COMMUNITY HOUSING
Industry Association Victoria

Rent Setting Guide

Establishing and reviewing rent setting approaches in community housing

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Steps to set a rent policy

Rent is defined under Section 3 of the Residential Tenancies Act 1997 (Vic) (RTA) as *"the amount paid to a residential rental provider by a renter to occupy rented premises and use facilities and services"*.

In the private market, rent is determined by market conditions as the amount that a rental provider will reasonably expect to receive, and a renter will reasonably expect to pay.

In community housing, rent has a dual meaning:

1. **Market Rent** – is what the property could rent for in the private market; and
2. **Income-Based Rent (rebated rent)** - the amount charged to a community housing renter, calculated based on household income, where a rebate is applied as a discount to the Market Rent. This is also referred to as the 'rent payable'.

Rent policies can be complicated because Community Housing Organisations (CHOs) have a wide variety of practices and programs, with different legal and contractual requirements for rent setting in each one. As a result, CHOs must make several choices to create a rent policy.

This guide aims to assist CHOs by providing a step-by-step guide to establishing and reviewing rent setting policies and procedures.

The steps outlined in this guide are:

1. **Define key terms**;
2. **Rent setting compliance requirements** - assess which parameters apply to each program;
3. **Assess Market Rent** - determine the approach for setting "Market Rent";
4. **Confirm if DFFH Property Rents apply**;
5. **Set Market-Based Rent** - determine the approach for "Market-Based Rent" calculations;
6. **Affordability test**;
7. **Define assessable income** - determine what is included as "assessable income";
8. **Income-Based Rent calculations** - determine the "Income-Based Rent" calculation formula;

9. **Service charges vs additional property costs** - determine additional property costs or service charges and how they are applied;
10. **Commonwealth Rent Assistance** – determine how CRA is applied to rent calculations;
11. **Rent reviews –** determine the frequency of rent reviews;
12. **Communicating with renters** – incorporating clear processes to help renters understand their rent;
13. **Complementary policies** - develop associated polices for rent arrears management.

1. Define key terms

A rent setting policy should include a definition of key terms. Common terms include:

KEY TERM	DEFINITION
Assessable income	Household income that is assessable for rent calculation purposes. Relevant income types are detailed in CHO's rent setting policies and/or the DFFH Rent setting and rebate operational guideline - Assessable incomes.
ATO benchmark rent	Market Rent amount set by the Australian Taxation Office under the GST and non-commercial rules - benchmark market values for long-term accommodation.
Commonwealth Rent Assistance (CRA)	An Australian Government subsidy paid to recipients of Commonwealth benefits who rent in community housing or the private market. "Maximum CRA" means the maximum amount of Commonwealth Rent Assistance to which the renter and their household members would be entitled to at the time of the rent assessment.
CRA threshold rent	The relevant rent amount limit for renters eligible to receive CRA as defined by Centrelink.
DFFH property rent	Properties owned by Homes Victoria and leased to CHOs under a General Lease have additional contractual rent setting requirements, including a requirement that rent payable does not exceed the "DFFH Property Rent". Property rent is a figure that is determined by DFFH and notified to CHOs as a ceiling rent.
Income-Based Rent (rebated rent)	Rent that is calculated based on household income. CHOs that are Registered Housing Agencies under the Housing Act can apply a rental rebate. The calculation of rebated rent is referred to as Income-Based Rent.
Income earning household member	Any member of the household who earns an income from any source including, but not limited to, wages, salary, Centrelink benefits, and compensation payments.
Market Rent	The Market Rent of a property is what the property could rent for in the private market.

	There are detailed rules regarding how this can be calculated for taxation purposes. CHOs should take care when using or determining the Market Rent of a property outside an independent market valuation or ATO market value benchmark rates (where applicable).
Market-Based Rent	The maximum/default rent that will be charged for a home. For homes where service charges apply, the service charge will be listed separately and is not included in the Market-Based Rent.
Rental agreement	The Residential Tenancies Act 1997 (RTA) defines different types of agreements that are dependent on the type of premises and legal arrangement, such as a residential rental agreement or rooming house agreement. For the purpose of this policy, all agreements will be referred to as a 'Rental Agreements'.
Rent payable	The amount the renter is required to pay for their home. Rent payable will be the lower amount of Market-Based Rent and Income-Based Rent.
Rent review	An assessment of household income and/or composition, conducted during a tenancy, to align the rent payable by the renter with their current circumstances.

