

Community Renters **HOUSEHOLD RENT GUIDE**

2024 - 2025

Version 1 - March 2024



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Annual Rent Review

Common Equity Housing Ltd (CEHL) owns and manages over 2,000 properties across 60 local government areas throughout Victoria. CEHL properties are available for low-income earners. The rent collected allows us to manage and maintain the properties to meet the member and renters needs.

Every year, CEHL conducts a rent review. We are required to do this for every one of our properties to set the household rent for the financial year ahead.

Every household needs to provide an update on their household and income via the Household Information Form (HIF). From this information, the household rent is assessed.

To put the rent up, CEHL or the CERC co-op as the rental provider must give the renter a Notice of Proposed Rent Increase (NOPRI). This NOPRI is issued in March to let you know the market rent (previously referred to as maximum rent) that will be charged on the property from 1 July 2024 if we do not receive your HIF, or if your household assessed rent is equal or higher than the market rent amount for the property.

Submitting your Household Information Form (HIF)

HIFs and evidence can be submitted via mail

Attention: Annual Rent Review CEHL
 PO Box 504
 Carlton South VIC 3053

Please note any mail not received by the due date will be considered a late submission of the Household Information Form and market rent may apply.

About CEHL housing

All CEHL properties fall within these three groups:



Common Equity Rental Housing Co-operative (CERC)

- The CERC leases properties from CEHL.
- The CERC is their members rental provider.
- Tenancy management and maintenance are carried out by the CERC under the direction of the CERC Board of Directors.

For the Annual Rent Review:

- A CERC's board sends a Notice of Rent Proposed Increase (NOPRI) to its members.
- CEHL sends the Household Information Form (HIF) which is used to calculate assessed rent.



Community Managed Co-operatives (CMC)

- CEHL is the rental provider.
- CMC selects members.
- CEHL manages the tenancies and maintenance of the properties.
- CMC members participate in the co-op community.

For the Annual Rent Review:

- CEHL sends Notice of Proposed Rent Increase (NOPRI) to CMC members.
- CEHL sends the Household Information Form (HIF) which is used to calculate assessed rent.



CEHL direct renters

- CEHL is the rental provider.
- CEHL leases properties directly to renters.
- CEHL manages the tenancies and maintenance of the properties.

For the Annual Rent Review:

- CEHL sends Notice of Proposed Rent Increase (NOPRI) to direct renters.
- CEHL sends the Household Information Form (HIF) which is used to calculate assessed rent.

Timeline for the rent review process:



22 March 2024

Direct renters will receive from CEHL:

1. Household Information Form (HIF).
2. Notice of Proposed Rent Increase (NOPRI).

18 April 2024

Direct renters need to return their HIF

- **If CEHL has not received completed HIF form by 18 April 2024 it may mean the household is required to pay market rent from 1 July 2024.**

IMPORTANT

30 May 2024

Direct renters will receive notice of assessed rent

- CEHL informs renters of the outcome of their rent assessment.
- Renters need to inform Centrelink of the new rent amount to update Commonwealth Rent Assistance.

1 July 2024

The new rent amount starts from this date

- New rent amount begins for direct renters.



What are the types of payable rent?

MINIMUM RENT

What is minimum rent?

Minimum rent:

- is the lowest rent that will be charged unless an exemption is granted
- applies if the assessed rent is below the minimum rent
- is based on the Centrelink payments you are entitled to, whether you are claiming them or not.

How is minimum rent calculated for community renters?

CEHL minimum rent is calculated at:

- Minimum rent = 30% gross income, plus
- 15% Family Tax A and B or 15% Youth Allowance (if these amounts are applicable to the household), plus
- + 100% of Commonwealth Rent Assistance (CRA).

When does minimum rent apply?

Minimum rent is applied to renters:

- based on the assessment of renters income, or imputed eligible payments
- if a renter loses employment and are waiting for Centrelink payments to be applied
- if there are extenuating circumstances and an exemption is applied to provide rental relief.

Can I apply for an exemption to paying minimum rent?

CEHL can consider an exemption to the minimum rent where due to circumstances beyond their control, a household can demonstrate the following:

- the assumed minimum Centrelink Benefit is incorrect
- they are temporarily required to pay additional accommodation costs to meet legal or health-related requirements.

The onus is on the primary renters to apply for relevant payments, or to demonstrate that a household occupant is not eligible for assumed Centrelink payments.

Households wishing to apply for an exemption should:

- complete the *Exemption to Program Policy Request Form*, which is available on our website – www.cehl.com.au/CoopGovernance/ExemptionsProgramPolicy
- return the form to finserv@cehl.com.au
- if you require additional information please phone 03 9208 0800.

