

Rent Setting Policy (HCAL)

Operations Victoria

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PURPOSE

The purpose of this policy is to outline how rents are set in social housing for properties owned and managed by Housing Choices Australia Limited (HCAL) in Victoria.

SCOPE

This policy applies to all social housing tenancies owned and managed by HCAL in Victoria. This policy does not include rent setting for specialist disability accommodation owned and managed by HCAL.

DEFINITIONS

ATO Benchmark Rent	Means the amount of rent set by the Australian Taxation Office under the GST and non-commercial rules - benchmark market values for Long-term accommodation
Commonwealth Rent Assistance	A regular extra payment if you pay rent and get certain payments from the Australian Government. https://www.dss.gov.au/housing-support/programmes-services/commonwealth-rent-assistance
Gross Household Income	Means the total household income assessed in accordance with the Department of Families, Fairness and Housing (DFFH) affordability Rent Setting and Operational Guidelines. Click the link for further information Rent Setting and Operational Guidelines . HCAL considers the income and assets of the Resident/s and their household members aged 18 and over.
DFFH affordability benchmarks	The Department of Families, Fairness and Housing Services sets rent affordability benchmarks in Victoria consistent with their Rent

Housing Registrar	The Registrar of Housing Agencies, supported by the Office of the Housing Registrar, is responsible for the regulation of the community housing sector in Victoria under the <i>Housing Act 1983</i> (Vic) (Housing Act) and gazetted Performance Standards. The Performance Standards represent the standard of operation required of registered agencies, like HCAL. The Performance Standards require registered agencies to be fair, transparent and responsive in delivering housing assistance to tenants and residents when determining and managing rents.
Resident	Refers to a person/s renting a property. Renter is the term that applies to residents under the Residential Tenancies Act (Act). Tenant is the term used under the Housing Act. The term Renters is used in HCAL Leases and other forms as required by the Act.
Rent	Is set as the market rent for an individual property. This is the amount of rent charged and is the same as if the property was in the private rental market.
Rent Payable	Is the dollar amount which will be charged to the Resident each week.
Rental Rebate	Is the dollar amount of rebate, or discount to rent, that HCAL applies. This assists us to ensure that our housing is affordable to people on very low to moderate incomes.
Rental Rebate Application	Is the application residents are required to submit to HCAL so a rental rebate can be calculated. For HCAL to be able to assess the amount of rental rebate a resident is entitled to residents need to submit a Confirmation of Household Members Form and Household Income Form with income evidence requirements.
Social Housing	Is short and long term rental housing that is owned or managed by HCAL. The income eligibility to access social housing is determined by the Victorian Government.

POLICY STATEMENT

POLICY PRINCIPLES

Housing Choices Australia Limited [HCAL] sets rents and determines rental rebates for residents in social housing properties owned and managed by HCAL, to ensure that our housing is affordable for people on low to moderate incomes and;

- is fair and transparent in setting rent and determining rental rebates with established affordability benchmarks;
- we communicate clearly to applicants and residents as to how HCAL sets and reviews rents and determines rental rebates;
- is compliant with contractual, legal and regulatory obligations relating to affordability of rent;
- is in accordance with the Residential Tenancy Act 1997, and
- enables HCAL to meet our financial obligations and maintain our financial viability to continue to provide affordable homes.

HOW WE SET RENTAL REBATES

There are two methods to set rental rebates in social housing properties owned and managed by HCAL in Victoria.

1. Household income-based
2. Discounted market rent

Applicants will be advised as part of their offer of housing which rent setting method applies to their tenancy. Residents are also reminded about which rent setting method applies to them during Rent Reviews.

DETERMINING THE MARKET RENT

Market Rent for a property is determined annually by obtaining independent property valuations, using ATO market rent valuations or by using data obtained from the Office of Housing Rental Report.

DETERMINING RENTAL REBATES BASED ON HOUSEHOLD INCOME BASED RENT

HCAL's income-based rent is based on 25% or 30% of a household's gross income. The percentage applied depends on the contractual or financial obligations of the property program. The following table provides an overview of the different property programs available, and the percentage of household income used to calculate the rental rebate.

