

RENT SETTING POLICY

1. Why we need this policy

- 1.1 Launch Housing is a registered Community Housing Provider, regulated by the Victorian Housing Registrar.
- 1.2 Launch Housing delivers affordable housing to low-income renters.
- 1.3 The purpose of this policy is to detail how rent is determined for Launch Housing renters and provide clear and accessible information to renters for determining and managing rents.

2. Who this policy applies to

- 2.1 This policy applies to renters in all Long-Term, Transitional Housing Management (THM), Head Lease, and Affordable Housing properties owned or managed by Launch Housing.
- 2.2 This policy applies to Launch Housing staff managing these properties.

3. Which Launch Housing properties this policy applies to

- 3.1 Launch Housing owns and manages a range of properties under various housing programs.
- 3.2 Rent charges vary as shown in the following table:

Housing type	Description	Rental charges
Long-Term Social Housing properties	Community housing, including those within scope for the Victorian Housing Registrar (VHR).	30% (excl. General Lease) of gross income, 15% of Family Tax Benefit (FTB), maximum Commonwealth Rent Assistance (CRA), plus utility costs where applicable.
General Lease properties	Properties owned by Homes Victoria that Launch Housing manage.	25%-30% of gross income, 15% of FTB, plus maximum CRA.
Transitional Housing Management (THM) properties	Short to medium term transitional properties managed on behalf of the Department of Families, Fairness and Housing (DFFH).	25% of assessable household income, 15% of FTB.
Head Lease properties	Properties leased by Launch Housing in the private market that are then sublet to a Launch Housing renter.	Ranges from 25% of gross income up to 100% of market rent, 15% of FTB, plus maximum CRA.
Affordable Housing properties	Affordable Rental Housing, including housing designed for key workers, moderate income households	30% of gross household income or 74.9% of the properties market rent, whichever is lower.

- 3.3 This policy does not apply to the following housing programs managed by Launch Housing:
 - i. Crisis Supported Accommodation that is not Transitional Housing;
 - ii. Education First Youth Foyers;
 - iii. properties managed by HomeGround Real Estate.

4. What this policy includes

4.1 Policy overview

- 4.1.1 This policy details how rent is determined for Launch Housing renters, specifically:
 - i. How rent is calculated;
 - ii. What information renters need to provide;
 - iii. Renters’ rights and responsibilities in relation to rent;
 - iv. How rent can change;

- v. What happens if renters miss paying rent.

4.2 Guiding principles

- 4.2.1 Launch Housing sets rent to fulfil its social mission and to ensure that its housing is affordable for renters.
- 4.2.2 Launch Housing will determine the following before a tenancy offer is made:
 - i. rent that applies to the property; and
 - ii. the affordability of rent is appropriate and sustainable for that household.
- 4.2.3 In applying this policy Launch Housing will ensure:
 - i. Rent is set in accordance with established affordability benchmarks;
 - ii. Communication to applicants and renters on how rent is set and reviewed is clear and made available in a variety of formats;
 - iii. Changes in household circumstances are responded to appropriately to prevent undue hardship;
 - iv. Where tenancies are at risk, support will be provided as early as possible to attempt to rectify any issues;
 - v. Consistent, fair, and accountable processes are followed, and renters are provided with information about processes that impact their tenancy;
 - vi. Issues are responded to in a person-centred and respectful manner, and consider any factors that may be impacting on the safety or wellbeing of renters and their families;
 - vii. Compliance with the Residential Tenancies Act 1997 (Vic) in relation to rent;
 - viii. All contractual, legal, and regulatory duties are met.

4.3 Communication

- 4.3.1 Launch Housing will provide clear information to renters on how their rent has been determined and inform renters of their right to have their rent calculation reviewed:
 - i. At the start of the residency/tenancy;
 - ii. At regular intervals during the residency/tenancy;
 - iii. Upon request.
- 4.3.2 To assist renters to feel confident and in control of their renting experience, Launch Housing will ensure that:
 - i. Renters understand their responsibility to report changes to their income and household circumstances;
 - ii. Renters understand their right to request reviews of how their rent was calculated or set;
 - iii. Launch Housing communicates with renters when their rent, or this policy, might change;
 - iv. Launch Housing helps renters to understand this policy.

4.4 Market-based rent

- 4.4.1 'Market-based rent' is the amount a similar property in the same suburb would rent for in the private market.
- 4.4.2 The initial market-based rent of the property is shown on the residential rental agreement.
- 4.4.3 Market-based rent is reviewed once every 12 months.
- 4.4.4 If the market-based rent for the property changes because of a review, Launch Housing will advise the renter by sending a notice of rent increase.
- 4.4.5 The market-based rent can change without impacting the income-based rent payable. If any change does impact the rent payable, Launch Housing will outline it clearly in communications with the renter.

