circumstances are responded to appropriately to prevent undue hardship.
- Where tenancies are at risk, support will be provided as early as possible to attempt to rectify any issues.
- Consistent, fair, and accountable processes are followed, and residents are provided with information about processes that impact their tenancy.
- Issues are responded to in a person centred and respectful manner and consider any factors that may be impacting on the safety or wellbeing of residents and their families.
- Compliance with the applicable state residential tenancies legislation in relation to rent.
- All contractual, legal, and regulatory duties are met.

5.1 Communication

YWCA will provide clear information to applicants and residents on how their rent has been determined and inform residents of their right to have their rent calculation reviewed:

- At the start of the tenancy.
- At regular intervals during the tenancy.
- Upon request.

To assist residents to feel confident and in control of their renting experience, YWCA will ensure that:

- Residents understand their responsibility to report changes to their income and household circumstances.
- Residents understand their right to request reviews of how their rent was calculated or set.
- YWCA communicates with residents when their rent, or this policy, might change.
- YWCA helps applicants and residents to understand this policy.

5.2 Market-based Rent

- 'Market-based rent' is the amount a similar property in the same suburb would rent for in the private market.
- The initial market-based rent of the property is shown on the residential rental agreement.
- Market-based rent is reviewed once every 12 months.
- If the market-based rent for the property changes because of a review, YWCA will advise the renter by sending a notice of rent increase.

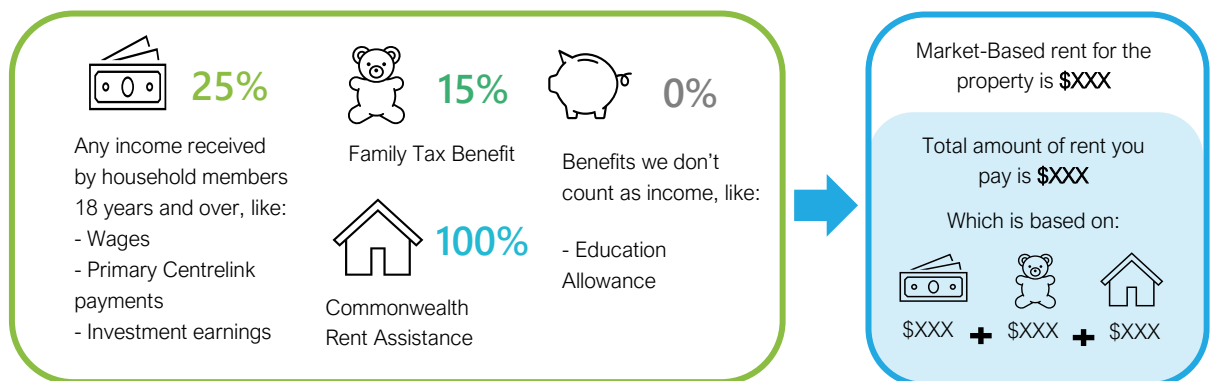
- The market-based rent can change without impacting the income-based rent payable. If any change does impact the rent payable, YWCA will outline it clearly in communications with the resident.

5.3 How YWCA calculates the amount of rent payable (income-based rent)

YWCA looks at:

- How much income household members over 18 years old receive before tax (gross income); and
- Calculates the amount of rent payable each fortnight based on a percentage of that income.

The following infographic shows how YWCA calculates rent payable based on renter income and where there are no other additional charges:



5.3.1 Residents can request a review of this calculation

All renters have the right to ask YWCA to review their rent calculation and to provide a further explanation of how the amount they pay was reached.

5.4 Providing information about household income

Residents and applicants are obliged to provide to YWCA reasonable evidence that establishes their total household income when requested by YWCA:

- Before being offered a tenancy with YWCA.
- When YWCA carries out the annual rent review / determines rental subsidies.
- If the resident's household income or family circumstances change.

5.4.1 What happens if residents don't provide their household income information?

Income details are required for YWCA to assess eligibility for a reduction to the market-based rent amount. If income is not provided, the discount cannot be determined, and the market-based amount will be charged.

5.5 Service charges for some properties

YWCA may charge additional property related costs for some shared services and facilities including:

- Electricity

- Gas
- Water
- Central heating
- Laundry
- Other services or facilities made available to the resident.