2. Rent setting compliance requirements

There are range of overlapping requirements that CHOs must comply with when setting rents.

Some common requirements are detailed below. This is not an exhaustive list as CHOs may have additional contractual requirements based on their individual funding and/or lease agreements.

REQUIREMENT	DETAILS
ATO	To claim GST concessions (in the form of GST credits) on any property, a charity must charge rent that is less than 75% (74.99%) of the market value of the supply of the accommodation established by either:

	• Market valuations; or • Detailed benchmark market values set by the ATO.
DFFH contracts for THM	Public housing rent. Rent is 25% of assessable income and 15% of family tax benefits, capped at the DFFH Property Rent. Renters are ineligible for CRA so this cannot be charged.
DFFH Guidelines for Registered Agencies	It is intended that renters in Long Term Community Housing properties will have their rents set at levels that are similar to renters in public housing. The maximum rent formula varies depending on whether the renter and their household is eligible for Commonwealth Rent Assistance (CRA) at the time of the rent calculation and does not include service charges recoverable from the renter in accordance with the RTA. The net rent, excluding CRA, must be less than 30% of gross household income.
General Lease	Rent must not be more than the DFFH Property Rent. For CRA eligible renters, rent must be less than: (Assessable Income + 44% of Family Tax Benefits) – 3 x CRA Threshold Rent[1]. For all renters, rent must be less than: 25% of assessable income + 15% of Family Tax Benefits + CRA if applicable.
Housing Registrar Performance Standards	CHOs must have policies and strategies to deliver housing services at affordable rents to low-income renters. The Registrar of registered agencies will monitor the extent to which rent charged is below 75% of Market Rent and between 25% and 30% of tenant income (in compliance with the current affordable rent parameters).
NRAS contracts	Rent cannot be more than 80% of Market Rent as determined by a written assessment conducted by a registered valuer.

[1] This formula is designed to maximise the CRA.

Residential Tenancies Act 1997 (RTA)	Rent increases must not be excessive with reference to Market Rents as assessed by Consumer Affairs Victoria (CAV). CHOs should provide the method by which the Market Rent is calculated when giving notice of a change in Market Rent. Renters have the right to challenge the Market Rent assessment.

3. Assess Market Rent

CHOs need to assess the market value of each property in line with ATO Market Value Guidelines to ensure they are able to claim input tax credits on the expenses associated with the supply of the accommodation.

A supply of accommodation made by a charity is GST-free if the consideration for the supply is less than 75% of the GST-inclusive market value of the supply.[2]

The ATO Market Value Guidelines outline methodologies which allow charities to determine a market value that is acceptable to the ATO, when applying the non-commercial supply rules.

In line with these rules, CHOs may:

1. Use the Detailed Benchmark Market Values provided by the ATO[3]; or
2. Obtain an independent market valuation from a qualified valuer; or
3. Undertake a market valuation procedure based on the ATO Market Value Guidelines.

CHOs may require independent advice to determine the most appropriate method and to make sure the use of that method complies with ATO requirements.

[2] See subsection 38-250 of the *GST Act 1999*
[3] Refer to section 5 for important considerations relating to rent increase notices when using the Detailed ATO Benchmarks

Some relevant considerations are:

