

The logo features a red stylized house icon above the word 'united'.  
**united housing**  
co-operative ltd.

# Rent Policy

**Adopted 3 May 2018**

**(Last Revised 16/6/2023)**

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# DEFINITIONS

**CPI – Consumer Price Index** based on the latest data from the Australian Bureau of Statistics (ABS).

**DFF&H** – Department of Families, Fairness and Housing Victoria (formerly DHHS)

**UHC – United Housing Co-operative Ltd.**

**VCAT – Victorian Civil and Administrative Tribunal**

**Victorian Housing Register** – State wide waiting list, eligibility and allocation system for social housing (both public and community housing).

**Rebated Rents** – Tenant members living in Department of Families Fairness and Housing Victoria (DFF&S) properties are able to apply for rebated rent calculated according to the household's total income as per DFF&S rental rebate formula. When the calculation is equal to or more than the maximum property rent then the maximum property rent applies. DFF&S Rebated Rent for community housing is calculated as 25% of the total household assessable income plus \$15% of Family Tax A and B and Child Maintenance plus the maximum entitlement to Commonwealth Rent Assistance.

**Maximum property rents** – Registered charities cannot charge more than 75% of Australian Taxation Office or Valuer Generals private rental benchmark. UHC sets maximum rent caps for all properties to ensure affordable rents are maintained, as rents are based on private rental benchmarks. UHC maximum rent caps are reviewed annually against the CPI. (refer page 6).

**Minimum property rents** – Minimum rents are set for one bedroom properties. Tenant members in these properties cannot pay less than the minimum rent (refer page 6)

**DFF&S Definition of Rebated rent** – The Director of Housing accepts from eligible tenants a reduced rent on the basis of the department's rental rebate policy. The difference between the rent charged to a social housing tenant and the market rent of their property is known as the rental rebate. The rental rebate policy is aimed at reducing the disparity in the financial assistance given to public and private renters while ensuring rents continue to be set at affordable levels and sufficient rent revenue is received by the department to cover costs not met by government funding.

# 1. RENTS POLICY

## PURPOSE

The purpose is to outline UHC's rent setting policy and process for managing rents, in keeping with the, Department of Families, Fairness and Housing Victoria's (DFF&H) Interim Head Lease (2022), Housing Registrar's regulatory requirements, the Victorian Housing Registrar and UHC's Strategic Plan.

United Housing Co-operative (UHC) is committed to maintaining rents at an affordable and realistic level to minimise financial hardship and aims to balance the setting of fair and equitable rents with the financial viability of the Co-operative and maintaining high standards in all its operations.

UHC will ensure current tenant members and applicants are informed about rents policy and the rent setting formula. This information is published on UHC's web page.

## 1.1. UHC RENTS POLICY FRAMEWORK

UHC has a commitment to cross subsidy arrangements and cost sharing across the UHC property portfolio as a co-operative principal.

UHC rent setting model aligns leased and owned property rents, and is based on the 'DFF&H Rental Rebate formula' (amended 26/10/2021). UHC aims to maintain equity across leased and owned properties where possible and committed to maintaining affordable rents.

Maximum rent for all DFF&H properties must not be more than 75% of Australian Taxation Office (ATO) rental benchmarks, to maintain our charitable status and ATO GST taxation status.

UHC supports capping rents as a means of providing fairer and more standardised rents across properties and as a means of ensuring rents remain affordable for all members.

UHC imposes a set minimum rent for one-bedroom properties to maximise Commonwealth Rent Assistance.

UHC is able to charge up to 30% of gross income for owned properties or those defined as untargeted properties by the Victorian Housing Register, however **UHC's clear intention is that rents not exceed 25% of the household's gross income for all properties types.**

All tenant members are required to notify UHC's office of changes in the household income or receipt of lump sum payments within 14 days.

Unless stated otherwise, rent assessment criteria is determined as per the **DFF&H Rental Rebate Manual Assessable Income (Sept. 2013)**

Refer: [www.housing.vic.gov.au/social-housing-income-and-asset-limits](http://www.housing.vic.gov.au/social-housing-income-and-asset-limits)

## 1.2. INCOME AND ASSET ELIGIBILITY CRITERIA

DFF&H adjusts INCOME AND ASSET ELIGIBILITY CRITERIA from time to time.

