

## 1.0 PURPOSE AND SCOPE

This policy establishes the approach of EACH Housing (EHL) in determining the reviewing and setting of rent applicable to owned or managed properties, under all relevant programs.

## 2.1 POLICY STATEMENT

### 2.2 Approach to rental affordability – guiding principles

EHL provides affordable housing, safe and secure accommodation for people who are marginalised.

Accordingly, EHL is committed to the following:

- Setting rent that balances affordability for renters and financial viability for EHL.
- Fairness and transparency in rent setting and rent reviews.
- Provision of clear and accessible information to renters about rent setting and rent reviews.
- Assisting and supporting renters experiencing financial, or other hardship.
- Complying with its contractual, legal, and regulatory obligations relating to affordability of rent.

EHL provides subsidised rent to fulfill its social mission, and to ensure that its community housing relieves households from rental stress.

### 2.3 Determining the approaches to affordable rent

EHL will determine the approach to rental subsidy that applies to the property or tenancy prior to an offer of a tenancy being made to the applicant.

In determining the approach that applies to a property or tenancy, EHL will comply with legal and contractual obligations that may apply to a particular property.

EHL will not offer a tenancy to an applicant for housing unless it is satisfied that the approach to the affordability of rent, is appropriate and sustainable for that household.

As a rule, renters pay rent which is calculated as a percentage of their gross household income, or 75% of the market rent of the property, whichever is less.

Rent charges are set at a market rent. EHL then provides a rebate, based upon household income so that rent is affordable, and properties are accessible to people on low incomes.

EHL applies different approaches to determining rental subsidies (rebates) in its housing programs.

These are listed as follows:

Program	Description	Rent
Director of Housing (DoH) owned and leased to EHL.	Long Term Community Housing properties, leased to EHL under a general lease agreement with DoH.	Rent is calculated at 25% of accessible income plus CRA. Rent is capped at 75% of Market Rent.
EHL/EACH Owned/Managed Community Housing	Long Term Community Housing properties either owned by EHL or leased to EHL from EACH.	Rent is calculated at 25% (min) to 30% (max) of assessable income plus CRA. Rent is capped at 75% of Market Rent.
EHL/EACH SDA Owned/Managed Housing	Specialist Disability Accommodation owned and managed by EACH/EHL for people eligible under the NDIS scheme.	Rent is calculated at 25% of accessible income plus CRA. Rent is capped at 75% of Market Rent.

## 2.2.2 Household-income based rent subsidy (rebates)

This is determined as:

- 25% to 30% of Gross Household Income plus
- 15% Family Payments plus
- Maximum Commonwealth Rent Assistance (CRA)

All general income is considered assessable when determining the rebate. All general income is considered assessable when determining the rebate. Specific purpose payments are generally not included in the calculation of rebate. Please refer to DHHS Rent setting and rebate operational guidelines. [Rent setting and rebate operational guideline assessable income - DHHS Service Providers \(dffb.vic.gov.au\)](https://dffb.vic.gov.au/rent-setting-and-rebate-operational-guidelines)

- Rebates are available to eligible renters, based on household income
- Rebates can only be assessed if renters make certain information available. Based on the information available, the renter will be offered a rebate based solely on eligibility, not on compliance with the lease.
- If no information is available, no rebate can be calculated or offered.

### 2.2.2.1 Commonwealth Rent Assistance

Commonwealth Rent Assistance is a rent subsidy from Centrelink that is available to some renters. Based on information provided by an applicant, EHL will determine whether the applicant is eligible, and the amount of CRA payable. Where the renter is eligible, the CRA amount payable is added to the rent payable.

## 3.1 Provision of information about household income

In order to determine a rent subsidy, renters and applicants are obliged to provide to EHL with requested evidence that establishes their total household income when requested by EHL:

- before being offered a tenancy with EHL; and
- when EHL carries out a rent review / determines rental subsidies.

EHL may increase a renter's rent payable to Maximum Rent / refuse to provide a rental subsidy, if the renter does not provide the information within the timeframe required. If a renter subsequently provides information about household information after a rent / rental subsidy review, changes will only take effect on and from the date the renter contacted EHL and provided reasonable details of the household income. EHL may agree to back-date changes in rental subsidies in circumstances where EHL determines that the hardship provision of this policy applies.

### **3.1.2 Determining the Property Rent that applies to a property**

To determine the Property Rent that applies to a property, EHL will generally carry out an independent open market rent valuation of all properties every three years.

