

Rent Setting Policy Procedures (Nesti)

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Introduction

The following Procedures are to be implemented to enable Nesti Housing to meet the policy objective of defining Nesti Housing's approach to assessing and setting rents and bond..

These Procedures should be read in conjunction with all relevant Nesti Housing Policies and Procedures and, in particular, the ***Rent Setting Policy***.

Procedures

Rent Setting

- Social Housing and Affordable Rental rents will be determined consistent with the Department of Communities Community Housing [Rent Setting Policy](#).

Maximum Rent

- Rents are a sum of the percentage of a tenant's income and CRA entitlement. If that total exceeds the Market Rent amount for the property at the point at which a Rent Assessment or review is completed, the Tenant will be charged the Market Rent amount (not the higher amount).

Bond

- Where applicable, bond is calculated as the cost of four weeks' rent and should be paid upon tenant sign-up. Applicants may request to pay their bond in instalments and sign a repayment agreement, and Nesti Housing will assess these requests on a case-by-case basis.
- All bonds will be lodged with and held by state Bond Authorities until such time as a tenancy ends and the customer vacates the property.
- A key deposit is also charged. The key deposit will be returned when a vacating tenant returns the full set keys or swipe cards to Nesti Housing.

- Any bond amount paid will be released, minus any amount owing or applicable deductions, following the vacation of the property and the end of a tenancy as per state legislative requirements.
- In the case of a tenant transferring to a different Nesti Housing property, the existing bond may, in some circumstances, be transferred to the new tenancy and property. If this occurs, all amounts owing, or applicable deductions relating to the previous property and tenancy, remain payable by the customer. Should the bond amount on the new property be more than the original bond held, the customer will be required to pay the difference which will be lodged with and held by the relevant state Bond Authority.

Utilities Charge

- As well as Rent, Nesti Housing charges tenants a fee for use of utilities at the property at which they reside. Where a property is not separately metered, the charge is calculated according to the total cost of utilities used at the property, over the last 12 months. This figure is divided by the number of rooms at the property, divided by 52. This gives a weekly charge for each room.
- Tenants have a legal responsibility to pay the rent and utilities charge due every fortnight, for the fortnight ahead; and
- pay other charges, such as charges for utilities or tenant liability damage charges, when they receive an invoice for them.

Social Housing

- For tenants occupying social housing, rents will be charged at 25% of income, plus Commonwealth Rent Assistance payment. For clarity social housing tenants are considered to be Band A as defined in the Department of Communities policy.

Affordable Rental

- For tenants occupying affordable rental, generally higher income households, rents may be charged at 30% of income, plus any applicable Commonwealth Rent Assistance payment. For clarity social housing tenants are considered to be Band B as defined in the Department of Communities policy.

Supported Accommodation

- For tenants occupying supported accommodation housing, rents for individual tenants and households will be set based on the Program guidelines. Where applicable, Nesti Housing or its support partner will provide specific details on rent charges for individual tenants or households.

Ineligible Tenants

- Any tenant who no longer meets Nesti Housing's eligibility requirements may be charged market rent.

Market Rent

- On an annual basis, we will determine a "Market Rent" for each property. This market rent will reflect the rent charged for a similar property in the local market and will be the maximum rent payable on the property. Consistent with its tax status, Nesti Housing may elect to cap the Market Rent charged on individual properties at a maximum of 74.9% of the assessed Market Rent.

Rent Assessment Process

- At the time of occupation, we will undertake an assessment of the tenant's household income and financial circumstances to determine:
 - (a) The tenant's eligibility for rent;
 - (b) The level of rent to be charged to the tenant.

Rent Review

- To ensure the tenant's rent remains affordable and that the tenant remains eligible for housing assistance, we will undertake a review of the tenant's household income and financial circumstances on at least an annual basis. This review will coincide with the anniversary of the commencement of their tenancy and six-monthly reviews may be undertaken where regular changes of income are likely.
- As part of the review, the Tenant will be asked to give current proof of income for all household members within a reasonable amount of time.
- Once the current income details have been provided, we will reassess the rent and advise the tenant in writing of the new rent.
- The new rent will apply on the next rental period. If a tenant does not provide us their household income details by the due date, we will be unable to determine the tenant's ongoing eligibility and may charge market rent.
- Tenants may request a Rent Review at any time and Nesti Housing will undertake that review.
- Nesti Housing may review the Rent earlier than every six months if a tenant's assessable income has changed.
- Tenants are given 28 days' notice of any increase in their rent.