UHC is required to house 75% **Priority** applicants from the VHR and the remaining **25% Registration of Interest** applicants from the VHR. As of 1.1.2022 the following eligibility criteria applied:

### Singles – Maximum Income Limit

	<b>Priority</b>	<b>Registration of Interest</b>
<i>Single</i>	<i>\$619 per week</i>	<i>\$1107per week</i>
<i>Couple (no dependents)</i>	<i>\$1,070 per week</i>	<i>\$1,693 per week</i>
<i>Family with up to 2 children</i>	<i>\$1,109 per week</i>	<i>\$2,284 per week</i>

Plus \$39 for each additional child for Priority applicants and \$370 for each additional child for Registration of Interest applicants.

### Couples – Maximum Asset Limit

	<b>Priority</b>	<b>Registration of Interest</b>
<i>Household</i>	<i>\$14,364</i>	<i>\$36,340</i>
<i>Require Disability Mods.</i>	<i>\$121,133</i>	<i>\$121,133</i>

\* For priority transfer due to redevelopment will only need to meet the Register of Interest income limit and Register of Interest asset limit of \$36,340, unless a household member requires full or major modifications then the asset limit is the disability modification asset limit of \$121,133.

## 1.3. RENT MODEL

### REBATED RENT MODEL

Tenant members pay a rebated rent or the maximum property rent according to their household income, meaning tenant members pay the lesser of the rebated rent OR maximum property rent.

(Refer: <http://www.housing.vic.gov.au/market-and-rebated-rent>)

Maximum property rents are reviewed annually. (See Section 1.3)

All tenant members are entitled to apply for rebated rent.

The Rebated Rent model is based on public housing rental formula plus Commonwealth Rent Assistance (CRA) and is calculated as the total of:

- 25% of the total household's assessable income
- 15% of Family Tax A and B and child support
- 100% of the Commonwealth Rent Assistance to which the household is entitled.

### **Rent Setting**

Tenant members submit their household's total income information at the time of the Annual Rent Review to the Finance Coordinator who assesses rent payable using the DFF&H rental rebate formula and determines whether the assessed rent is less than the maximum property rent for the property, if so the rebated rent applies.

## **1.4. MAXIMUM PROPERTY RENTS**

Maximum rent for all properties cannot exceed 75% of ATO market rent benchmarks to ensure UHC maintains its charitable status.

### **MAXIMUM PROPERTY RENTS**

Maximum rent for all properties cannot exceed 75% of ATO market rent benchmarks to ensure UHC maintains its charitable status.

**UHC's maximum property rents are the lesser of the following:**

- 74.99% of the ATO rent benchmark**
- 100% DFF&H Property Rents OR**
- UHC maximum rent caps, reviewed annually.**

### **RENT CAPS**

UHC sets maximum rent caps for all properties based on number of bedrooms and distance from the General Post Office (GPO) as a means of ensuring rents are affordable and equitable. Maximum rent caps are set in recognition of the need for affordable housing for low and middle income people including key workers and their families in the inner city and middle ring suburbs. Rent caps are reviewed and published on our web site annually. *(Refer Attachment 1 – page 11).*

The maximum property rents are reviewed annually with reference to Consumer Price Index (CPI) and property market data. The review forms part of the annual budget process and scheduled to meet the requirements of the annual rent review held in April each year.

The ATO defines:

- Outer Urban as more than 20 kilometres or more from the GPO.
- Middle ring suburbs is between 10 – 20 km from the CBD.
- Inner Urban suburbs are within 10 km of the CBD.

### **REVIEW OF UHC MAXIMUM RENT CAPS**

1. At the end of each year, staff obtain a copy of Australian Bureau of Statistics (ABS) Consumer Price Index (CPI) data to determine the CPI for the previous 12 months.
2. UHC Minimum and Maximum rents are then adjusted against the CPI and checked against Australian Taxation Office rental benchmarks to ensure they do not exceed 75% of those benchmarks.
3. Once the minimum and maximum rents have been calculated and checked against Valuer Generals rental benchmarks, UHC's Rent Caps are adjusted by the CPI.
4. Management then makes a recommendation of a Rent Cap adjustment to the Finance Committee and Board as part of the annual budget process, to seek authorisation of the Rent Cap adjustment.
5. Tenant members are given 60 days' notice of the increase after the Australian Taxation Office and DFFH issue annual market rent benchmarks. All tenant members are able to apply for a rental rebate at any time and no tenant member will ever pay more than 25% of income on rent.

