

<b>Policy Owner:</b>	The Director of Corporate Services is responsible for the review and currency of this policy.
<b>Endorsement:</b>	Endorsed by the Executive Team on 13 <sup>th</sup> of June 2023
<b>CEO Approval:</b>	Approved by the Chief Executive Officer on 13 <sup>th</sup> of June 2023  This policy is valid from the date of CEO approval and remains in force, as amended from time to time, until such time as formally revoked by resolution at a meeting of the Executive Leadership Team.
<b>Next Review Due:</b>	June 2026

## 1. Purpose

The purpose of this policy is to outline the approach MASP will take to setting rent and calculating rental rebates.

## 2. Scope

This policy applies to all tenancies managed by MASP.

## 3. Policy Statement

### 3.1 Guiding Principles

MASP is committed to:

- meeting our contractual, legal and regulatory duties;
- helping renters understand their rights and responsibilities in their rental agreement;
- setting weekly rent payments that are affordable to people on a low to moderate income while maintaining the financial viability of MASP;
- consistent and transparent decision making with clearly documented practices;
- giving due consideration to human rights and considering the impact of any decision we make under the *Chart of Human Rights and Responsibilities Act 2006*.

### 3.2 Rent Setting Principles

The following principles apply to our rent setting:

- Calculations of rent are based on total household income and the market rent of the property;
- Rents for households are assessed for rental rebate eligibility at the commencement of the tenancy and do not exceed 25% of gross household income. This 25% threshold excludes Commonwealth Rent Assistance (a rent subsidy from government available to renters of registered agencies who receive a Centerlink payment and are paying more than a specified minimum amount of rent);
- Rental rebate eligibility is periodically reassessed by MASP based on proof of income provided by renters for all members of a household aged 18 years and over;
- A weekly rent payable figure may include other charges, such as for utilities, gardening or rubbish collection applying to the property.

### 3.3 Market Rent

The market rent is the rent value that a property could attract in the private rental market. The initial market rent for the property is shown as the rent amount on the rental agreement.

For properties that MASP owns, the market rent is determined by undertaking a review of similar properties currently available for rent on in the private market.

If the market rent changes, MASP will give renters at least 60 days' written notice as required by the *Residential Tenancies Act 1997* (RTA). If the market rent increases, this notice will include:

- The amount of the increase;
- The method that the rent increase was calculated
- A statement informing the renter of their right to apply, within 30 days, to the Director of Consumer Affairs Victoria to investigate and report on the proposed market rent.

If the market rent decreases, MASP will also re-assess the rental rebate and advise the renter of any changes to the weekly rent payment amount.

### 3.4 Rental Rebates and Calculating the Weekly Rent Payment

A rental rebate is the difference between what a renter pays and the market rent value of the property. This is the amount per week that MASP subsidises rent and is based on the total household income.

The market rent sets the maximum rent that MASP can charge and provides the base for the calculation of the rental rebate. MASP applies a rebate to the market rent to ensure that the rent is affordable to people on low and moderate incomes.

MASP adopts the Department of Families, Fairness and Housing **Rent setting and rebate operational guideline** which provides instructions to use when assessing household income.

The amount of money that a renter pays each week to contribute to the rent for the property is called the weekly rent payment. We use the following base calculation to work out the household's weekly rent payment:

	<b>25%</b> of base assessable household income, for example Newstart Allowance, Parenting Single Pension, Youth Allowance and Wages,
plus	<b>15%</b> family income (if applicable), for example Family Tax Benefit A or B and Clean Energy Supplement Part A and B
plus	<b>100%</b> Commonwealth Rent Assistance (if applicable)
=	<b>Rebated rent</b> – MASP caps the weekly rebated rent payment at 74.99% of the market rent
plus	Additional service charges – if applicable
=	<b>Total weekly rent payment</b>

An example of a weekly rent payment calculation, demonstrating the rental rebate, is provided at Appendix A. More information on assessable and non-assessable household incomes is available from the Department of Families, Fairness and Housing [Rent setting and rebate operational guideline](#).

MASP calculates the weekly rent payment:

- At the start of tenancy;
- Up to twice per year through a rent review process;
- If there are any changes to the household's composition or income.

A renter can ask MASP for a rent review at any time. To enable MASP to assess eligibility for a rental rebate and calculate the weekly rent payment amount, renters must provide proof of income for all members of the household aged 18 years and over when it is requested.

The weekly rent payment calculation is based on total household assessable income received, and the income that all household members are entitled to receive from Centerlink or other statutory authorities, regardless as to whether they claim receipt of the income or not. This includes Commonwealth Rent Assistance (CRA), family tax benefits and part primary pension and benefits. An exception applies where a renter can provide evidence that they are not entitled to a payment. If a Centerlink income has been reduced or cancelled by a Centerlink penalty, MASP will continue to base the calculation on 100% of the Centerlink entitlement.

### 3.5 Service Charges

Service charges may apply to a household where water, heating, laundry that are not separately metered or other utility services or facilities are made available. The service charges are included in the weekly rent payment.

In accordance with the RTA, service charges must not exceed the cost of providing the service or facility to the household. MASP reviews service charges as part of the rent review and gives written notice to renters of any variation.

