

PURPOSE

Evolve Housing Vic Limited (EHVL) manages housing in accordance with policy guidance set out by Victorian Department of Families, Fairness and Housing (DFFH) and Housing Victoria as needed. Housing Vic provides assistance to registered community housing providers in Victoria to supply subsidised rental accommodation to people on very low to moderate incomes and people with additional needs.

POLICY REFERENCE	VHS021.1
POLICY OWNER	General Manager, Resident Services
APPROVED BY	Evolve Housing Ltd CEO
APPROVAL DATE	1 Mar 2022
REVIEW DATE	1 Mar 2025

RENT (SOCIAL HOUSING) POLICY

1. SCOPE

This policy applies to all Tenants, Residents, ex-residents and applicants of EHVL.

2. POLICY STATEMENT

EHVL is committed to providing affordable social housing.

EHVL requires all Tenants living in a Property owned or managed by EHVL to pay rent on a weekly basis.

Market rent is the maximum amount of rent a landlord or real estate agent would charge each week if the Property were rented in the private market. For the purposes of calculating Market rent EHVL uses the following:

- where the DFFH Guidelines apply:
 - the rent value the Property could attract in the private rental market determined by a qualified independent valuer or from data on market rents of comparable properties which is publicly available;
 - market rent figures provided by Homes Victoria.
- where the DFFH Guidelines do not apply, EHVL may calculate Market rent using the following:
 - property valuations and current trends in the private rental market;
 - median rent information provided by Homes Victoria;
 - the geographical location;
 - the size and design of the Property;
 - each Property has similar features.

This means the market rent of our properties will be comparable to similar properties in the private rental market.

2.1 Market rent

Market rent will be shown on the Residential Tenancy Agreement signed between the Tenant and EHVL and will be the maximum amount of rent payable for that Property at the commencement of the Tenancy Agreement.

Rental subsidies can be applied for by the Tenant submitting a completed Rent Subsidy Application to EHVL and providing their current income details and that of all other household members.

Leasehold properties, leased by EHVL from the private market, have the actual rent set for the Property at the time of signing the agreement between EHVL and the Landlord or agent. Market rents for this type of Property will be reviewed and updated when the actual rent paid by EHVL changes.

When a Tenant's market rent changes, EHVL will notify the Tenant in writing in accordance with the requirements of the Residential Tenancies Act 1997.

2.2 Rent and bond payments

At the commencement of the Tenancy Agreement, the process of rent payment will be explained to the Tenant. The rent may be paid either weekly or fortnightly. Tenants will be required to pay two weeks subsidised rent in advance at the time of signing their Tenancy Agreement together with a bond lodgement of two weeks subsidised rent.

2.3 Rent Setting

For properties managed by EHVL which are not subject to rent setting policies established by the Victorian Government, EHVL sets rent at:

- Up to 30% of the household income; plus
- 100% of Commonwealth Rent Assistance (CRA); and

- Any other service charges in accordance with the Residential Tenancies Act 1997, such as the water charge.

For properties managed by EHVL which are subject to rent setting policies established by the Victorian Government, EHVL sets rent in accordance with the DFFH Guidelines.

3.5 Proof of income

To determine the eligibility of a Tenant for a rental subsidy, EHVL requires proof of income for the Tenant, their spouse or live-in partner (even if they are under 18 years) and other household members aged 18 years or over.

Individual rental assessments will only be varied against the agreed formula with the approval of the Operations Manager. Such approval of variation will only be given in extenuating circumstances or on compassionate grounds.

- All stated income must be verified by the income supplier. Such verification must be in writing and copies will be kept by EHVL on the Tenants' personal file.
- All documentation verifying a householder's income must be dated. Such documentation will be current and will not be accepted by EHVL, if dated more than one month prior to the date an application for rental assessment is made.
- Additional proof of income may be required by EHVL where there is a difference to a household's standard income, for example, a household not receiving the standard Centrelink income.
- Clients are required to sign an applicable Centrelink consent authority form/sat the time of signing a Tenancy Agreement, to enable EHVL to obtain the Tenant's income details electronically.
- The onus is on the Tenant to provide verification of their income within a reasonable period to substantiate a decrease in their income.
- Any changes to a household income must be reported to EHVL within 28 days.

3.6 Assessable household income

For properties managed by EHVL which are subject to rent setting policies established by the Victorian Government, assessable and non-assessable household income is calculated in accordance with the DFFH Guidelines.

Where the properties managed by EHVL are not subject to the DFFH Guidelines, EHVL may calculate assessable household income that is included in the calculation of a Tenant household's rent payment under this policy.

3.7 Self-employed Tenants

Tenants who are self-employed will need to supply proof of their income that will independently verify any level of income stated.

