

## LODGING & SHARED HOUSING – RENT AND BOND POLICY

### Purpose

This policy explains:

- how Foundation Housing sets and reviews the rent;
- what bond Foundation Housing charges and why.

It also covers the responsibilities Foundation Housing residents have and gives details of the support we offer.

### Definitions

**Applicant** means a person applying for accommodation in one of Foundation Housing's lodging or shared housing rooms.

**Resident** means a resident living in one of Foundation Housing's lodging or shared housing rooms.

**Market rent** is the amount the room would cost in the open market.

**Maximum rent** is 74.9% of the market rent and is generally the most rent Foundation Housing charges for a room. Utilities are added onto the rent to make up the total cost of a room.

**Rent** means the rent Foundation Housing charges a resident.

**Utilities charge** means any charge for using gas, water, or electricity.

**Commonwealth Rent Assistance (CRA)** is a non-taxable supplement payment that Centrelink pays to those who are eligible to help them pay their rent.

**Bond** is a payment an applicant makes in advance to cover any costs for which they, as a resident, may be responsible for at the end of the residency.

**Consumer Price Index (CPI)** is a measure of the changes in the cost of common goods and services. If the CPI for the year increases, this means it is more expensive to purchase common goods and services than it was a year before.

### Policy

#### Foundation Housing's commitment

Foundation Housing will apply this policy in an open, honest, and supportive way.

Foundation Housing will:

- help Applicants and Residents get income details from Centrelink;
- act quickly on rent reviews if a Resident's income has reduced; and
- tell Applicants and Residents how to claim CRA.

## **How Foundation Housing sets the rent**

Foundation Housing calculates the rent for a room based on a Resident's income, the type of room, and any entitlement to CRA. We charge rent based on a percentage of the Resident's net income (income after tax has been paid), plus any entitlement the Resident may have to CRA. The percentage of income we use depends on the type of room the Resident lives in.

We will not generally charge more than 74.9% of the market rent, plus the cost of utilities.

When working out the rent, we take into account income from sources including the following:

- Aged Pensions,
- Disability Pensions,
- Carer Payments,
- Service Pensions from the Department of Veterans' Affairs,
- Widow Pensions,
- Newstart Allowances,
- Parenting Payments,
- Youth Allowances,
- Abstudy,
- Austudy,
- Family Tax A and B,
- Maintenance payments,
- Earned income, Business income,
- Income from investments, and
- Foreign pensions.

Veterans' Affairs Pensioners will need a full statement of income and assets.

## **Utility charges**

As well as rent, we charge for utilities Residents use at the property. Because there are no separate meters in the properties, we work out these costs based on the total cost of utilities used for the property, adjusted for CPI. We then divide this figure by the number of rooms in the property divided by 52. This gives a weekly charge for each room.

## **Review of rent and utility charges**

We review all the rents for our lodges and shared houses twice each year (currently March and September). We have the right to increase the rent more often but will ensure rent increases will not be less than six months apart. We give Residents 28 days' notice of any increase in their rent.

We review market rents in July each year and set the maximum rent for the room for the forthcoming financial year based on that review.

We review the utilities charge every 12 months and give Residents 14 days' notice of any change. We set the charge each year based on the cost of utilities at the property over the preceding 12 months, adjusted for CPI.

### Residents' responsibilities

When we ask, Residents must provide us with all details of their income, so that we can review their rent.

Under Foundation Housing's Licence to Occupy, Residents have a legal responsibility to:

- pay the rent due every fortnight, for the fortnight ahead; and
- pay other charges, such as charges for utilities or any damage they have caused, when they receive an invoice for them.

### Bonds

The bond for our lodging and shared housing rooms is \$100. Applicants / Residents must pay the bond at the room sign-up meeting.

We also charge a \$50 key deposit (which Applicants or Residents must also pay at the sign-up meeting). The key deposit will be returned when a Resident returns the full set of keys or swipe cards (or both) for the room to us.

### Right of appeal

If an Applicant or Resident does not agree with any of our decisions or actions, they can appeal under our Appeals Policy.

### Related documents LS\_RentSetting\_2\_PRO LS\_Arrears\_1\_POL

Information sheet –How we review your rent

Information sheet – How we set your rent (Lodging)

### Process of Policy Development / Review

Approving	CEO	
Date of	March 2018	
Next	April 2020 for biannual review	
File name		
Document History		
Date	Changes	Auth
October	Initial approval	Unknown
March 2018	Review, legislation and position updates	Christabel Seneque

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