### 3.6 Changes to Household Income

Renters must inform MASP if their household income or family circumstances change and supplying evidence of the change within 21 days of the change occurring. Changes to a household include:

- An increase or decrease in the income of any member of the household;
- A household member turns 18 years of age;
- A person joins or leaves the household.

MASP will use the information provided to reassess the household’s weekly rent payment. The table below explains when the new weekly rent payment will start.

Outcome of rent review		New weekly rent payment start date
Rent increases *	The renter told us about the change within 21 days	From the billing date after the rent review is completed
	The renter did not tell us about the change within 21 days	From the billing date 21 days after the change occurred up until the effective date of the most recent rent review
Rent decreases	The renter told us about the change within 21 days	From the billing date after the change occurred
	The renter did not tell us about the change within 21 days	

\* There may be exceptions to rent increases for specific time limited programs. Where this occurs, renters will be advised accordingly.

### 3.7 Payment Options

MASP requires rent to be paid two weeks in advance at the commencement of the tenancy and throughout the tenancy. Rent can be paid to MASP through the following methods:

- **Centrepay:** Centrepay is a voluntary billpaying service which is free for Centerlink customers. Centrepay is MASP's preferred method of payment.
- **Internet Banking:** Renters can set up a recurring internet banking transaction using MASP's BSB and account details which are provided with your rental agreement.

### 4. Roles and responsibilities

Role	Responsibility
Director of Corporate Services	<ul style="list-style-type: none"><li>• Oversight and implementation of this policy.</li><li>• Management of MASPs Social Housing Portfolio</li></ul>
Corporate Support & Tenancy Officer	<ul style="list-style-type: none"><li>• Application and adherence to this policy</li></ul>

## 5. Related Documents

This policy is implemented in conjunction with the following related documents:

<b>Policies</b>	<ul style="list-style-type: none"> <li>• Accessibility Modifications Policy</li> <li>• Allocations Internal Policy</li> <li>• Allocations VHR Policy</li> <li>• Bonds Management Policy</li> <li>• Complaints and Appeals (by tenants and prospective tenants) Policy</li> <li>• Eligibility Policy</li> <li>• Inspections Policy</li> <li>• Maintenance and Repairs Policy</li> <li>• Privacy and Information Security (for tenants and prospective tenants) Policy</li> <li>• Property Damage by Tenant Policy</li> <li>• Remediation of Damage Caused by Illicit Substances in Housing Properties Policy</li> <li>• Rent, Arrears Management &amp; Eviction Policy</li> <li>• Supporting Tenants Experiencing Financial Hardship Policy</li> </ul>
<b>Procedures</b>	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
<b>Instructions and Guidelines</b>	<ul style="list-style-type: none"> <li>• Being a Good Neighbour Brochure</li> <li>• Urgent After-hours Repairs Brochure</li> </ul>
<b>Forms and Templates</b>	<ul style="list-style-type: none"> <li>• Condition Report</li> <li>• Residential Rental Agreement</li> </ul>

## 6. Legislation and other References

<b>Related Legislative Acts and other sources of Authority</b>	<ul style="list-style-type: none"> <li>• Housing Act 1983 – Part VIII A Social Housing</li> <li>• Residential Tenancies Act 1997</li> </ul>
<b>Related Standards, Guidelines and other References</b>	<ul style="list-style-type: none"> <li>• <a href="#">Performance standards for registered housing agencies</a></li> <li>• <a href="#">DFFH Victorian Housing Register Operational Guidelines</a></li> <li>• <a href="#">Guidelines for Registered Agencies</a></li> </ul>

## 7. Appendix A – Example of Rent Calculation

Category	Explanation	Amount per week
Market rent	The amount of rent charged per week if the property was rented in the private rental market	\$400
Market rent cap	MASP caps the weekly rent payment at 74.99% market rent (excluding service charges)	\$299.96
Assessable household income	25% of assessable household income is calculated as part of the weekly rent payment. In this example the total household income per week is \$461.05 (Typical total rate Newstart Parenting Payment Single)	\$115.26
Assessable household income	15% of family income. In this example Family Tax Benefit B has been calculated as \$58.73	\$8.81
Plus, Commonwealth Rent Assistance (CRA)	MASP will assess the amount of CRA that the renter is eligible to receive. 100% CRA is included in the weekly rent payment. In this example CRA has been calculated for a single person with 1 or 2 dependants	\$92.47
Rebated rent calculation (Assessable household income plus CRA)	Note, that if this is more than the market rent cap, we will only charge the market rent cap	\$216.54
Rental rebate (Market rent minus Rebated rent calculation)	A rental rebate is the discount between the market rent for the property and the assessed rent based on the household income	\$183.46
Service charges (if applicable)	A service charge includes services provided that cannot be individually metered. In this example it is \$10 per week for gardening services.	\$10
Weekly Rent Payment (Rebated rent calculation plus Service charges)	This is the total rent payment amount that a renter will pay to MASP per week.	\$226.54

\* amounts and values are used for demonstration purposes only, and not accurate figures. Each category will be assessed on your individual circumstances.