5.5.1 Service Charge

Where a property has shared services such as water, central heating, laundry, or utility services, YWCA adds a service charge to the income-based rent calculation to cover these costs.

This amount is shown separately to the rent payable on the rental agreement as it is subject to change as costs of these services go up or down. YWCA will communicate any changes with the resident about this before they occur. In accordance with the residential tenancy legislation, service charges will not exceed the cost of providing the shared facilities.

5.6 How rent can change

Rent payable can change:

- Annually, during rent reviews.
- When income or household-circumstances change.

5.6.1 During regular rent reviews

Rent is reviewed regularly to make sure the amount renters pay is still a good fit for their income.

- Rent is reviewed every 12 months.
- YWCA will advise renters in writing before the next rent review happens.

5.6.2 When a renter's household income or circumstances change

If a resident's household income or composition changes at any time, the renter must advise YWCA and provide evidence of the change.

YWCA needs to know if:

- **Change of income:** Getting or stopping a job or getting more, or less money from Centrelink.
- **Change of household:** A household member moving in or out. This may affect the household income, or the discount to market-based rent eligibility.

5.6.3 What happens next?

While the rent amount payable might change, rent will remain affordable, and can never exceed the market-based rent amount, except where there is an additional service charge.

If a resident's household income increases, the household income will be reassessed at the next scheduled rent review. Permanent decreases to income

will be reassessed, and the rent payable will be recalculated and made effective from the date the resident advised YWCA of the change to income occurred based on the documents provided.

During a rent review, where a renter does not provide income details, the household rent will default to market-based rent (if applicable).

If a resident subsequently provides information about reduced household income after a rent review, changes will only take effect on and from the date the resident contacted YWCA and provided reasonable details of the household income.

5.7 If residents miss paying rent

Resident must pay rent on time, or they will be in breach of their rental agreement. Repeated breaches could put the tenancy at risk (see Arrears Management Policy).

5.7.1 There are options if residents have difficulty paying rent

YWCA will work with residents to understand their rental payment challenges and how they might be addressed. Residents should speak to their Community Housing Officer if they are concerned that they won't be able to make their next rent payment or their rental debt (see Financial Hardship Policy).

6. Transparency and accessibility

This policy is made available on the YWCA Housing website www.ywcahousing.org.au/policies.

7. Appeals

Staff will inform residents of their right to appeal organisational decisions and to complain about the services of YWCA in accordance with the appeals and complaints process.

8. Record keeping

Staff will maintain all relevant information associated with rent setting and rent review in the tenancy management system.

Document Data Control

Rent Setting and Rent Review Policy				
Responsible Body		Director, Development and Housing		
Accountable Officer		General Manager, Housing Operations		
Supersedes		Rent Setting Policy		
Associated documents		Eligibility and Allocation Policy Sustaining Tenancies Policy Arrears Management Policy Financial Hardship and Temporary Absence Policy		
Legislation		Housing Act 1983 (VIC) Housing Act 2003 (QLD) Housing Regulations 2015 (QLD) Housing Act 1982 (NT) Residential Tenancies Act 1997 (VIC) Residential Tenancies Regulations 2021 (VIC) Residential Tenancies & Rooming Accommodation Act 2008 (QLD) Residential Tenancies Act 1999 (NT) National Affordable Housing Agreement Victorian Charter of Human Rights and Responsibilities Act 2006 Queensland Human Rights Act 2019 National Community Housing Standards Social Service Standards (VIC) Guidelines for registered housing agencies Performance Standards for Registered Housing Agencies. Consumer Charter for Community Managed Housing and Homelessness Services (VIC) National Community Housing Regulatory Code Victorian Community Housing Regulatory Code State based agreements between YWCA and statutory bodies		
Approval and Amendment history				
Review period – 2 years				
Approval date	Effective date	Version	Amendments	Next review
May 2022	May 2022	1.0	First version	May 2024
Jul 2022	Jul 2022	1.1	Updates to Market Rent assessment process, and charges.	Jul 2024
Jul 2024	Jul 2024	2.0	Reviewed to align with WHF principles. Combined policy for Rent Setting and Rent Review.	Jul 2026