



Rent Setting Policy

Purpose

Servants Community Housing's Rent Setting Policy refers to Servant's protocol of setting rents to ensure that rents are in accordance with state-based requirements and obligations. As a Registered Housing Provider, we are required to set rents which are affordable for residents while maintaining financial viability for Servants. We must also comply with the DHHS Victorian Housing Provider Framework and our legal obligations as a registered charity.

We align our Rent Setting Policy with the vision and mission of Servants. We seek to provide the best living arrangements at the lowest rent possible, in order to foster a safe, comfortable home that offers each resident respect, hope and dignity.

We endeavour to have clear and transparent processes when setting residents' rents and aim to communicate this with residents through this Rent Setting Policy.

Definitions

Jobseeker allowance (JSA) - the main income support payment while you're unemployed and looking for work.

Disability Support Pension (DSP) - financial help if you have a permanent physical, intellectual or psychiatric condition that stops you from working.

Commonwealth Rent Assistance (CRA) - financial help available to people who receive Centrelink payments and pay rent.

Policy

Guiding principles

Servants sets rental costs to fulfill its social mission and to ensure that its housing relieves residents from rental stress.

Accordingly, Servants will:

- Set rent in accordance with established affordability benchmarks; Rent charges are set at a rebated market rent based on household income.
- Comply with its contractual, legal and regulatory obligations relating to affordability of rent. The market rent from properties leased from DHHS are sourced from the DHHS. Market rent amounts must not exceed ATO benchmark rents.
- Rent setting and review is transparent and fair.
- Communicate clearly to prospective and current residents as to how Servants sets and reviews rent
- Respond appropriately to changes in residents' circumstances to prevent undue hardship; and

Setting rent

Servants takes into account the following factors when setting rent at its houses:

- Residents' income (Jobseeker Allowance, Disability Pension, work salaries)
- Residents' entitlement to Commonwealth Rent Assistance
- Additional property costs (see below for more information)
- The market rent of the property.

DHHS housing

Servants manages rooming houses through leases with the Director of Housing. The lease sets the conditions to determine rent. DHHS determines the rebate assessable amount for social housing tenancies based on the following sources of income:

- 25% of gross Assessable income plus
- 100% of the eligible Commonwealth Rent Assistance (CRA) payment, plus
- 15% of Family Tax A and Family Tax B payments (if applicable)

Non DHHS housing

Servants manages housing on behalf of private owners. These affordable housing tenancies also receive a rebate to ensure rents remain affordable. The rent charged will be:

- No more than 74.99% of market rent for the premises; and
- Sufficient to keep the amount payable below 30% of gross Assessable income

Additional property costs

The additional property cost is a fixed fortnightly charge for all tenants. It includes the cost of all services provided beyond the provision of accommodation. The costs vary between the houses because some of our houses are like boarding houses and the

corresponding additional property costs vary accordingly. Therefore, the charge may include items such as electricity, gas, water, media streaming service, internet, meals, linen, gardening and cleaning.

More information about additional property costs can be found under the Residential Tenancies Act 1997. [Click here for more information on the Residential Tenancies Act 1997.](#)

Provision of information about household income

Current and prospective residents are obliged to provide reasonable evidence that establishes their total household income:

- Before being offered a tenancy with Servants; and
- When Servants carries out a rent review

Servants may increase a resident's rent to market rent or refuse to provide an income-based rent calculation if the resident does not provide the income information within the timeframe required.

If a resident subsequently provides information about household income after a rent review, changes will only take effect on and from the date the resident provided reasonable details of the household income. Servants may agree to back-date changes in rent in circumstances where Servants determines that this will cause financial hardship (see Arrears Management and Hardship Policy).

Response to changes in household circumstances

If a resident contacts Servants and is facing hardship with paying rent, Servants may determine:

- to re-assess the resident's rent based on this policy;
- to determine that a different approach to rent should apply to that tenancy; or
- to consider a payment plan that the tenant can manage

Generally, such changes will only take effect on and from the date the resident contacted Servants and provided reasonable details of the change in the household circumstances.

For more information, click here to read the [Rent Arrears and Hardship Policy](#).

Communicating with residents

Residents will be advised how their tenancy is managed and how their rent is calculated at the time they sign an agreement with us. If residents have any queries, they should contact the Tenancy Manager.

tenancy@servants.org.au

03 9819 6073

Related policies

[Rent Arrears and Hardship Policy](#)

[Complaints and Appeals Policy](#)

Legislation and standards

This policy implements the obligations of Servants Community Housing under:

- Housing Act 1983 (Vic)
- [Guidelines for Registered Housing Agencies published by DHHS](#)
- Performance Standards for Registered Housing Agencies

Transparency and accessibility

This policy will be available on the Servants Community Housing website www.servants.org.au/policy

Review

This policy was written in April 2020. It is rescheduled for review in April, 2021.