VALUATION METHOD	NOTES
ATO detailed benchmark market values[4]	The Long-Term Accommodation Benchmark Market Values are designed to help organisations **where they do not have a market valuation**. Where CHOs have an independent market valuation, they cannot use the ATO Detailed Benchmark Market Values. The Detailed long-term accommodation tables provide detailed benchmark market values for different types of long-term accommodation in different locations. These values may increase or decrease from year to year depending on market conditions and should be reviewed when preparing each relevant tenancy agreement to ensure that the values being utilised are accurate. The detailed benchmark market values published at the time a tenancy agreement is entered into, can apply for the duration of the agreement. Tenancy agreements should be regularly reviewed to ensure that they do not exceed the 75% Market Rent threshold requirement due to changes to the detailed benchmark market values.
Independent market valuation	An independent market valuation from a qualified valuer allows CHOs to outsource the valuation work to a suitably qualified professional. CHOs retain the onus for providing a replicable and defensible valuation. CHOs must ensure the valuer: • Is suitably knowledgeable and experienced; • Receives appropriate engagement instructions; • Remains objective; • Is not presented with obstacles or limitations that inhibit their work; and • Provides a reasonable market value that is supported by credible evidence using an appropriate recognised valuation methodology.

[4] Note: **The transitional benchmark values cannot be used after 30 June 2023.** CHOs need to use the Detailed long-term accommodation tables (or one of the other options outlined in this section).

	CHOs should document all aspects of the valuation process and retain records. If a CHO has obtained an independent market valuation that is: • Less than four years old - they can undertake a CPI adjusted market valuation to determine the value of supplying the accommodation, instead of obtaining a new independent market valuation; • More than four years old - a new independent market valuation is required if the CHO will continue to utilise independent market valuations. Where the independent market valuation is provided by a government body (i.e. the Valuer General), CHOs should utilise and consider these to be independent market valuations.
Market valuation	CHOs do not have to obtain a professional valuation by a licensed valuer. They can apply the market valuation procedures themselves based on ATO guidelines if they have the internal resources to do so. To determine the market value of a supply, CHOs must apply the following successive tests: • Work out whether the same supply exists within the market they operate in – referred to as the 'same supply test'; • If no 'same supply' exists, then work out whether a similar supply exists within the market – referred to as the 'similar supply test'; • If no 'same supply' or 'similar supply' exists, seek approval from the Commissioner of Taxation to use another methodology to calculate the market value of the supply. The CHO will need to provide detailed reasonings, records and other supporting documents to use its own valuation methodology. These are successive tests for working out the market value and are required to be documented and applied in the order listed above. They are not alternative tests. If a CHO identifies a 'same supply' in the market, the price charged by this other supplier is the market value of the supply. The CHO cannot then calculate the market value of the supply it makes by reference to the second or third tests. If choosing this market valuation approach, CHOs will need to:

	• Retain accurate records of comparable/similar types of accommodation and the rent/fees charged; • Retain advertising materials and related materials of the accommodation supplied and the rent charged; • Undertake research and reviews of same or similar types of accommodation and the rents charged; and • Document the process used to determine the market value by way of minutes, resolutions or book of accounts. Where a CHO has self-determined the market value of the accommodation supplied, it may be scrutinised by the ATO if the valuation methodology is incorrect, imprecise, incorrectly documented or, is not reflective of the market value.
DFFH Property Rent valuation (General Lease properties only)	**Note: This valuation method only applies to properties owned by Homes Victoria and leased to CHOs under a General Lease.** There are sufficient grounds to rely on the DFFH Property Rents as a market valuation method. The benefits of utilising the DFFH Property Rents as a market valuation are the significant reduction in administration burdens and costs to CHOs in preparing their own market valuations. Where CHOs are of the view that the DFFH Property Rent valuations do not accurately reflect the Market Rent for the property, and that they have details of a more accurate Market Rent for the property that would satisfy the market valuation guidelines as provided by the ATO (including ATO Detailed Benchmark Market Values), and as outlined in the Rent Setting Guide, it would be prudent for CHOs to rely upon the more accurate market values. Refer to sections 4 and 5 of this guide for further considerations in relation to DFFH Property Rents.

4. Confirm if DFFH Property Rents apply

Properties owned by Homes Victoria and leased to CHOs under a **General Lease** have additional contractual rent setting requirements, including a requirement that rent payable does not exceed the "DFFH Property Rent".

DFFH Property Rent is determined by DFFH and notified to CHOs as a ceiling rent. The Homes Victoria Long Term Community Housing Leasing Guidelines sets out the rules for rent setting, including a formula for assessing the maximum rent that the rent payable must not exceed.

