Bellorana
Limited

RFBI Group Policy Scope (Scope Policy)

1. Purpose

The purpose of the Scope Policy is to establish that all policies within the Royal Freemasons' Benevolent Institution Group ("the Group") apply across all entities within the Group. This ensures consistency, alignment with the Group's strategic objectives, and adherence to legal and regulatory requirements across the entire group.

2. Scope

The Scope Policy covers all policies within the Group, including but not limited to those related to governance, risk management, compliance, finance, human resources, operations, and information technology. The scope extends to:

- All companies (Royal Freemasons' Benevolent Institution, RFBI Concord Community Village & Bellorana Limited) within the Group.
- All employees, officers, directors, contractors, and other stakeholders who are governed by the Group's policies.

3. Applicability

All policies within the Group are applicable to every entity within the Group.

4. Policy Review

Review to this policy will be conducted from time to time, for example when legislative changes occur that require such review, or at scheduled review dates.

5. Authority

This policy is authorised under delegation by:

Frank Price

Chief Executive Office

Affordable Housing Rent Policy

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1. Policy Statement

This Policy provides information and guidance as to how Royal Freemasons' Benevolent Institution (RFBI) calculates and charges rent for the affordable housing rental properties it owns and manages. It details how rents and any associated fees or costs are set, charged, collected, reviewed and managed.

2. Scope

The Policy is relevant to all applicants, tenants and former tenants of the RFBI affordable housing rental portfolio. This Policy applies to all RFBI staff with delegated authorities for rent management within the Affordable Housing Program. The Board of RFBI has oversight of this Policy.

3. Policy

The RFBI takes into account the affordability of rents for tenants, and the viability of the organisation in the development and application of this **Affordable Housing Rent Policy.** RFBI uses a discount to market rent approach to determine rents charged for its affordable housing properties. People who are eligible to become tenants in these properties have very low to moderate incomes. More details on eligibility can be found in the **RFBI Affordable Housing Eligibility Policy.**

The **RFBI Affordable Housing Rent Policy** provides information concerning rent management practices to tenants and applicants which is clear, consistent, fair and accurate.

RFBI ensures that all personal information collected from tenants and applicants to enable the calculation and charging of rents is maintained as confidential and private.

Records of individual rent management decisions made for tenants are accurately maintained to demonstrate compliance with regulatory and legislative requirements.
Tenants can appeal decisions made by RFBI relating to rent calculations and charges.

4. Definitions

Affordable Housing: Affordability of housing varies according to household circumstances. Rental housing is generally considered affordable if it costs 30% or less of gross household income.

Market Rent: this is the cost to rent the property in the private rental market. RFBI uses appraisals by local Real Estate Agents to determine the market rent for a property at the commencement of a new tenancy or to review rent settings.

Discounted Market Rent: RFBI charges 70% of the market rent for its affordable housing properties. This represents a discount of market rent.

Commonwealth Rent Assistance (CRA): This is a rental supplement paid by the Commonwealth Government to eligible people who rent in the private market or in community or affordable housing whose rents are above the minimum threshold. More information about eligibility and payment levels for CRA can be found at: https://www.servicesaustralia.gov.au/rent-assistance

Rental Bonds: A rental Bond is paid by a tenant to the landlord at the commencement of the tenancy. The Bond provides some security to the landlord in the event there is a breach in the Tenancy Agreement by the tenant. Bond money is lodged with NSW Fair Trading and is refunded at the end of a tenancy if the rent is up to date and there are no tenant damages to the property. RFBI charges incoming tenants four weeks discounted market rent as a Bond.

Tenants: The tenant is the occupant of the rental property who signs the Residential Tenancy Agreement with the landlord and is legally responsible for rent payments and meeting other tenancy obligations.

5. Rent Calculations:

Tenants are charged a discounted market rent for their affordable housing property.

At the commencement of a tenancy, RFBI arranges for a local Real Estate Agent to provide market rent appraisals for the size and type of unit to be allocated to an affordable housing applicant. The rent charged to the tenant is calculated as 70% of market rent for that property or what would be similar in that location.

6. Rent reviews:

For current active tenancies, every year on the 30 June, rents are adjusted based on Sydney CPI series as maintained by the Australian Bureau of Statistics (Series ID A2325806K). The percentage change between the CPI index number in each June quarter compared to the CPI index number in the previous June quarter is applied to the base market rent and used to adjust weekly discounted rents charged to tenants.

RFBI aims to complete its rent reviews within 28 days of the end of the financial year. In accordance with the NSW Residential Tenancies Act 2010, tenants are given 60 days' written notice of rent increases and the date from which the increased rent applies. This notice may be by email, letter or SMS notification.

7. Payment of rent

Payments of affordable housing rent to RFBI are made fortnightly or weekly in advance. Tenants can pay by direct debit or Centrepay, using their unique tenancy identification number. For tenants unable to use Centrepay, a direct debit option is available.

