

POLICY NUMBER 8.1
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AUTHORISED BY: BAH Board

RENT POLICY

1. PURPOSE

The purpose of this policy is to establish Baptcare Affordable Housing's (BAH) approach to determining and setting rent. This policy should be read in conjunction with the BAH Allocations Policy.

2. SCOPE

This policy applies to all long-term rental properties owned and/or managed by BAH.

3. PRINCIPLES

BAH sets rent to fulfil its social mission of providing housing solutions that bring hope and opportunity to the most disadvantaged and to ensure that its housing relieves households from rental stress.

Accordingly, BAH will:

- Set rent in accordance with established affordability benchmarks
- Communicate clearly to applicants and tenants as to how BAH sets and reviews rents
- Respond appropriately to changes in household circumstances to prevent undue hardship
- Comply with our contractual and regulatory requirements relating to the affordability of rent
- Set rents that sustains BAH's financial viability to continue to provide secure and affordable rental housing.
- Set market rent using the annual ATO detailed long-term accommodation tables

All tenants and applicants will be provided with clear information regarding which BAH program their rental property is managed under and how their rent is calculated, set and reviewed prior to an offer of housing being made.

4. APPROACH TO RENT SETTING

BAH manages two housing programs; Social Housing and Affordable Housing.

Social Housing rent is charged at 25 to 30% of household income plus 15% of Family Tax Benefit A & B and Child Support payments plus maximum Commonwealth Rent Assistance (CRA) that a tenant is eligible to receive, providing this does not exceed 74.99% value of ATO market rent.

Affordable Housing rent is charged at 74.99% of the ATO market rent providing this does not exceed the relevant ATO benchmark value or 30% of assessable household income and if application can include 100% of Commonwealth Rent Assistance. When either of these two thresholds are passed, BAH will charge the lower amount.

5. REVIEWING AND CALCULATING RENT

BAH calculates and reviews rent in the following way:

- Prior to a new tenant signing a Residential Tenancy Agreement
- Every 12 months by reviewing household income
- Whenever a tenant or household's circumstances change
- May include additional property costs
- Your household income is the combined income of everyone who lives with you
- Your income is assessed for rent calculation as follows:

What is included in the assessment?	Assessment rate
Family Tax Benefit A & B	15%
Child Support/maintenance	15%
Commonwealth Rent Assistance (CRA)	100%
Any other income received by household members aged 18 years and over, such as primary Centrelink payments, Centrelink supplement, wages, investment earnings etc.	25 to 30% of income This rate may vary depending on the type of property and funding program but will not exceed 30%
Any income received by people living in the household aged under 18 years	Nil

How your rent was calculated?

- The Property Rent (ATO market rent) for your property is \$X per week
- Based on your total household income you have been assessed as being eligible for a rent subsidy. Your household income is the combined income of everyone who lives with you
- Your rent is 74.99% of the ATO market rent, so you will be required to pay \$X per week
- Your rent has been calculated as follows:

	Category	Explanation	Amount per week
A	ATO market rent	This is the rent for a similar room or apartment in a similar building in a similar location that provides the same facilities, services and utilities as deemed by the annual ATO benchmark market value.	
B	Subsidised Weekly Rent (74.99% of A)	This is calculated as 74.99% of ATO market rent if income details are provided. If you do not provide income details you will be charged ATO market rent.	

C	Subsidy (A-B)	This is the amount of the subsidy. This is not paid to you, it is deducted from the ATO market rent to calculate the subsidised rent. It is equal to 25.01% of the ATO market rent.	
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In line with BAH’s rental review procedures, all rents will be reviewed in the month of the anniversary of your tenancy.

- Your property ATO market rent will be reassessed in July every year
- The property rent will be assessed based on the income review and changes to ATO market rent
- You will be given a 60-day notice of rent increase when this occurs. If you have provided income details, this will not affect the subsidised rent you have to pay unless you are already paying ATO market rent
- Your rent subsidy will be reassessed every 12 months. BAH will review the income of all household members using Centrelink Income Confirmation Service or request new income details for all household members. If these are not provided within 14 days BAH will withdraw your subsidy and you will have to pay 74.99% of ATO market rent

You have the right to ask BAH to review the way that BAH has determined your rent and to provide a further explanation.

The ATO market rent is the rent for a similar room or apartment in a similar building in a similar location that provides the same facilities, services and utilities. The ATO market rent for a property is determined annually by the ATO through a review of publicly available data on rent for comparable properties.

6. CHANGES TO HOUSEHOLD INCOME

- If a tenant’s household income or family circumstances change at any time, the tenant must advise BAH and provide evidence of this change.
- If a tenant’s household income increases or decreases, the household income will be re-assessed, and the rent subsidy will be recalculated and made effective from the date the tenant advised BAH of the change to income based on the documents provided.

7. ASSISTANCE FOR TENANTS EXPERIENCING DIFFICULTIES WITH RENT

A tenant may apply for consideration in relation to their rental situation based on hardship they are experiencing due to special circumstances.

An application based on special circumstances will be considered by BAH management with regard to the overall circumstances of the household, including:

- any unforeseen change to household composition beyond the control of the tenant;
- any material change in the health (physical or mental) of the tenant or members of their household;
- any disability of the tenant or members of their household;
- the impact of family violence on the tenant or members of the household; and
- cultural considerations, including indigenous cultural considerations.

8. RELATED DOCUMENTS, STANDARDS AND LEGISLATION

BAH Allocations Policy

BAH Arrears Management and Hardship Policy

Housing Act 1983 (Vic)

Residential Tenancies Act 1997 (Vic)

Housing Registrar Performance Standards

Legal agreements between BAH and the Director of Housing relating to the Victorian Housing Register and funding programs

Charter of Human Rights and Responsibilities 2006 (Vic)

ATO benchmark market value tables

9. MONITORING AND REVIEW

This policy will be periodically reviewed and revised at periods every year. This policy will also be reviewed in relation to all new contracts to provide additional housing and revised as needed to ensure compliance.

10. TRANSPARENCY AND ACCESSIBILITY

This policy will be available on the BAH website: www.baptcare.org.au/services/housing/affordable-housing