EHL may also from time to time adjust Property Rents based on a review of publicly available data on market rents for comparable properties.

### **3.1.2.3 Communication**

EHL will provide renters and applicants with a clear and transparent explanation as to how their rental subsidy has been calculated and inform renters of their right to have their rental calculation reviewed.

## **4.0 Reviews of calculation of rent payments**

Review of household incomes and rebates are conducted every 12 months, when there is a change in household circumstances, or at renter request.

Proof of income of all household members is required to calculate the rebate assessable amount. If a household does not provide proof of income, no rebate will be provided, and market rent will be charged.

All general income is considered assessable when determining the rebate. Specific purpose payments are generally not included in the calculation of rebate. Please refer to DHHS Rent setting and rebate operational guidelines. [Rent setting and rebate operational guideline assessable income - DHHS Service Providers \(dffh.vic.gov.au\)](https://www.dffh.vic.gov.au/assessable-income-dhhs-service-providers)

If a household member has an irregular income, the income should be assessed by averaging the income over 12 weeks. Documentation covering all income over the twelve (12) week period prior to the rental agreement sign up/ income review is required.

Failure to provide proof of income may result in any rental rebate being removed and the market rent for the property being charged.

If a household member is eligible to receive a Centrelink payment, the rebate will be calculated as if that payment is being received, regardless of whether the household is receiving that income, or not. Renters are encouraged to apply for all the payments they are entitled to receive.

All renters have the right to ask EHL to review the way that EHL has determined their rental subsidy and to provide a further explanation.

It is the renter's responsibility to advise EHL of any changes to household income as soon as they occur. EHL will review the rebate assessable amount in line with this policy.

### 4.1 Response to changes in household circumstances

If a renter contacts EHL, and is facing hardship with paying rent, EHL may determine:

- to re-assess the renter's rental subsidy based on its hardship policy;
- to determine that a different approach to rental subsidy should apply to that tenancy; or
- to back-date an adjustment to the rent payable by the renter, to which the renter is entitled in accordance with this policy.

Generally, such changes will only take effect on and from the date the renter contacted EHL and provided reasonable details of the change in the household circumstances. EHL may agree to back-date changes in rent payable in circumstances where EHL determines that the renter ought to be granted relief from hardship.

EHL determines hardship by looking at the overall circumstances of the household, including:

- any unforeseen change to household composition beyond the control of the renter;
- any material change in the health (physical or mental) of the renter or members of their household;
- any disability of the renter or members of their household;
- the impact of family violence on the renter or members of the household; and
- cultural considerations, including Aboriginal cultural considerations.

#### 4.1.2 Notification of Rent Increases

Under s44(3) of the RTA, a notice of proposed rent increase will include:

- the amount of the rent increase;
- the method by which the rent increase was calculated; and
- a statement informing the renter of their right to apply, within 30 days, to the Director of Consumer Affairs Victoria to investigate and report on the proposed rent.

A prescribed form for notifying renters of rent increases is provided in the regulations (Form 5) and the process and calculations used to reach the new rent amount must be included in part B of that form when increasing the rent.

**This form is only required when increasing market rent and is not required when adjusting/reviewing rental subsidies (rebates).**

#### 4.1.2.2 How the policy can be changed

EHL may from time to time implement changes to this policy. The revised policy will apply to all tenancies on and from the date of the change.

EHL will implement strategies to mitigate the effect of any changes of this policy on renters and households.

## 5.0 DOCUMENT OWNER

The Operations Manager is the subject matter expert and person responsible for this document review.

## 6.1 REFERENCES AND RELATED DOCUMENTS

- The Charter of Human Rights and Responsibilities Act 2006 (Vic)
- Residential Tenancies Act 2021 (Vic)
- Housing Act 1983 (Vic)
- Information Privacy Act 2000 (Vic)
- Privacy Act 1988 (Cth)
- Housing Registrar (Vic) Performance Standards
- Hardship Policy
- Eligibility Policy
- Rent Arrears Policy
- DHHS Rent Setting and rebate operational guidelines [Rent setting and rebate operational guideline assessable income - DHHS Service Providers \(dffh.vic.gov.au\)](#)

This policy implements the obligations of EHL under:

- Housing Act 1983 (Vic)
- [Guidelines for Registered Housing Agencies published by DHHS](#)
- Performance Standards for Registered Housing Agencies