## 1.5. ONE BEDROOM PROPERTY RENTS

### 1.5.1. MINIMUM RENTS FOR ONE BEDROOM PROPERTIES

UHC review minimum rents for one bedroom properties as part of the annual rent review.

#### Minimum Rents for One Bedroom Leased Properties

Minimum rents are set for one bedroom properties to ensure that UHC attracts the maximum Commonwealth Rent Assistance (CRA) and tenant members not pay more than 25% of income on rent. Minimum rents are set with reference to Centrelink increases.

### 1.5.2. RENTAL BENCHMARKS FOR SINGLES AND COUPLES IN ONE BEDROOM PROPERTIES

Minimum and Maximum Rents for couples living in one bedroom properties is higher than that for singles to reflect equity issues (Approved 24/6/22).

Property	Minimum Rent	Maximum Rent
1BR – SINGLES	\$150.00	\$211.00
1 BR – COUPLES	\$200.00	\$261.00

Current as of 1/4/2023 and reviewed annually.

## 1.6. RENT REVIEWS

All tenant members are required to notify the Finance Coordinator of changes to their household's income, receipt of lump sum payments or changes to the household composition within 14 days of the change, to enable a review of rent payable, as detailed in their Residential Tenancies Agreement.

### RENT REVIEWS

In addition to income changes throughout the year, UHC conducts an Annual Rent Review and a two rental rebate adjustments for Centrelink recipients around November and April.

ATO and DFF&H generally advises Community Housing Organisations of revised market rents annually which are the basis for calculating maximum property rents for each property and the timing of the annual rent review.

### ANNUAL RENT REVIEW

All tenant members' rents will be reviewed each year.

Where there will be an increase in non-rebated rent, the tenant members will be issued a 60 day notice of rent increase as per the Residential Tenancy Act. The notice will also inform them that they are able to apply for rebated rent.

All tenant members are notified of the annual rent review and requested to provide current income information. They are also requested to provide authorisation for UHC staff access to Centrelink information, if they not previously provided.

On receipt of documentation the Finance Coordinator conducts the rent review/assessment and tenant members are advised of the new rent at least 1 week prior to it taking effect. The new rent rates always begin at the start of the nominated rent cycle, i.e. Sunday.

## Household Information and Income Declaration (Rental Rebate Application)

All tenant members in receipt of rent rebates are required to complete a ***Household Information and Income Declaration*** on commencement of tenancy and every two years or as required by DFF&H Heal Lease. Failure to submit the Declaration or income information within a reasonable period will result in the tenant member being charged the maximum property rent.

### **MID TERM RENTAL REBATE ADJUSTMENT**

UHC undertakes two rental rebate adjustments annually for tenant members on rebated rents to coincide with Centrelink changes each year.

All tenant members on rebated rent are notified of the mid-term November rent review and requested to provide current income information and appropriate documents.

#### **1.6.1. RENT ASSESSMENT PROCEDURES**

Tenant members are required to advise UHC within 14 days of changes to their income (as per the Residential Tenancy Agreement). This means tenant members who obtain employment and increased income between annual rent review are required to declare additional income within 14 days so that UHC can calculate a revised rent. UHC undertakes a rent assessment to determine whether the tenant should continue to pay rebated rent, or whether their rent should increase.

If a tenant loses income between review periods, they are able to apply for an immediate rent review. Any adjustment in rent will be based upon income information provided by the tenant and confirmed by Centrelink. Adjustments will be made from the Sunday following the assessment of the new rate.

#### **Casual Employees (including Self-employed people)**

Each tenant member who obtains casual employment are required to provide pay slips at intervals of 6 weeks, 2 months or 3 months by arrangement with the Finance Coordinator.

#### **1.6.2. RENT INCREASE RESTRICTIONS**

UHC restricts the amount rent increases resulting from market rent increases to ensure rents do not increase by more than \$25 per week in any one year.

In recognition of the transition to work arrangements, UHC provides a four-week grace period for tenant members who obtain employment. This means the tenant member is allowed to continue to pay rent at the existing rate before the revised rent is applied. This means the revised rent will apply no earlier than 4 weeks after the tenant has commenced employment, within any one 12-month period.