MARKET RENT

What is market rent?

Market rent is the amount of rent you would pay in the private market; it is based on an independent market rent valuation.

The Notice of Proposed Rent Increase (NOPRI) that you will receive in March 2024 will identify the market rent that may be charged on your property from 1 July 2024.

Households will be charged market rent if:

- household assessed rent is equal or higher than the market rent amount for the property
- a HIF is not provided for a rent assessment
- renters are not eligible for an assessed rent.

How is market rent decided?

- The market rent amount for every property is set by an independent rent valuer, annually consistent with housing sector standards.
- The valuation takes into account the following property features:

ADDRESS	SUBURB	QUALITY ASSESSMENT	YEAR OF CONSTRUCTION
NUMBER OF BEDROOMS	PROPERTY TYPE	NUMBER OF BATHROOMS	LAND SIZE

What do I do if I think the market rent is too high?

If a household believes the market rent is too high, you can request a review of the market rent via Consumer Affairs Victoria (CAV).

Please note this review can only occur within 30 days of receiving your notice of proposed rent increase. CAV will complete an independent valuation of the property. If the valuation differs from the Notice of Proposed Rent Increase, CEHL will accept the CAV valuation.

For more information visit www.consumer.vic.gov.au or refer to page 1 of the Notice of Proposed Rent Increase form.



RENT REBATE

What is a rent rebate?

A rent rebate is a discount amount between the maximum rent for the property and the assessed rent based on the household's information.

To be eligible for a rent rebate, you will need to:

- Provide a completed Household Information Form (HIF) by the annual deadline or within 14 days of a change to:
 - household income by more or less than \$50 per week; or
 - or a change in the number of household occupants.
- Provide all the required evidence of household income and composition as required by CEHL.
- Each household member, 18 or over, is required to complete their own individual section of the Household Information Form and sign the declaration.

Market rent will be charged to households who:

- Have not provided sufficient evidence on the HIF.
- Have household members over 18 who have not completed an individual section on the HIF.
- Have household members over 18 who have not signed the declaration on the HIF.

ASSESSED RENT

What is assessed rent?

Assessed rent is the amount that households will be charged from 1 July 2024.



How we assess household income for community renters

Household income (which includes income from all household members over 18) is used to calculate assessed rent. The calculation is based on the following:

SECTION	EVIDENCE REQUIRED	INCLUDES	PERCENTAGE	SUB TOTAL
A	Household Gross Income	Total of the Primary Household Income of all household members over 18, including: <ul style="list-style-type: none"> • gross wages, • pensions • Centrelink income • maintenance, • bank interest, etc. 	30%	Sub Total A \$ x 30%
B	Family Tax Payments	Family Tax (including Family Tax A & B) for all household members.	15%	Sub Total B \$ x 15%
C	Commonwealth Rent Assistance (CRA)	The amount of Commonwealth Rent Assistance the household is eligible for.	100%	Sub Total C \$ x 100%
D	Dependant income (over 18 years)	Youth Allowance only. If other income is greater than Youth Allowance, then both the Youth Allowance and other income will be assessed at 30%. See Section A.	15%	Sub Total D \$ x 15%

Please see Appendix 1 for a list of Assessable and Non-Assessable Incomes and Other Circumstances.

SUB TOTALS
A + B + C + D
= ASSESSED RENT

Households need to provide income evidence

The income evidence we **use** to assess your rent is called **Assessable Income**, and the income evidence we **do not** need you to supply is called **Non-assessable Income**.

ASSESSABLE INCOME	NON-ASSESSABLE INCOME
Gross Wages for all household members aged 18 years or older.	Adequate Means of Support Pension (DVA)
Salary packaging income	All Centrelink Allowances; bereavement, youth disability supplement, carer's, double orphan, education or training, foster, laundry, mobility, mobile phone, multiple birth, pharmaceutical, remedial, telephone, travel, meals, accommodation or uniform
All Centrelink pensions, benefits, family tax benefits, Commonwealth Rent Assistance.	Centrelink one off payments
All Department of Veteran Affairs pensions except where they are specifically excluded, (e.g., Adequate Means of Support Pension paid by DVA) *	Child Care Rebate
All Child Support payments through Department of Families, Fairness and Housing - Child Support or directly from non-resident parents.	Clean Energy Supplement
Foreign pensions	Fares Assistance
Income from household members' businesses	Income of household members under the age of 18
Interest received	Large Family Supplement
Superannuation payments (lump sums, pensions or annuities)	Lump sum compensation payments (not loss of wages component)
Workcover payments	Payments made by other countries to victims of war that don't affect Centrelink entitlements
Stipend paid to members	Pension Supplement
	Pensioner Educational Supplement
	TAC Impairment Annuity Benefit