Property Program	Additional Information
<p>Supported Housing Program and Lease Programs:</p> <p>Supported Housing Program are properties targeted for people with specific support needs.</p> <p>General Lease properties are properties managed on behalf of Homes Vic.</p> <p>25% or 30% of Household Income + 15% of family tax benefits A and B and child maintenance.</p> <p>100% of Commonwealth Rent Assistance.</p>	<p>For properties which are deemed as shared tenancies, but the resident is no longer able to share; 30% of primary income is applied.</p> <p>If household income changes during the tenancy the rental rebate is re-assessed.</p>
<p>Transitional Housing (THM):</p> <p>These properties are short to medium term properties targeted for people who are experiencing homelessness and have specific support needs. These are managed on behalf of a third party.</p> <p>25% of Household Income and Clean Energy Supplement + 15% of family tax benefits A and B and child maintenance.</p> <p>Residents in this program are not entitled to Commonwealth Rent Assistance.</p>	<p>If household income changes during the tenancy the rental rebate is re-assessed.</p>
<p>Community Housing Program:</p> <p>These properties may or may not be targeted to people with specific support needs. The properties are funded via a blended financial model and have specific contractual and financial requirements.</p> <p>30% of Household Income + 15% of family tax benefits A and B and child maintenance.</p> <p>100% of Commonwealth Rent Assistance</p>	<p>For tenancies that commenced before 1 February 2012, rent is re-assessed on receipt of the required information. If assessable income changes during the tenancy the rental rebate is re-assessed.</p> <p>For tenancies that commenced after 1 February 2012, if the assessable income increased the rental rebate is re-assessed.</p> <p>If the income decreases the rental rebate is not re-assessed, and residents can apply a review of rent payable.</p>

HCAL will advise applicants of the percentage of household income to be assessed at the time of an offer of housing being made. HCAL also reminds residents of the percentage of household income to be assessed during Rent Reviews.

HCAL considers the income and assets of the Resident and their household members aged 18 and over. This includes entitlement to Commonwealth Rent Assistance (CRA). The rental rebate is calculated as the dollar amount of difference between market rent and percentage of an individual or household income plus Commonwealth Rent Assistance. It is calculated as follows;

What is included in the assessment?	Assessment rate
Any other income received by household members aged 18 years and over, such as primary Centrelink payments, wages, investment earnings etc.	25 or 30% of Gross Household income This rate varies depending on the type of property program a resident is housed under.
Family Tax Benefit A & B	15%
Child Support/maintenance	15%
Commonwealth Rent Assistance (CRA)	100% of entitlement
Any income received by people living in the household aged under 18 years	Nil

HCAL refers to the [Department of Health and Human Services Rent Setting and Operational Guidelines: Assessable Income](#) to determine:

- income types and assets assessed;
- information required to complete an assessment.

Rental rebates are calculated as follows:

	CATEGORY	EXPLANATION
A	Market Rent	The amount of rent charged per week if the property was in the private rental market.
B	Maximum rent payable to HCAL if income details are provided and resident household income remains within the income eligibility to access social housing as determined by the Victorian Government.	74.99% of market rent If you do not provide income details HCAL may make a determination to charge A If a resident's income no longer meets the eligibility to access social housing, HCAL may make a determination to charge A

	CATEGORY	EXPLANATION
C	Rent based on percentage of income	Depending on which housing program you will be renting under, rent is set at 25% or 30% of primary assessable Gross Household income, plus 15% of entitlement to family benefits A & B, and Child Support/maintenance, if receiving.
D	Plus, Commonwealth Rent Assistance (CRA) entitlement	HCAL will calculate the amount of CRA that you are eligible to receive based on the rent you will be charged (E). Residents living in the Transitional Housing Program are not entitled to CRA.
E	Rent Payable (C+D)	This is the weekly rent you have to pay. Note that if (C+D) is more than B, we will only charge B if income details have been provided. We will charge A if income details have not been provided.
F	Rent Rebate = (A - E)	This is the amount of the subsidy. This is not paid to you; it is deducted from the market rent to calculate the rent payable.

DETERMINING RENTAL REBATES BASED ON DISCOUNTED MARKET RENT

The Rent payable will be capped at 74.99% of the rent.

Your rent will be calculated as follows:

	Category	Explanation
A	Rent	The amount of rent charged per week if the property was in the private rental market.
B	Rent Payable = (74.99% of A)	This is calculated as 74.99% of market rent if income details are provided. If you do not provide income details you will be charged full rent.
C	Rent Rebate = (A - B)	This is the amount of the subsidy. This is not paid to you; it is deducted from the market rent to calculate the rent payable. The subsidy is equal to a 25.01% discount of the full rent (A)

RENT REVIEWS

HCAL will provide clear information to residents on how their rent, rent rebate and rent payable has been determined and inform residents of their right to have their rental calculation reviewed:

- at the start of the residency/tenancy

- at regular intervals during the residency/tenancy
- on request

Rent is calculated at the time of an offer of housing and reviewed at the time of the rent review.

At the time of the Rent Review, HCAL will write to residents informing them of the initiation of the review process. In line with the Residential Tenancies Act 1997, a letter, including a Notice of Rent Increase to the Market Rent (if applicable) and a Rent Rebate Application will be posted a minimum of 60 days plus postage before the rent is due to increase.

Residents will be given 14 days to return their Rent Rebate Application and relevant required household income information. If a resident fails to return their application and required documents by the due date, HCAL may cancel the Rent Rebate and determine whether to charge the full rent.

