

# RENT SETTING

## Statement of Policy

This policy establishes the approach of Eastcoast Housing to setting rent and determining rental subsidies in its long-term rental housing programs.

### Scope

This policy applies to all long-term rental properties owned or managed by Eastcoast Housing under all relevant programs.

### Affordability

Eastcoast Housing sets rent/provides subsidised rent to fulfill its social mission and to ensure that its housing relieves households from rental stress.

Accordingly, Eastcoast Housing will:

- set rent/determine rental subsidies in accordance with established affordability benchmarks
- communicate clearly to applicants and tenants as to how Eastcoast Housing sets and reviews rent/ determines rental subsidies
- respond appropriately to changes in household circumstances to prevent undue hardship, and
- comply with its contractual, legal and regulatory obligations relating to affordability of rent.

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## 1. What is rent?

The rent figure quoted by Eastcoast Housing can include an income related portion, a Commonwealth Rental Assistance and/or service charges such as water, gardening etc.

At tenancy commencement and at each rent review you will be provided with the breakdown of your rent and how it is calculated.

## 2. Approach to affordable rent

A tenant's entitlement to rebated rent is based on the household's total assessable income. If the rent payable amount is calculated less than the property's market rent amount then the tenant is eligible to receive a rental rebate.

Renters are charged the lower of:

- Household income based Rent;
- Maximum Rent

## 3. Household-income based rent/rental subsidy

This is determined as:

- 30% of Gross Household Income plus
- 15% Family Payments plus
- Maximum CRA

Gross Household Income is determined in accordance with the [DHHS Assessable Income guidelines](#).

### *3.1 Maximum Rent*

This is determined as:

- 75% of the Property Rent, and  
but no more than the Market Rent

### *3.2 Discount to market-based rent*

This is determined as:

- 75% of the Property Rent

### *3.3 Provision of information about household income*

Where there is a Household-income based rent/rent subsidy Tenants and applicants are obliged to provide to Eastcoast Housing reasonable evidence that establishes their total household income when requested by Eastcoast Housing:

- before being offered a tenancy with Eastcoast Housing ; and

- when Eastcoast Housing carries out a rent review/determines rental subsidies.

Eastcoast Housing may increase a tenant's rent to Maximum Rent and refuse to provide a rental subsidy if the tenant does not provide the information within the timeframe required.

If a tenant subsequently provides information about household information after a rent/rental subsidy review, changes will only take effect on and from the date the tenant contacted Eastcoast Housing and provided reasonable details of the household income. Eastcoast Housing may agree to back-date changes in rent/rental subsidies in circumstances where Eastcoast Housing determines that the hardship provision of this policy applies.

#### 4. Determining the approaches to affordable rent

Eastcoast Housing will determine the approach to rent/rental subsidy that applies to the property or tenancy prior to an offer of a tenancy being made.

In determining the approach that applies to a property or tenancy, Eastcoast Housing will comply with legal and contractual obligations that may apply to a particular property.

Eastcoast Housing will not offer a tenancy to an applicant for housing unless it is satisfied that the approach to the affordability of rent is appropriate and sustainable for that household.

#### 5. Reviews of calculation of rent/rent subsidy

Eastcoast Housing will provide tenants with a clear and transparent explanation as to how their rent/rental subsidy has been calculated.

All tenants have the right to ask Eastcoast Housing to review the way that Eastcoast Housing has determined their rent/rental subsidy and to provide a further explanation.

#### 6. Determining the Property Rent that applies to a property

To determine the Property Rent that applies to a property, Eastcoast Housing will take advice from DHHS and the ATO annually.

## 7. Response to changes in household circumstances

If a tenant contacts Eastcoast Housing and is facing hardship with paying rent, Eastcoast Housing may determine:

- to re-assess the tenant's rent/rental subsidy based on this policy;
- to determine that a different approach to rent/rental subsidy should apply to that tenancy; or
- to back-date an adjustment to the rent payable by the tenant/rental subsidy to which the tenant is entitled in accordance with this policy.

Generally, such changes will only take effect on and from the date the tenant contacted Eastcoast Housing and provided reasonable details of the change in the household circumstances. Eastcoast Housing may agree to back-date changes in rent payable in circumstances where Eastcoast Housing determines that the tenant ought to be granted relief from hardship.

Eastcoast Housing determines hardship by looking at 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 Aboriginal cultural considerations.

## 8. Communication

Eastcoast Housing will provide clear information to tenants on how their rent/rental subsidy has been determined and inform tenants of their right to have their rental calculation reviewed.

## 9. How the policy can be changed

Eastcoast Housing may from time to time implement changes to this policy. The revised policy will apply to all tenancies on and from the date of the change.

Eastcoast Housing will implement strategies to mitigate the effect of any changes of this policy on tenants and households.

## 10. Procedures

Procedures established by Eastcoast Housing will include processes to ensure compliance with this policy, including:

- to set and review the affordable rent / rental subsidy
- on communication with applicants and tenants about how Eastcoast Housing has determined their rent
- to identify the rental approach that applies to a particular vacancy, property or tenancy, and
- how tenants may ask for a determination of rent/rental subsidy to be reviewed.

## 11. Definitions

In this policy:

Applicant	Means an applicant for housing to Eastcoast Housing
ATO Benchmark Rent	Means the amount set by the Australian Taxation Office under the <a href="#">GST and non-commercial rules - benchmark market values for Long-term accommodation</a>
Gross Household Income	Means the total household income assessed in accordance with the [Income Assessment Guidelines]
Maximum CRA	The maximum amount of Commonwealth Rental Assistance to which the household is entitled
Maximum Rent	Means the maximum rental amount payable for a property determined for a property in accordance with this policy
Property Rent	Means the open market rent for a property determined by Eastcoast Housing in accordance with this policy
Transitional Housing	means the Victorian Government program to provide housing on a short-term basis to people at risk of homelessness seeking long term housing options

## 12. Legislation and standards

This policy implements the obligations of Eastcoast Housing under:

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

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### 13. Transparency and accessibility

This policy will be available on the Eastcoast Housing website  
[www.eha.org.au](http://www.eha.org.au)