* Please note some DVA pensions already include Commonwealth Rent Assistance (CRA)

If you provide income not described above, we will assess in line with the current Department of Families, Fairness and Housing - Rent Setting and Rebate Operational Guideline Assessable Income. <https://providers.dffh.vic.gov.au/rent-setting-and-rebate-operational-guidelines>

Types of evidence to provide

When applying for a rent rebate, every member of the household aged 18 years and over needs to provide all evidence of income. Evidence should be the most current version available.

INCOME SOURCE	WHAT EVIDENCE TO PROVIDE:
Centrelink benefits	<ul style="list-style-type: none"> • Centrelink Income Statement, or • Centrelink Consent Form.
Fixed income	<ul style="list-style-type: none"> • Two consecutive payslips showing annual income or year-to-date figures, or • A letter from all employers on company letterhead* detailing: <ol style="list-style-type: none"> 1. Gross wages 2. Tax deducted, including payee details
Fluctuating income	<p>Fluctuating income includes permanent employees receiving shift allowances, overtime, etc, please provide:</p> <ul style="list-style-type: none"> • Payslips from all employers showing pay dates, gross wages and tax deducted for the past month or 13 weeks or a letter from all employers on company letterhead* detailing: <ol style="list-style-type: none"> 1. Pay dates 2. Gross wages 3. Tax deducted for the past month or 13 weeks <p>If you have fluctuating income you can request regular Rent Assessments, see page 13 for details.</p>
Self employed	<ul style="list-style-type: none"> • A profit & loss statement completed by an accountant (not more than three months old), or • The most recent Business Activity Statement (BAS) return, or • The most recent Income Tax Return (please blank out the tax file number).
Child support payments	<ul style="list-style-type: none"> • Centrelink Income Statement, or • A letter from the Child Support Agency, stipulating maintenance details, or • Bank Statements for the past six months showing all household income and expenditure AND a statutory declaration stating that no cash or other contributions are received as child support payments
Multiple sources of income	<ul style="list-style-type: none"> • Evidence as per this list. Please note, all documents must cover the same period for an assessment to be made.

*Letterhead must have company contact details included.

Requesting regular rent assessments if you have fluctuating income

If you are in a household with an income that fluctuates, you can request regular rent assessments.

You will need to:

- provide a minimum of four weeks of income evidence before a reassessment will be undertaken.
- ensure that the income evidence provided is continuous from the income evidence previously provided.

Households with fluctuating income can request monthly or quarterly rent assessments. Rent is assessed on either the prior month's or quarter's income and applied for the next month or quarter.

The assessment will remain valid for the equivalent time period:

Monthly

Assessments will remain valid for the following four weeks.

Quarterly

Assessments will remain valid for the following 13 weeks.

All changes to household income or composition need to be reported with a Change of Circumstance Form and updated evidence www.cehl.com.au/ChangeOfCircumstancesForm

Send your request for a Change of Circumstance Form to Finserv@cehl.com.au

Frequently asked questions about evidence

Do I need to supply evidence of non-taxable benefits such as salary packages and salary sacrifice?

Yes. Deductions made by an employer to limit tax paid by the employee (i.e. salary sacrificing or packaging like the payment of personal bills, additional contributions to superannuation or non-taxed payments to a credit card) are assessable.

Do I need to supply evidence of dependants receiving youth allowance and other income?

Yes for the dependants over the age of 18. Any other income received up to the amount of Youth Allowance will be assessed for rent purposes at 15%. If the other income is greater than the Youth Allowance, both the Youth Allowance and other income will be assessed at 30%.

What happens when a household is receiving different types of income?

Where households are receiving different types of income, rent will be assessed on the total household gross income applicable.

What happens when household member/s report very low or no income?

Where any household member, over 18 years old, declares no income or income that is below the entitled benefit, CEHL will assume the entitled benefit (i.e. New Start, Age Pension, Parenting Payment Single) is that household member's income for rent assessment purposes.

If I am leaving paid employment (resignation or redundancy) do I need to supply evidence?

Yes. If an adult household member leaves paid employment, current rent will remain unchanged unless evidence from Centrelink confirms entitlement or non-entitlement to a benefit.

I am entitled to claim Commonwealth Rent Assistance (CRA) but I currently don't receive it.