3.8 No income

It is expected that tenants should access all Centrelink and other benefits available to them where they are not employed including Commonwealth Rent Assistance. Where a household member is not accessing a Centrelink benefit or pension they are entitled to receive, their household income will be assessed as if they were receiving the income they are entitled to claim via Centrelink. This is known as imputation of income for the purposes of assessing rent.

3.9 Income from wages and salaries

The household members must produce copies of their past 3 months payroll advice. Wages and salaries may be verified with employers when deemed necessary.

3.10 Failure to supply income details

Tenants' who fail to supply details of their household composition and verification of household income, prior to the due date for return of the required information, will no longer be eligible for a rental subsidy and may be required to pay the market rent for the Property. In such circumstances, the Tenant will receive a final warning, in writing advising that:

- The rent will increase to the market rent value, effective immediately;
- Market rent will commence at the expiry of the previous rental subsidy;
- Any decision to approve backdating of a rental subsidy will be only granted in exceptional circumstances.

3.11 Rent payment using Centrelink deductions

Tenants who are in receipt of a Centrelink payment may choose to join the Centrepay Deduction Scheme. The Tenant will present a completed, prescribed, Centrelink application to EHVL, who will arrange rent deduction payments with Centrelink.

3.12 Rent payment using PayWay card

Tenants who are not in receipt of a Centrelink payment are entitled to a PayWay card, which will enable a Tenant to make rent and non-rent payments at any post office.

Other methods of payment are:

- BPAY, from a bank account using the BPAY Biller Code and Reference;
- Online with a credit card, visit www.payway.com.au;
- Through any Australia Post outlet using cash, cheque or EFTPOS;
- Direct debit by visiting www.payway.com.au and registering.

Where a Tenant makes non-rent payments, e.g. water usage, a separate deposit must be lodged to that of the rent payment. In circumstances where the Tenant has consolidated rent and non-rent payments in the one deposit, the total amount must be appropriated to the Tenant's rental account.

Such consolidated deposits may only be appropriated to a non-rent account where EHVL is in receipt of a clear, signed agreement by the Tenant of such appropriation.

3.13 Rent and income review

EHVL will review the amount of rent paid by a Tenant.

- A general income and rent review will be undertaken twice yearly.
- Tenants will be advised in writing, of the outcome of the review.
- The level of rent paid will be recalculated in accordance with the requirement set out below.
- EHVL will reassess the rent level for a Tenant, upon being notified by the Tenant that the household income has changed.

The date for a rent decrease will be the same date as the date EHVL was notified of the change in the Tenant's household income and all of the required information was provided by the Tenant within 28 days.

Where the Tenant has a genuine reason for having been unable to or having not provided the required information immediately at the time of the decrease in assessable household income, consideration may be given to backdating the decrease in rent to the time of the change in assessable household income.

3.14 Effective dates for rent charges

If there is a change to a Resident's household income and it increases or decreases, the Resident must advise EHVL and provide EHVL with particulars of the change. If a Resident advises of an increase to household income during a weekly rent cycle, the increase in rent would generally not occur until the start of the next fixed rent period. If the total household income decreases, then the adjustment to the rent will be made from the date EHVL receives all necessary documentation to evidence the decrease (but will only

be backdated for a maximum of 26 weeks).

However, a Resident must notify EHVL of the change and confirm the change to the rent with EHVL before the adjustment is implemented.

3.15 Fluctuations

Where a Tenant's income varies and it is not considered feasible to consistently change the Tenant's rent assessment, it is possible to average the Tenant's income over a six month period for the purposes of rent assessment.

3.16 Minimum rent

The minimum amount of rent a Tenant will pay is five dollars (\$5.00) per week unless the Tenant is 100 years of age or older. This will generally occur where a Tenant or household member enters a nursing home, rehabilitation centre, respite care, refuge (or other safe place) or are in custody and they are required to pay for that accommodation.

- Tenants must substantiate all claims for the minimum \$5.00 per week rent;
- Minimum rents are only for periods of one month at a time up to a maximum of three months (12 weeks);
- Any extension of time must be approved;
- If the period is in excess of three months, the Tenant should be requested to surrender their tenancy.

3.17 Assessing less than a statutory rate

EHVL will assess people who receive an income that is less than the JobSeeker Payment (or other benefit to which they would otherwise be entitled), as though they receive the appropriate statutory benefit for their age and household composition, including Commonwealth Rent Assistance (CRA). This includes people who receive wages or salaries, or who are self-employed.

3.18 Assessing a reduced statutory income

In some instances, a Tenant or household member receives no statutory income, or a reduced statutory income, because they:

- Have chosen not to apply for an income to which they are entitled;
- Receive a JobSeeker Payment, have not sought work and have become ineligible for further payments for a specified period;
- Have received compensation or other lump sum payment, or Centrelink deems them to have sufficient resources, and Centrelink expect the person to use those resources for living expenses;
- Have breached Centrelink requirement or are repaying a Centrelink debt.