Changes in Household Income or Make up

- When there is a change in household income or to the number of people in the household, the tenant's rent may change.

- Tenants must notify us within 14 days when their household income changes or the people in the household change. We will then ask for proof of income for the household and review the rent amount within 14 days of getting the new income details.
- Tenants must give Nesti Housing details of their income when requested, so that Nesti Housing can review their Rent.
- For tenants who advise Nesti Housing, outside of a Rent Review process, that their household income has increased due to the securing of employment, Nesti Housing will provide a transition period of up to 2 months before increasing the rent payable if they are on an income-based rent.

Proof of Income

- Proof of Income Documents must be original and include:

Type of Income	Acceptable Proof of Income
Income from Centrelink or Veterans' Affairs	Income Statement from Centrelink or Department of Veterans' Affairs
Wages/Salary	Payslips, a letter, or statement from the employer showing the person's gross wage, tax, deductions, pay period and details for the person. The documents must show the income for a period of 4 weeks.
Self employed	Profit and loss statement completed by an accountant or taxation return.
Income from an overseas government, Workcover or insurance company/agency	Letter or statement from an overseas government, Workcover, or an insurance company showing any money paid.
Income from investments	Letter or statement from a finance or investment company showing any amounts paid from investments.
Other	Letter from another company or agency not listed above showing the type and amount of money paid to them.

Rent Arrears and Customer Debt

- Nesti Housing will work very closely with tenants during the first three months of tenancies to build a relationship of trust and respect, establish regular rent and tenancy related payment practices so that all tenants are always 2 weeks in advance. This will continue for any tenants who have been identified as experiencing financial difficulties or tending to fall into arrears.

- Nesti Housing will communicate with tenants quickly to act on minor arrears as it recognises that prevention strategies are more effective than reacting to issues once they develop.
- For arrears 3 days and over, Nesti Housing will advise via phone to the tenant/guardian that the account is in arrears and offer ways to remedy.
- For all arrears over 14 days with no repayment plan in place Nesti Housing will issue a formal written notice to the tenant/guardian requiring that the arrears be cleared within a specified period of time. Should this fail to occur, Nesti Housing would undertake remedial action (refer to the Nesti Housing 'Tenancy Management Policy').
- Nesti Housing understands that non-payment of rent is one of the primary issues that can place pressure on the sustainability of the tenancy.
- Nesti Housing will work closely with tenants and/or their supports to ensure continuity of payment in changing circumstances, for example, in cases where there is hospitalisation, residential respite or treatment stays and/or short-term imprisonment, rent can still be collected and paid by electronic methods, including Centrepay or Direct Debit.
- Nesti Housing manages all customer debt with discretion in accordance with operating procedures.
- Nesti Housing is committed to ensuring tenants are empowered to access support and develop strategies and payment agreements that increase their financial confidence.

Concise Summary of Key Changes Made in This Review of Document

This is a new Policy.

Monitoring, Review, and Evaluation

This procedure document will be reviewed every three years. However, if at any time the legislative, policy or funding environment is so altered that this document is no longer appropriate in its current form, the document shall be reviewed immediately and amended accordingly. This process will include:

- Ad hoc review and evaluation of current practices
- Periodic self-assessment
- Internal Audits
- External Audits

Nesti Housing will record and monitor the progress of any improvements identified and feed into service planning and delivery processes.

Breaches of the Rent Setting Policy Procedures

Any breaches of the Rent Setting Policy Procedures could constitute a possible act of misconduct. Reference is accordingly made to Nesti Housing Employee Discipline and Termination Policy which outlines the relevant processes that may be followed if misconduct is suspected.

Authorisation Template

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