8. Commonwealth Rent Assistance (CRA)

Commonwealth Rent Assistance (CRA) is a rental supplement paid by the Commonwealth Government to eligible people who rent in the private market or in community or affordable housing whose rents are above the minimum threshold. RFBI will assist new tenants with accessing CRA by providing relevant documentation of the tenant's rent charges. Tenants eligible for receiving CRA from Services Australia can utilise this supplement to offset their rent payments to RFBI.

9. Rent Accounts and Record keeping

All tenants of RFBI have a rent and non-rent account set up for them in the Tenancy Management System. Each account has a separate unique tenancy identifier which is used to make payments. The Rent Account tells the tenant the status of their rent payments, and is issued to the tenant periodically by email. If a tenant is in arrears, more frequent rent statements will be issued.

Non-rent accounts are sent out periodically to tenants to provide advice concerning other charges, such as tenant damage, key replacement, water usage etc.

Water consumption charges are levied based on a flat fee of $5 per tenant charged weekly; or in accordance with metered charges for properties with separate water meters. See RFBI Affordable Housing Water Charging Policy for more details. The $5 per tenant flat fee will be reviewed when usage data is available after the first year's operation of the property and adjusted accordingly.

If any tenant is having difficulty paying the rent fortnightly; or paying non-rent accounts issued periodically; the tenant should contact RFBI staff so that suitable repayment arrangements can be negotiated.

10. Bonds

At the commencement of a tenancy, RFBI requests payment of a compulsory bond of four weeks rent. Bonds are lodged with NSW Fair Trading and are refunded at the end of a tenancy if the rent is paid up to date and there is no damage to the property.

If any tenant is having difficulty paying the bond the tenant should contact RFBI staff so that suitable repayment arrangements can be negotiated.

11. Managing Rent Arrears

RFBI is committed to supporting sustainable tenancies by regular monitoring of tenant rental payments to enable early intervention if rent arrears occur. Ongoing contact with any tenant in arrears is handled by the Tenancy Manager.

Where a tenant is in arrears for more than one fortnight, RFBI may offer assistance to the tenant by scheduling repayments to address the rent arrears.
If intervention by the Tenancy Manager to manage arrears is not successful, and no effort has been made by the tenant to negotiate a payment plan or no repayment had been made (according to the payment plan) by 4 weeks; steps will be taken to apply to the NSW Civil and Administrative Tribunal (NCAT) to resolve the matter by applying for a Specific Performance Order or applying for an order of Termination to terminate the tenancy.

Where the tenant has not responded to a Performance Order, a further application will be made to NCAT for a tenancy termination.

12. Financial Hardship Policy

In times of financial hardship, RFBI will make every effort to support sustainable tenancies through short term repayment plans or periods of reduced rent.

The RFBI Board or Executive has discretion to vary the rents charged to individual tenants and households if it is considered that support is required to assist a tenant who is in need.

Similarly, the RFBI Executive or Board can make out of guidelines decisions about the start date for rents or arrears repayments to be charged.

RFBI will try to support those tenants experiencing financial hardship to remain in housing. The level of financial hardship and the circumstances surrounding the hardship will be assessed and strategies put into place to support tenants, e.g., consideration could be made to not increasing the rent or allowing rent repayment plans. RFBI will ensure tenants are referred to appropriate financial counselling services if needed.

13. Minimum Rents

In certain circumstances RFBI may be able to set minimum rent at five dollars a week ($5.00) for a tenant, where a tenant:

- Is not eligible for Centrelink benefits, for example, because they are in custody,
- Enters a nursing home, rehabilitation centre, correctional centre, respite care, refuge (or other safe place) and they are required to pay for that accommodation.

In order to access minimum rent, tenants must substantiate the claims by submitting the appropriate documents as evidence. Minimum rents are only for periods of one month at a time up to a maximum of three months (12 weeks).

14. Appeals concerning affordable housing rent decisions

If a tenant believes that RFBI has made a wrong decision in relation to rent calculations, or rent reviews, a formal review of the decision should be requested. To do this, the tenant should request a first-tier review of the decision, stating why they disagree with the decision.

If the tenant is not satisfied with the outcome of the first-tier review, they can request a second-tier appeal. See **RFBI Affordable Housing Appeals Policy** for further details.

15. Confidentiality and Privacy

All tenant and household details are confidential and are kept secure and protected from unauthorised access or use. Any tenant or household information is not released to third parties without prior written consent or approval of the affected person or agency that holds the information.

The Privacy of information about tenants and households is managed by RFBI consistently with the requirements of the Privacy and Personal Information Protection Act 1998 (NSW).

Related Policies and Legislation

- RFBI Affordable Housing Eligibility Policy
- RFBI Affordable Housing Allocations Policy
- RFBI Affordable Housing Tenancy Management Policy
- RFBI Affordable Housing Water Charging Policy
- RFBI Affordable Housing Appeals Policy
- NSW Residential Tenancies Act (2010)
- NSW Affordable Housing Ministerial Guidelines
- Housing Act 2001 (NSW)
- Privacy and Personal Information Protection Act 1998 (NSW)

Policy Review

Review of this policy and procedures will be conducted from time to time, for example when legislative changes occur that require such review, or at scheduled review dates.

Authority

This policy is authorised under delegation by: Frank Price Chief Executive Officer