CEHL will assume a household is receiving the applicable CRA rate as income. If you are not eligible for CRA, a letter of confirmation from Centrelink stating you are not eligible for CRA is required.

What happens if my tenancy commences between March and July?

New tenancies starting between 1 March and 30 June will have an assessed rent calculated based on the new 1 July market rates, this is because under the RTA, market rents can only be changed once in period of 12 months. We do this to align with the CEHL annual rent review process.

What happens if I have someone living with me part time?

If a visitor resides with you for more than three days a week, or more than a total of four weeks, you are required to provide evidence.

Let CEHL
know
when your
dependent
turns 18.



If your household income changes outside of the Annual Rent Review process, you need to update your rental provider.

Change of circumstances

Any households who receive a rent rebate needs to advise CEHL of any changes to their household circumstances within 14 days of the change occurring. This is because your assessed rent is variable as it is calculated on your household income and composition.

To advise us of the change, please send in a *Change of Circumstance Form*, which is found on the CEHL website.

A change in household circumstances could include:

- changes to household occupants, new occupants or people leaving your household or people living in the house part time
- changes to gross income received by the household occupants, including the primary renter of \$50 (increase or decrease) per week
- property ownership by any household occupant.

Disclosing this information as it changes will ensure that renters are:

- receiving the correct rent rebate
- able to claim the correct amount of Commonwealth Rent Assistance – please note Centrelink does not backdate this
- ensure CEHL rent policy is applied fairly and equitably
- avoid rent arrears relating to incorrect rent payments
- reduce fraud.

What happens if I don't advise of changes to my household?

Failure to disclose may result in:

- CEHL backdating an increase to your assessed rent to the date that CEHL has evidence of your income changing
- loss of Commonwealth Rent Assistance
- significant arrears
- VCAT action

What happens if CEHL becomes aware that I did not advise them of a change to my household?

- A rent re-assessment we will be undertaken.
- The re-assessment will be backdated to the date of the relevant change.
- You will be charged any rent arrears that occur from this re-assessment unless you can demonstrate a compelling reason why you could not advise us of the change within 14 days.

It is important to understand that the re-assessment will use the Commonwealth Rent Assistance amount you are entitled to for the new rent amount. This amount is often higher than the amount you received under the previous rent assessment.

Centrelink will not backdate Commonwealth Rent Assistance, so it is important to apply for and lodge your new rent assessment with Centrelink as soon as possible to avoid missing out on payments you are eligible for.

It is the primary renters responsibility to ensure lodgement of new rent amounts and update any automatic deductions with Centrelink.

What happens if I have a rent debt (arrears)?

Households are required to pay their rent on the date it is due to keep their account balance in advance.

- If you pay weekly, you are required to have your account paid 7 days in advance
- If you pay fortnightly, you are required to have your account paid 14 days in advance

Rental Providers are responsible for rent collection and notifying a renter who has failed to pay their rent.



CEHL may contact the renters at the following times to advise of a rent payment being due:

Day 1	The Rental Provider may contact the renter and request prompt payment of the outstanding rent
Day 7	The Rental Provider may send the renter an Initial Reminder letter
Day 14	The Rental Provider may send the renter a Catch-Up Agreement
Day 21	If a Catch-Up Agreement is not entered into, the Rental Provider may: <ul style="list-style-type: none"> • Send the renter a Notice to Vacate • Facilitate the referral of the renter to a support agency
Day 28	If arrears of 14 days or more remain outstanding or a Catch-Up Agreement is not in operation, the Rental Provider will initiate VCAT proceedings to seek Vacant Possession
VCAT	<p>Once VCAT proceedings have been initiated, if the outstanding rent is paid or a Catch-Up Agreement is in operation, the Rental Provider continues with the VCAT proceedings but forgoes seeking Vacant Possession and ratifies the Catch-Up Agreement</p> <p>OR</p> <p>Once VCAT proceedings have been initiated, if the rent remains outstanding or a Catch-Up Agreement is not in operation, the Rental Provider continues with the VCAT proceedings to seek Vacant Possession and proceeds to carry out the Ending a Tenancy (Rental Provider Initiated) process.</p>



CEHL is committed to embracing diversity and eliminating discrimination. Our workplace and housing services are inclusive, and we welcome everyone irrespective of ethnicity, lifestyle choice, faith, sexual orientation, and gender identity.

We acknowledge and support Aboriginal and Torres Strait Islander peoples as Australia's First People and Traditional Custodians of Country. CEHL will continue to advocate for a fairer, more inclusive society, and provide housing services that are welcoming, safe, and culturally appropriate