It is important to note that the rent payable must not exceed 100% of the DFFH Property Rent, but there is no contractual requirement to use the DFFH Property Rent valuations to determine Market-Based Rent.

This means that CHOs may choose to use an alternative valuation method and do not need to rely on DFFH Property Rent as the valuation figure (subject to the considerations outlined above in section 3).

However, where DFFH Property Rent valuations are relied upon as the valuation method, CHOs must ensure that the Market-Based Rent is set below 75% of the DFFH Property Rent valuation to meet ATO requirements.

The process for determining the Market-Based Rent ceiling that is the lower of the DFFH Property Rent and 75% of the Market Rent is outlined in the next section.

5. Set Market-Based Rent

"Market-Based Rent" refers to the highest amount of rent chargeable to renters for any particular property. This term helps reduce renter confusion as they receive a simple figure for the maximum rent for their home.

Market-Based Rent can be set as the **lower** of the following two amounts:

- 74.99% of the Market Rent (as calculated under section 3); or
- 100% of the DFFH Property Rent (if applicable, see section 4).

Theis Market-Based Rent figure is the ceiling amount that appears under the "rent" section of a residential rental agreement or notice of rent increase and **the rent amount payable by the renter must not exceed this figure**.

Generally, Market-Based Rent will be discounted. It will only be charged where:

- The renter/resident does not provide their household income details to enable an Income-Based Rent calculation;
- The renter/residents' Income-Based Rent calculation exceeds the Market-Based Rent.

Where CHOs rely on the ATO detailed benchmark market valuation method (as described in section 3), it is important to be mindful of the RTA provisions related to excessive rents.

Even where the renter will not be required to pay the Market-Based Rent, renters may still apply to Consumer Affairs Victoria (CAV) to request they carry out an investigation in line with s45 of the RTA to assess if the rent increase is excessive. Following such an investigation, Victorian Civil & Administrative Tribunal (VCAT) may make an order under s47 of the RTA, declaring the rent to be excessive and require a reduction in rent.

In carrying out an investigation, CAV advise that they use the similar supply test and adjust based on the property size, conditions and amenities (including the supply of utilities).

In the unlikely event that the lower of the two values above (74.99% of Market Rent and 100% of DFFH Property Rent) results in a Market-Based Rent that may be excessive, a further reduction should be applied accordingly.

Market Rent increase notices

When preparing to issue rent increase notices for Market-Based Rents CHOs should also be mindful of the requirements under s44 of the RTA to: "include the method by which the rent increase was calculated".

Rent increase notices should provide the renter enough information to form an opinion as to whether or not the proposed rent increase is reasonable, and whether the rent being proposed is excessive.

CHIA Vic has obtained and shared legal advice on these requirements. For a copy of this advice, please contact leadingpractice@chiavic.com.au.

6. Affordability test

If a household rent defaults to 74.99% of ATO Detailed Benchmark Market Rent Values, CHOs should complete a further affordability test to protect against the unlikely event that a Market Based Rent is charged that exceeds the true market rental value for any home.

This check is to ensure all homes are rented at affordable and appropriate rents once a discount is removed and can be achieved by ensuring procedures include a trigger to complete a "similar supply test" for rents that default to 74.99% of ATO Benchmark Market Rent Values.

7. Define assessable income

CHOs calculate Income-Based Rent for renters based on a percentage of the gross (pre-tax) assessable household income, plus Commonwealth Rent Assistance (CRA).

To make this calculation, CHO rent setting policies should clarify what income is "assessable" and what income is "non-assessable".

CHOs may be contractually required to apply the [DFFH Rent setting and rebate operational guidelines](). This sets out the types of income assessed at the rate of 25%, the types assessed at 15%, and the types that are not assessed for rental calculations.

If the DFFH Rent setting and rebate operational guidelines do not apply, CHOs may still choose to use them, or to set their own parameters for assessable and non-assessable income types. CHOs must ensure that their own parameters are clear and transparent for renters.