RESPONSIBILITIES

It is the responsibility of all staff involved in the tasks associated with this policy to ensure that HCAL complies with this policy. The Manager, Rental Compliance is responsible for the maintenance of this policy.

Where there is non-conformance or breach of this policy, the Manager, Rental Compliance is to be informed and remedial action is to be taken as part of the continuous improvement process.

SCHEDULED REVIEW

This policy will be reviewed every three years or in response to legislative or regulatory changes. HCAL may from time to time implement changes to this policy. The revised policy will apply to all tenancies within the scope of the policy.

HCAL welcome feedback from residents and community stakeholders about our policies.

REFERENCE TO STANDARDS & LEGISLATION

LEGISLATION & STANDARDS

LEGISLATION	STANDARDS, POLICIES AND GUIDELINES
Housing Act 1983 (VIC) 1983	Performance Outcome 1 (Tenant and housing services)
Residential Tenancies Act (VIC) 1997	Related Documents
	<ul style="list-style-type: none"> • Complaints and Appeals Policy •



English:

If you need an interpreter, please call TIS National on 131 450 and ask them to call **HCA** on **1300 312 447**. Our business hours are **9am to 5pm, Monday to Friday**.

You can also visit the TIS National website for translated information about the service TIS National provides. Visit: www.tisnational.gov.au

Arabic:

إذا كنت بحاجة إلى مترجم، يرجى الاتصال بـ TIS الوطنية على الرقم 131 450 وأطلب منهم الاتصال بـ **HCA** على رقم **1300 312 447**. ساعات العمل الخاصة بنا **9am to 5pm, Monday to Friday**.

يمكنك أيضاً زيارة موقع TIS الوطنية للحصول على معلومات حول الخدمات التي تقدمها TIS الوطنية. قم بزيارة: www.tisnational.gov.au

Farsi (alt Persian):

اگر به مترجم نیاز دارید، لطفاً با شماره تلفن تیس نشنال 131 450 تماس بگیرید و از آنها بخواهید با **HCA** به شماره **1300 312 447** تماس بگیرند. ساعت کاری ما **9am to 5pm, Monday to Friday** است.

www.tisnational.gov.au شما همچنین می توانید به وب سایت تیس نشنال برای اطلاعات در مورد خدماتی که تیس نشنال فراهم می کند مراجعه کنید. به

Vietnamese:

Nếu quý vị cần thông dịch viên, xin hãy gọi cho Dịch vụ Thông Phiên dịch Quốc gia (TIS Quốc gia) theo số 131 450 và yêu cầu họ gọi cho **HCA** theo số **1300 312 447**. Giờ làm việc của chúng tôi là **9am to 5pm, Monday to Friday**.

Quý vị cũng có thể vào thăm trang mạng của TIS Quốc gia để có thông tin về các dịch vụ mà TIS Quốc gia cung cấp. Hãy vào thăm www.tisnational.gov.au

Somali:

Haddii aad u baahan tahay turjumaan, fadlan ka wac TIS National taleefanka 131 450 waxaad ka codsataa inay kuu wacaan **HCA** iyo **1300 312 447**. Saacadaha Shaqadu waa **9am to 5pm, Monday to Friday**.

Waxaad kaloo booqan kartaa website-ka TIS National ee macluumaadka turjuman oo ku saabsan adeegga TIS National ay bixiso. Ka eeg: www.tisnational.gov.au

Simplified Chinese:

如果您需要口译员，请拨打TIS National 的电话131 450，请他们打电话给**HCA**电话号码：**1300 312 447**。我们的营业时间是**9am to 5pm, Monday to Friday**。

你也可以访问TIS National 的网站，了解TIS National提供的服务。网址：www.tisnational.gov.au

Traditional Chinese:

若你需要口譯員，請撥打TIS National電話131 450並請他們轉接 **HCA** 的電話 **1300 312 447**。我們的工作時間是 **9am to 5pm, Monday to Friday**。

你也可以瀏覽TIS National 網站瞭解TIS National 的服務資訊，網址：www.tisnational.gov.au

Spanish:

Si necesita un intérprete, por favor llame a TIS National en el 131 450 y pida que lo comuniquen con **HCA** en el **1300 312 447**. Nuestro horario de oficina es **9am to 5pm, Monday to Friday**.

También puede visitar el sitio web de TIS National para obtener información acerca de los servicios que provee TIS National. Visite www.tisnational.gov.au

Italian:

Se hai bisogno di un interprete, telefona a TIS National al numero 131 450 e chiedi di chiamare **HCA**

Puoi visitare anche il sito web TIS National per informazioni tradotte sul servizio che TIS National fornisce. Visita il sito: www.tisnational.gov.au

For other languages, access to an interpreter is available by contacting **HCA** on **1300 312 447**.