#### **1.6.3. RENT IN TERMS**

UHC tenant members are encouraged to be one week in credit, at the commencement of each week in addition to the requirement that rent is payable prior to the commencement of their normal rent cycle to be considered "in terms" as detailed in the Residential Tenancy Agreement.



#### **1.6.4. RENTS STATEMENTS**

Rent Statements/Receipts are issued to all members on request.

Tenant members in rent arrears will receive rent statements weekly as per Rent Arrears Procedure.

#### **1.6.5. NEW TENANCIES**

All tenant members' rent accounts are required to pay two weeks rent in advance at the commencement of the tenancy and then required to pay rent fortnightly thereafter.

## 1.7. UHC RENTS

(This information is current 1/4/2023 and is reviewed annually)

### 1 BEDROOM RENTS.

ONE BEDROOM	MIN	MAX.
1 BR – SINGLE	\$150.00	\$211.00
1 BR – COUPLE	\$200.00	\$261.00

### MAXIMUM RENT CAPS INNER URBAN - subject to annual CPI review

PROPERTY SIZE	UHC MAXIMUM PROPERTY RENT
1 BR	<b>\$211.00</b> (single) <b>\$261.00</b> (couple)
2 BR	<b>\$312.00</b>
3 BR	<b>\$406.00</b>
4 BR	<b>\$448.00</b>

### MAXIMUM RENT CAPS OUTER URBAN – subject to annual CPI review.

PROPERTY	MAX
1 BR	\$178.00
2 BR	\$270.00
3 BR	\$307.00
4 BR	\$448.00

### ATO BENCHMARKS

	1 BR.		2 BR.		3 BR.		4 BR.	
	100%	75%	100%	75%	100%	75%	100%	75%
<b>INNER METRO</b> 10kms from CBD	\$336	<b>\$252(A)</b>	\$620 \$452(A)	<b>\$465</b> <b>\$339 (A)</b>	\$ 788 \$538 (A)	<b>\$591</b> <b>\$403(A)</b>	\$1,089	<b>\$816</b>
<b>MIDDLE METRO</b> 10-20kms from CBD	\$325	<b>\$244</b>	\$473 \$420(A)	<b>\$354</b> <b>\$315(A)</b>	\$557 \$501(A)	<b>\$417</b> <b>\$375(A)</b>	\$770	<b>\$577</b>
<b>OUTER METRO</b> More than 20kms from CBD	\$239	<b>\$179</b>	\$362	<b>\$271</b>	\$410	<b>\$307</b>	\$566	<b>\$424</b>

## 2. RENTAL ARREARS PROCEDURE (updated 28/6/23)

United Housing Co-operative Ltd. (UHC) acknowledges that low to moderate income singles and families will experience difficulty in meeting rent payments on occasions. However, it is important that tenant members advise staff if rent payments will be late or if they will be unable to make their rent payment when due. Every effort will be made to reach appropriate, affordable solutions and re-payment agreements to address rent arrears in keeping with social justice principles.

UHC is committed to managing rents in an efficient, fair and effective manner. Management of rent arrears is the responsibility of the Tenancy and Maintenance Coordinator and Member Services and Communications Coordinator, according to UHC policy.

UHC will strive for zero rental arrears and utilises a pro-active strategy in managing arrears, including regular monitoring and follow up of arrears. Rent arrears are responded to quickly and sensitively. UHC tenant members are expected to be in compliance with their Rental Agreement and the RTA in relation to rental payments.

Staff will adhere to the Victorian Charter of Human Rights 2006 (The Charter) in responding to all rent arrears matters and will consider The Charter when formal action is being undertaken.

**The following procedure will apply where a tenant member falls into rent arrears and has not contacted the office to discuss their rent payment difficulties and has not entered into an arrears agreement / payment plan:**

### Step 1

Where a tenant member is not in terms, for those under 7 days, Staff member will contact the tenant member via sms/email/letter/phone providing details of the arrears, request they contact the staff member, make a payment to bring their rental account into terms, or enter into an arrears repayment agreement, Rent Statements to be provided if requested, and a note be recorded on Chintaro.

### Step 2

Where a tenant member is more than seven days in arrears, Staff will contact the member via sms/email/letter/phone, provide details of the arrears, request they contact the staff member, bring their account into terms and offer them the opportunity of entering into an Arrears Agreement or repayment plan This correspondence is recorded on Chintaro. The member is advised that if they do not do so and their account reaches fourteen days in arrears, formal RTA (Residential Tenancies Act) action i.e., Notice to Vacate will be taken.