8. Income-Based Rent Calculations

CHOs that are Registered Housing Agencies under the Housing Act 1983 can apply a rental rebate. In this guide we refer to the calculation of rebated rent as "Income-Based Rent".[5]

The formula to determine Income-Based Rent should be clear and comply with the rent-setting parameters for the portfolio.

Most community housing rents are charged using the following formula:

X% of Gross Household Income

+ Y% of Family Payments

+ 100% of Commonwealth Rent Assistance

= Income-Based Rent

For the purpose of this formula:

- X is usually 25 but, in some cases, may be a figure between 25 and 30.
- Y is usually 15 but this may vary for properties that are not owned by Homes Victoria.
- Gross Household Income is all income apart from Family Payments and non-assessable income.[6]
- Family Payments are payments provided for the care of dependents, including Child Support Payments and Family Tax Benefit payments.

[5] Note: CHOs that are not registered as Housing Associations or Housing Providers may be unable to apply a rebate and may need to use a different method. Please contact CHIA Vic to further advice if this applies to your organisation.

[6] See Section 7 for discussion of what may be included as income.

- Non-assessable income are payments provided for a specified purpose that are not taken to be income.

CHO rent processes should always check the Income-Based Rent calculations against the Market-Based Rent calculation to ensure that renters are charged the lower of the two values.

If CHOs are calculating Income-Based Rent, the "rent" is shown on the rental agreement is the **Market-Based Rent amount**. The Income-Based Rent (i.e., the rebated rent that is actually payable) and eligibility for that discount can be provided in a separate document.

Example:

- Market-Based Rent is $400 per week - amount listed on the rental agreement is $400 per week.
- Income-Based Rent is $260 per week - Income-Based Rent and eligibility details should then be provided in a separate document at sign up.

9. Service Charges vs Additional Property Costs

Some properties provide facilities and utilities (such as water, central heating, laundry or utility services). This usually occurs where these facilities or utilities cannot be separately metered. Residents would usually pay these costs themselves, in addition to rent.

CHOs can incorporate these costs in two different ways, by:

- Incorporating them into the rent calculation; or
- Charging them as a separate 'service charge' under s57 or 109A of the RTA. This 'service charge' is only available if the property is managed under the RTA's residential tenancies provisions or meets the criteria in s19(3)(b) of the RTA (i.e. a declaration by the Minister of Housing under section 19(2) or (3) of the RTA is in place, declaring a building containing rooms for less than four residents, OR one or more self-contained apartment/s to be a rooming house). Where properties don't meet these requirements, and instead only meet the definition of a rooming house under s3 of the RTA, a service charge cannot be charged.

Further details on each approach are outlined below.

In a recent VCAT decision, a community housing provider incorporating additional charges into rental calculations was found to be doing so invalidly. The decision creates some ambiguity as to how these charges should most appropriately, clearly and fairly be structured.

CHIA Vic has obtained legal advice that should be considered by members when assessing their approach to recovery of costs for services and facilities that aren't separately metered.

This advice can be requested via email to leadingpractice@chiavic.com.au.

Additional Property Costs

If the CHO chooses to incorporate Additional Property Costs into the rent calculation, the advantages of this method are:

- Simple calculation for residents;
- Certainty for residents about the rent due for at least 6 months (12 months if rent reviews are annual). There are no regular fluctuations, as with a service charge;
- Simple rent administration for CHOs, especially when taking rent arrears cases to VCAT.

Another consideration is that the Income-Based Rent plus the Additional Property Costs cannot exceed Market-Based Rent. This means that the full cost of providing these services may not be recouped where capped at Market-Based Rent.

To clearly signal that these are additional property costs, *not* a service charge under s57 or s109A of the RTA:

- The term 'service charge' should not appear anywhere in policies or materials given to renters/residents.
- The property cost should not be itemised.

Example:

- Market-Based Rent is $400 per week – amount listed on the rental agreement is $400 per week.
- Income Based rent is $260 per week.
- Additional property costs are $40 per week.
- As additional property costs are factored into the subsidy calculation, a rental discount of $100 is applied.
- Rent payable is $300. The rent payable amount and eligibility details should then be provided in a separate document at sign up.