In these situations, EHVL will assume that a Tenant or household member receives a statutory income and will base the rent calculation on the statutory payment to which that person would otherwise be entitled including Commonwealth Rental Assistance (CRA).

EHVL has the right to reject an application for rental subsidy if the Tenant or household member does not have income continually for a period of 12 months.

3.19 Assessing a 100-year-old Tenant

Tenants who are aged 100 years or older are eligible for a subsidy to reduce their contribution to the weekly payment to nil. These subsidies have no end date. The subsidy is automatically applied when the Tenant turns 100.

3.20 Assessing a refugee

A household member who is a refugee will be assessed for the purpose of a rental subsidy at \$5.00 per

week. Every three months EHVL will review the \$5.00 rent assessment and ask the Tenant to provide an update from the Immigration Department on the refugee status.

3.21 Assessing a sponsored migrant

A household member that is a sponsored migrant and is not receiving an income may be entitled to a subsidy which reduces the household member's share of the rent to nil. If the sponsored migrant is in receipt of any benefits or any other income, then he or she is not eligible for a subsidy and this income is included in the rent setting assessment.

3.22 Checking assessments

The assessment of all (100%) rental subsidies will be checked and approved by a second officer from within the Rent Review Team. Approval will be noted on the assessment retained by EHVL.

3.23 Failure to declare income

Under the Residential Tenancy Agreement, EHVL has the right to seek termination of a Tenancy Agreement through the Victorian Civil & Administrative Tribunal (VCAT), if there is a substantiated breach of the Agreement. Only VCAT can determine that a Tenant has breached an agreement.

3.24 Notification to Tenants

Tenants will be notified in writing of any changes in their assessed rent, including a copy of the rental assessment.

Where the assessed rent results in an increase in the rent payable by the Tenant, EHVL will ensure any action taken to increase the Tenant's rent does not breach the relevant provisions of the Residential Tenancies Act.

3.25 Legislation and compliance

EHVL is able to charge rent in accordance with the provisions of the *Residential Tenancies Act 1997*.

3.26 Appeals and reviews of decisions

Tenants who may have concerns about the fairness or transparency of a decision or action taken by EHVL are encouraged to discuss the matter with their Housing Manager in the first instance. The next step, if the Tenant still believes EHVL has made an incorrect decision, is to lodge a formal appeal of the decision.

3. DEFINITIONS

- Appeal – a disagreement by a Resident or Applicant for social housing, with a decision made by EHVL that affects their tenancy or their application for housing, and which the Resident or Applicant has requested be reviewed.
- Commonwealth Rent Assistance - a non-taxable income supplement payable to eligible people who rent in the private rental market or community housing.
- DFFH Guidelines – means the ‘Rent Setting and Rebate Operational Guidelines Overview October 2021’ and the ‘Rent Setting and Rebate Operational Guideline Assessable Incomes October 2021’ as amended from time to time.
- Non-rent Charges - any charges that are not rent, for example water charges or charges to repair damage to Property. Non-rent Charges are paid separately to rent.
- Property – the Property or residential premises described in the Residential Tenancy Agreement between the Landlord and the Tenant.
- Resident – a person who resides on a permanent basis in a Property which is owned or managed by EHVL under a Residential Tenancy Agreement (includes a Tenant).
- Residential Tenancy Agreement (or Tenancy Agreement) – a written agreement between a Landlord and a Tenant, which governs the terms on which that Tenant occupies the Property described in the Agreement
- Social Housing – is secure and affordable rental housing for people on low incomes with housing needs. Public Housing is owned and managed by the Victorian State Government through Housing Vic and the Director Housing. Community Housing is managed by non-government organisations such as EHVL.
- Tenant – a person who signs the Residential Tenancy Agreement with EHVL and who has certain rights and obligations under that Agreement.
- Victorian Civil & Administrative Tribunal (VCAT) - an independent Victorian statutory body which resolves a wide range of disputes including tenancy and other residential Property issues. VCAT decisions must be followed and are enforceable.

4. RELATED RESOURCES

- EHVL Complaints Management Policy
- EHVL Rental Bonds Policy
- EHVL Tenant Employment Support Scheme (TESS) Policy
- *Residential Tenancies Act 1997 (Vic)*

This policy is subject to change from time to time at the discretion of EHVL.. If you have any specific questions regarding this policy, please contact EHVL on 1800 693 865 or email your enquiry to myevolve@evolvehousing.com.au.

5. VERSION CONTROL

VERSION	Date Approved	Author	Key Changes
1.0	1/03/2022	GAL	Policy adopted