4.5 How Launch Housing calculates the amount of rent payable (income-based rent)

- 4.5.1 Launch Housing looks at:
 - i. How much income household members over 16 years old receive before tax (gross income); and
 - ii. Calculates the amount of rent payable each fortnight based on a percentage of that income.
- 4.5.2 There are certain types of income that are not assessed in the rent calculation, for example, AusStudy loan or Carers Allowance. See [here](#) for a full list of the types of income that are included in the rent calculation. Renters have the right to request a review of this calculation at any time.
- 4.5.3 All renters have the right to ask Launch Housing to review their rent calculation and to provide a further explanation of how the amount they pay was reached.

4.6 Providing information about household income

- 4.6.1 Renters and applicants must provide to Launch Housing reasonable evidence that establishes their total household income when requested by Launch Housing:
 - i. Before being offered a tenancy with Launch Housing; and
 - ii. When Launch Housing carries out the annual rent review / determines rental subsidies; and
 - iii. If the renter's household income or family circumstances change at any time.

4.7 What happens if renters don't provide their household income information?

- 4.7.1 Income details are required for Launch Housing to assess eligibility for a reduction to the market-based rent amount.
- 4.7.2 If income details are not provided, the discount cannot be determined, and the market-based amount will be charged.

4.8 Additional property costs for some properties

- 4.8.1 Launch Housing may charge additional property related costs for some shared services and facilities including:
 - i. Electricity;
 - ii. Gas;
 - iii. Water;
 - iv. Central heating;
 - v. Laundry;
 - vi. Other services or facilities made available to the resident or renter.
- 4.8.2 Additional property costs are identified and specified at the time of setting total rent and are reviewed annually.

4.9 How rent can change

- 4.9.1 Rent payable can change:
 - i. Annually, during rent reviews;
 - ii. When income or household-circumstances change;
 - iii. When funded programs end and subsidies are no longer available.

4.9.1.1 How rent can change during regular rent reviews

Rent is reviewed regularly to make sure the amount renters pay is still a good fit for their income.

- i. Rent is reviewed once every 12 months and can be more if there are changes in circumstances, i.e., decrease or increase in income to ensure fair rent settings.
- ii. Launch Housing will advise renters in writing before the next rent review happens.

- iii. Renters must provide Launch Housing with the required documentation for an accurate income assessment when requested. If these documents are not received, renters can be charged the full market-based rent.

4.9.1.2 How rent can change when a renter’s household income or circumstances change

If a renter’s household income or composition changes at any time, the renter must advise Launch Housing and provide evidence of the change.

Renters must inform Launch Housing within 21 days if:

- i. Change of income: Getting or stopping a job or receiving more or less money from Centrelink.
- ii. Change of household: A household member is moving in or out. This may affect the household income, or the discount to market-based rent eligibility.

4.9.1.3 What happens next when rent is assessed based on changes above?

While the rent amount payable might change, rent will remain affordable, and can never exceed the market-based rent amount.

If a renter’s household income increases or decreases, the household income will be reassessed. The rent payable will be recalculated and made effective from the date the renter advised Launch Housing of the change to income occurred based on the documents provided.

Permanent decreases to income will be reassessed, subject to the property program and the financial or contractual requirements.

During a rent review, where a renter does not provide income details, the household rent will default to market-based rent.

If a renter subsequently provides information about reduced household income after a rent review, changes will only take effect on and from the date the renter contacted Launch Housing and provided reasonable details of the household income.

4.9.2 If renters miss paying rent

Renters must pay rent on time, or they will be in breach of their rental agreement. Repeated breaches could put the tenancy at risk as per Launch Housing’s *Rent Arrears Policy*.

4.9.3 There are options if renters have difficulty paying rent.

Launch Housing will work with renters to understand their rental payment challenges and how they might be addressed. Renters should speak to Launch Housing if they are concerned that they won’t be able to make their next rent payment or their rental debt (see Launch Housing’s *Hardship and Temporary Absence Policy*).

5. Who is responsible for this policy

Who is responsible	Key activities
Launch Housing	<ul style="list-style-type: none"> • Communicate to renters their rights and responsibilities in relation to rent. • Work with renters to understand how their rent is calculated, payment challenges, and how they might be addressed.
Renters	<ul style="list-style-type: none"> • Pay rent on time. • Provide requested income documentation for rent assessments. • Speak with Launch Housing if you are concerned that you won’t be able to make your next rental payment or rental debt. • Advise Launch Housing of changes in circumstance, including change of income and change of household.