Calculating Additional Property Costs

Additional Property Costs can be calculated across multiple buildings or for each building. The table below outlines the considerations for each calculation method.

CALCULATED ACROSS MULTIPLE BUILDINGS	CALCULATED INDEPENDENTLY FOR EACH BUILDING
Additional Property Costs are charged may be greater than the costs per	Residents may be penalised due to uncontrollable factors relating to the allocation process, for example:

resident accrued in their own particular building.	• No control of over the property they are allocated; • Could be allocated to a property vacancy that is not energy efficient, has higher common area cleaning or lighting costs, or has a more 'wasteful' collection of fellow residents. The above points raise an equity argument for saying that Additional Property Costs should be spread across a program.
The collective utility usage patterns of the residents of that building will not have much effect on the Additional Property Costs they will incur.	Collective energy saving behaviours could reduce the Additional Property Costs charged. An individual's charge depends on the collective behaviour of others in the building. There are good equity arguments for doing this either way.

Service Charges

If the CHO chooses to charge a separate service charge (and are eligible to do so), the advantages are:

- Costs are more transparent for residents/renters;
- Fluidity to increase charges in response to increasing costs.

The charges are not capped at Market-Based Rent, as the service charge is separate to rent. This ensures the full cost of providing services can be recouped by the CHO.

Considerations for CHOs about service charges:

- A service charge must not exceed the actual costs to the CHO of providing these facilities and utilities;
- Income-Based Rent plus Service Charges can exceed Market-Based Rent. However, this must not exceed the rent for a similar room/apartment in a similar building, in a similar location, in the private rental market that provides the same facilities and utilities;
- Where a service charge is applied, it should be based on each building and not averaged across the portfolio. A service charge that is calculated by averaging the costs of multiple buildings may be challenged at VCAT;

- Such charges can be trickier to administer, and unpaid service charges need to be recovered separately to rental arrears at VCAT.[7]

Example:

- Market-Based Rent is $400 per week – amount listed on the rental agreement is $400 per week.
- Service Charge is $40 per week – amount shown in the additional terms (Part E) of the rental agreement.
- Income-Based Rent is $260 per week.
- Income-Based Rent amount and eligibility details are attached as a separate document.
- Rent payable is $260 per week plus the separate $40 Service Charge (i.e., resident will pay $300 per week).

Note: The rent statement (and any arrears notices) must show the rent and service charge amounts separately.

10. Commonwealth Rent Assistance (CRA)

Unlike public housing renters, community housing renters who receive Centrelink are eligible for Commonwealth Rent Assistance (CRA), except for programs such as Transitional Housing.

CRA is a non-taxable income supplement payable by Centrelink to eligible Centrelink recipients who rent private or community housing.

There is an interrelationship between rent charged by CHOs and the CRA. CHOs calculate rent to include 100% of CRA payments, and Centrelink calculates CRA payments using a formula based on the amount of rent charged. This prevents the use of a simple rental formula to including 100% of CRA. As a result, rent calculators are built into most tenancy software to assist with this calculation.

The amount of CRA renters are eligible to receive are available on the Services Australia website: How much Rent Assistance you can get - Rent Assistance - Services Australia.

Rates are dependent on household type and the rent amount they pay.

[7] If a service charge is not paid, recovery requires a general application to VCAT under s452 of the RTA, which would need to be made alongside any VCAT application based on rental arrears.

Services Australia will adjust the amount of Rent Assistance renters receive when the rent they pay increases or decreases, or when household circumstances change.

Calculating CRA for renters on JobSeeker and Youth Allowance

For most income types, the rent amount payable calculated will generate the maximum rate of CRA.

When calculating CRA for renters on very low Centrelink incomes, such as Jobseeker or Youth Allowance, CHOs will need to ensure that they do not factor in a higher level of CRA than renters are eligible to receive.

Some CHOs may make the policy decision not to collect the full CRA payment amount that very low-income recipients are eligible to receive. For rents that incorporate Additional Property Costs, this can be achieved by adding the additional property costs after the CRA amount is applied, resulting in a lesser amount of CRA being charged to the renter.