Rent Statements and email/letter sent to tenant member by Staff and include a note on Chintaro documenting all actions.

Staff member to send a formal UHC Arrears Agreement to the tenant member by Wednesday 5.00pm.

Where there are exceptional circumstances which warrant a variation to this process, Staff Member will note on Chintaro and discuss with Tenancy & Maintenance Coordinator, which may result in a hold on issuing a NTV.

### Step 3

Where a tenant member is fourteen days or more in arrears and has not made arrangements as per Step 2, the Tenancy and Maintenance Coordinator will issue a *Victorian Civil and Administrative Tribunal (VCAT) Notice to Vacate* by registered mail and regular mail or by email where tenant members have provided consent, along with a letter advising that they do not have to vacate the property if they contact the office and enter into a formal re-payment plan agreement.

Where a tenant member has breached an internal arrears agreement/re-payment plan and is fourteen days or more in arrears, UHC will proceed to Step 4.

#### **Step 4**

Where a member has been issued with a VCAT Notice to Vacate and they have not contacted the office and entered into an appropriate arrears agreement repayment agreement; and, their arrears increase/continue to be 14 days or more,  
an application will be made to VCAT to seek a Compliance Order.

4.1. If the tenant member attends the VCAT hearing or provides a signed VCAT Arrears Agreement document, at least 72 hours before the scheduled Hearing date, a Consent Order will be sought.

4.2. If the tenant member does not attend VCAT Hearing or provide a signed VCAT Arrears Document a Possession Order will be sought.

The tenant member will be offered the opportunity to seek counselling and support if VCAT action is taken.

#### **Step 5**

Where a tenant member breaches the VCAT Compliance Order, has not contacted the office to discuss the matter or responded to requests to contact by the office in order to discuss the circumstances for the breach, and make further suitable arrangements for the breach of Compliance Order terms, an application is made to VCAT to obtain an Order of Possession

#### **Step 6**

If a Possession Order has been obtained, where appropriate and possible, the Co-operative may negotiate a "Stay of Proceedings" to allow the tenant member to rectify the rent arrears in consultation with CEO.

#### **Step 7**

If the rent arrears have not been rectified, the Board of Directors will be notified, a Warrant of Possession will be obtained and eviction proceedings will occur, as directed by the CEO.  
A minimum of two staff members will execute the eviction with the police.

## 3. EVICTIONS POLICY

### Purpose

This policy establishes the approach UHC will take in responding to serious breaches of residential tenancy agreements by tenant members which results in eviction proceeding through Victorian Civil Administrative Tribunal (VCAT).

### Scope

The Residential Tenancy Act (RTA) has specific provisions in relations to ending a tenancy including in circumstances. The policy relates to all RTA provisions.

### Policy Statement

At least one UHC staff member will receive extensive and ongoing training in tenancy law and the processes of the VCAT to ensure UHC responds to tenancy disputes lawfully and efficiently.

All staff are required to undertake training on the Victorian Charter of Human Rights 2006.

UHC will utilise its Rent Arrears Policy and Complaints and Disputes Policy to resolve tenancy matters and inter tenant disputes wherever possible.

UHC will only use eviction as a last resort, after all other avenues to resolve the tenancy dispute have been exhausted. The staff member will consider the rights of the proposed action on the offending tenant member and other tenant members and the broader community.

In a situation where a tenancy dispute escalates to the point where UHC seeks a warrant of possession through VCAT, UHC staff will provide the tenant member with referrals to alternative accommodation, emergency accommodation and community legal services.

UHC will ensure the human rights of the tenant member facing eviction will be fully considered and responded to in an appropriate and fair manner.

UHC will utilise the 'Public Authority Charter Obligation Framework' to assess the human right impacts on tenant members facing eviction.

If, after a full assessment of the impacts of the decision on the rights of all people affected by the decision, it is considered that the human rights of the individual facing eviction are being unfairly denied, then the warrant of possession will not be enacted.

### Relevant Legislation and Standards

- Residential Tenancies Act 1997
- Charter of Human Rights and Responsibilities Act 2006 -
- Housing Act 1983 (Vic)