APPENDIX: ADMINISTRATION

6. Definitions

Term	Definition
Assessable Income	Household income that is assessable for rent calculation purposed. Relevant income types are detailed on the DFFH Rent setting rebate operational guideline – Assessable incomes .
CRA	Commonwealth Rent Assistance – financial help to eligible people receiving a Centrelink payment who pay rent and are not public housing renters.
DFFH	Department of Families, Fairness and Housing.
DFFH Rent Setting Guidelines	The DFFH Rent Setting and Rebate Operational Guidelines are used by Launch Housing staff to assess the income of renters.
Financial hardship	An ongoing state of financial disadvantage which results in a renter being unable to pay rent without affecting their ability to meet their basic living needs.
FTB	Family Tax Benefit – financial help to eligible families to support their income.
Gross Household Income	Total household income before tax.
HGREA	HomeGround Real Estate. Launch Housing’s social enterprise real estate agency.
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 (Vic)</i> and gazetted Performance Standards. The Performance Standards represent the standard of operation required of registered agencies. 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.
Market Based Rent	The market rent of a property is what the property could be rent for in the private market. The maximum/default rent that will be charged for a home.
NRAS	National Rental Affordability Scheme - an Australian Government initiative to increase the supply of affordable rental dwellings.
Renter	Refers to a person/s renting a property. Renter is the term that applies to residents under the <i>Residential Tenancies Act 1997 (Vic)</i> .
Subsidy 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.
THM	Transitional Housing Management. A DFFH funded housing program.
VHR	The Victorian Housing Register, the state-wide common application for people seeking community and public housing.

7. Related Launch Housing Policies

Document name	Description
Allocation of Long-Term Housing Policy	Details how Launch Housing makes allocations to vacant properties in their long-term housing portfolio.
Client / Renter Feedback, Complaints and Appeals Policy	Details Launch Housing’s policy and process for managing feedback, complaints and appeals made by clients, renters and stakeholders.
End of Tenancy Policy	Details Launch Housing’s arrangements, processes and considerations for ending tenancies.
Hardship and Temporary Absence Policy	Details how Launch Housing aids renters experiencing significant financial hardship.
Rental Arrears Policy	Details Launch Housing’s approach to managing a tenancy when a renter falls behind in their regular rent payments
Tenancy Transfer Policy	Details how Launch Housing manages requests for transfers including eligibility requirements. It also sets out how Launch Housing initiates management transfers.

8. Legislation

This policy meets the following legislative requirements:

Name	Description
Charter of Human Rights and Responsibilities Act 2006 (Vic)	Legislation that protects 20 civil, political, and cultural rights and imposes obligations on Parliament, courts, and public authorities.
Housing Act 1983 (Vic)	Legislation for housing law, which seeks to improve housing administration in Victoria.
Residential Tenancies Act (Vic)	Legislation that regulates the rights and obligations of landlords and tenants in Victoria.

9. Regulatory / accreditation standards

This policy meets the following regulatory and/or accreditation requirements:

Standard	Standard reference
Housing Registrar Performance Standards	Standard 1: Tenant and housing services (Determining and managing eligibility, allocation, and termination of housing assistance)
Service agreements	Legal agreements between Launch Housing and the Director of Housing relating to the Victorian Housing Register and funding programs.

10. Amendments to this Policy

This policy may be amended, terminated or replaced at Launch Housing's discretion. This policy will be reviewed, and updated as required, on a periodic basis.

In the event any related State or Commonwealth legislation changes, the legislation/directions will prevail to the extent of any inconsistency with this policy.

Amendments			
Date last approved:	11/10/2024	Date of effect:	11/10/2024
Date last amended:	02/10/2024	Date of next review:	11/10/2026
Owner:	Group Manager, Housing Services	Approver:	Executive Director, Housing Solutions
Audience:	Renters in all Long-Term, Transitional Housing Management (THM), and Head Lease properties owned or managed by Launch Housing, and staff managing these properties.		

11. Version Control

Version	Effective Date	Amended by	Approved By	Amendment
V1.0	March 2019	General Manager, Keeping Housing	General Manager, Keeping Housing	First Version
V2.0	29/03/2021	General Manager, Keeping Housing	General Manager, Keeping Housing	As per RTA changes March 2021; Changed DHHS to DFFH
V3.0	11/10/2024	Group Manager, Housing Services	Executive Director, Housing Solutions	Updated as per the changes to the RTA amendments