11. Rent reviews

Rents are set at the beginning of every tenancy and regularly reviewed. CHOs need to set clear processes and timelines for reviewing Income-Based Rents. CHIA Vic recommends reviews every 6 or 12 months.

CHOs should provide renters with clear information and ample opportunity to provide income details to complete an Income-Based Rent calculation.

Where renters do not provide the requested information, rents should default to the Market-Based Rent amount.

If household income:

- Increases between set rent-review dates, CHIA Vic recommends only increasing Income-Based Rents at the time of the scheduled 6/12 month review.
- Is reduced between rent reviews, a review should be provided for appropriate Income-Based Rent for the household based on their reduced income, to ensure rents remain affordable at all times.

12. Communicating with renters

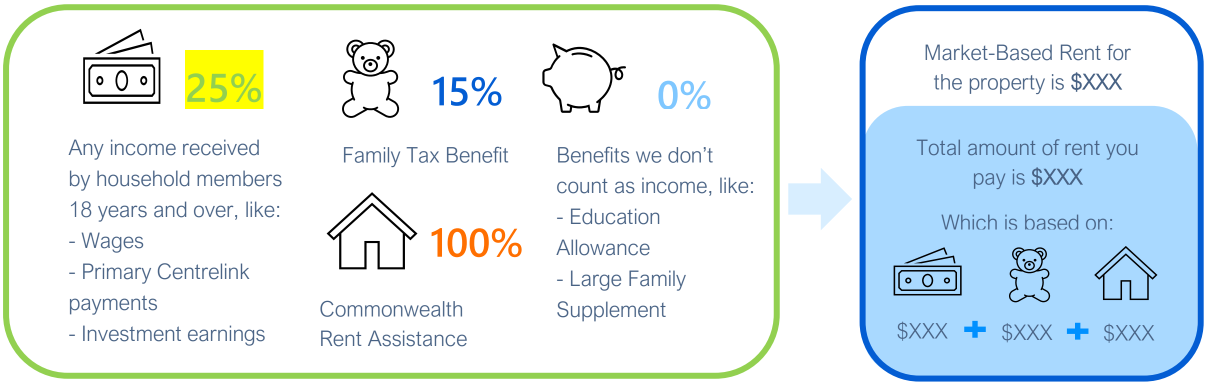
A rent setting policy should incorporate a commitment and strategies to help ensure renters understand how their rent is calculated.

CHIA Vic has developed an “Explaining Rent” guide to support CHOs to provide information to renters about how their rent is calculated.

The guide was developed in consultation with renters and encourages CHOs to communicate proactively, regularly and using illustrative diagrams.

An example from the guide showing how rent can be expressed in an infographic is provided below.

Infographic Example:



It may also be helpful to break down the components of rent into a table to provide renters. An example of this is provided below.

Detailed Subsidy Calculation:

	Description	Amount
A	Market-Based Rent (the maximum/default rent that will be charged before a rebate is applied)	$675.00
B	25% of primary income	$239.85
C	15% of family income	$61.64
D	100 % of Commonwealth Rent Assistance (CRA)	$221.20
E	Additional Property Costs (a subsidy adjustment based on utilities that aren't separately metered)	$30.00
F	Rebate (the discount from the Market-Based Rent above)	$122.31
G	Income-Based Rent (the amount you pay per fortnight) (This is calculated using the amounts above (25% of your income + 15% of Family Income) + 100% CRA + Additional Property Costs).	**$552.69**

13. Complementary policies

CHOs should implement complementary policies that support the rent setting policy, including for rent arrears, financial hardship and ending tenancies. CHIA Vic have template polices, practice guidance, and assessment tools that are available through the CHIA Vic Member Hub Tenancy Resource Library.

CHOs should also develop rent setting procedures that govern how tenancy management staff implement the directives set out in the rent setting policy.

CHIA Vic have a suite of other rent resources for CHOs, including a rent setting resource explainer guide, practice guides, template letters, infographics and a template rent setting policy, all of which can be adapted as required to meet specific organisational needs.

Should you have questions or comments on the information in this guide, please contact CHIA Vic by emailing leadingpractice@chiavic.com.au.