

Income Based Rent Policy

1. Introduction

The purpose of this policy is to outline how rent is determined for renters with wayss, specifically:

- How rent is calculated.
- What information renters need to provide.
- Renters' rights and responsibilities in relation to rent.
- How rent can change.
- What happens if renters miss paying rent.

2. Commitment Statement

wayss is a Child Safe organisation and child safety is at the forefront of our program delivery. Our policies ensure that child safety is a primary part of everyday thinking and practice. All employees, contractors and volunteers have an obligation to ensure we keep children safe from harm and abuse.

We're committed to upholding the rights of our stakeholders and creating a workplace that fosters inclusion and diversity. We believe that by bringing our authentic selves to wayss, we can contribute to building strong teams, cultivating leaders, and creating an organisation that is well-suited for every individual. It is essential to us that we establish an environment where everyone, regardless of their background, can be themselves and feel safe, valued, and respected. Regardless of whether you identify as an Aboriginal or Torres Strait Islander or LGBTIQ member, are from a culturally and linguistically diverse background, or a person living with a disability, as an individual associating with wayss, you have the right to participate and engage in an environment that is free from discrimination and bias, and we strive to create a workplace that honours that commitment.

3. Scope

This policy applies to all long-term rental properties owned or managed by wayss including rooming houses.

This policy does not apply to the following housing programs run by wayss:

- properties managed by wayss under the Transitional Housing program; (Income based rent applies but not Commonwealth Rent Assistance) properties managed by wayss on behalf of other property owners where the owner retains responsibility for allocation of housing; and
- temporary or crisis accommodation.

4. Guiding Principles

wayss sets rent to fulfil its social purpose and to ensure that its housing is affordable for renters.

wayss will determine the following before a tenancy offer is made:

- approach to rent that applies to the property; and
- approach to the affordability of rent is appropriate and sustainable for that household.

In applying this policy, wayss will also ensure:

- Rent is set in accordance with established affordability benchmarks;

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- Communication to applicants and renters on how rent is set and reviewed is clear and in a variety of formats;
- Changes in household circumstances are responded to appropriately to prevent undue hardship;
- Where tenancies are at risk, support will be provided as early as possible to attempt to rectify any issues;
- Consistent, fair and accountable processes are followed, with renters provided with information about processes that impact their tenancies;
- All issues are responded to in a person-centred and respectful manner, and consider any factors that may be impacting on the safety or wellbeing of renters and their families;
- All legal, regulatory, and contractual duties are met.

5. Communication

wayss will provide clear information to renters on how their rent has been determined and inform renters of their right to have their rental calculation reviewed:

- at the start of the residency/tenancy;
- at regular intervals during the residency/tenancy;
- on request.

To assist renters to feel confident and in control of their renting experience, wayss will ensure that:

- Renters understand their responsibility to report changes to their income and household circumstances.
- Renters understand their right to request reviews of how their rent was calculated or set.
- wayss communicates with renters when their rent, or this policy, might change.
- wayss helps renters to understand this policy.

6. Market-Based Rent

- 'Market-based rent' is the amount similar properties in the same suburb would rent for in the private market.
- The initial market-based rent of the property is shown on the residential rental agreement.
- Market-based rent is reviewed every 12 months.
- If the market-based rent for the property changes because of a review, wayss will advise the renter by sending a notice of rent increase.
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- The market-based rent can change without impacting the income-based rent payable. If any change does impact the rent payable, wayss will outline it clearly in communications with the renter

7. How wayss Calculates the Amount of Rent Payable (Income-Based Rent)

wayss looks at:

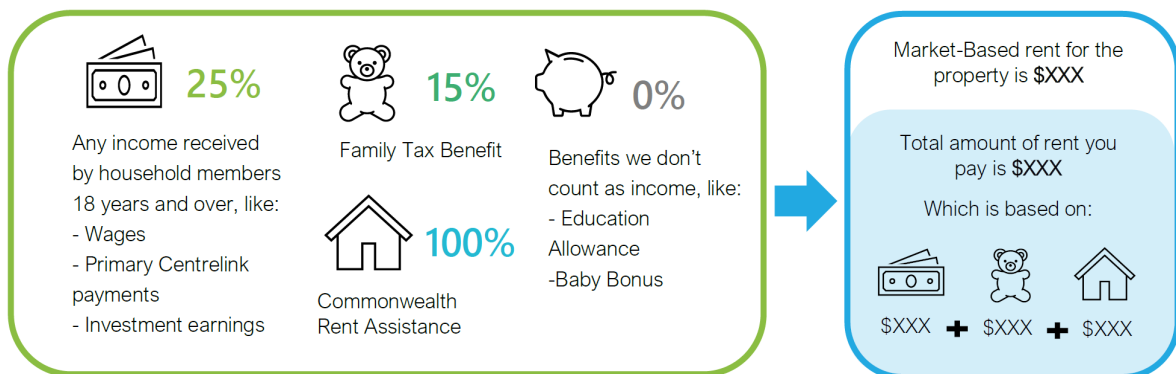
- how much income household members over 18 years old receive before tax is paid (gross income); and
- calculates the amount of rent payable each fortnight based on a percentage of that income.

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There are certain types of income that are not assessed in the rent calculation, such as an AusStudy loan or a carers allowance. A full list of the types of income that are included in the rent calculations as well as types of income that are not included are listed in appendix 1.

The following infographic shows how wayss calculates rent payable based on renter income and where there are no other additional charges:



Renters can request a review of this calculation

All renters have the right to ask wayss to review their rental calculation and to provide a further explanation of how the amount they pay was reached.

8. Providing Information about Household Income

Renters and applicants are obliged to provide to wayss reasonable evidence that establishes their total household income when requested by wayss:

- before being offered a tenancy with wayss and
- when wayss carries out their annual rent review / determines rental subsidies; and
- if renter's household income or family circumstances change at any time

What happens if renters do not provide their household income information?

Income details are required in order for wayss to assess eligibility for a reduction to the market-based rent amount. If they are not provided, no discount can be provided, and the market-based amount will be charged.

9. Additional Property Costs/Service Charges for some Properties

wayss may charge additional property related costs for some shared services in shared properties and where wayss incurs the cost directly for the provision of services in single dwellings, including:

- electricity
- gas
- water
- internet

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- other services or facilities made available to the renter

Service charge

Where a property has shared services such as water, central heating, laundry, or utility services, wayss may add a service charge to the income-based rent calculation to cover these costs.

This amount is shown separately to the rent payable on the rental agreement as it is subject to change as costs of these services go up or down. wayss will communicate any changes with the renter about this before they occur. In accordance with the RTA, service charges will not exceed the actual cost of providing the specified service.

A separate service charge will only apply if this is permitted under the provisions of the Residential Tenancies Act. For all other properties including rooming houses defined under section 3 of the Residential Tenancies Act, additional property costs will be added to the income-based rent and charged as a single rental amount.

Additional property cost

Where a property has services such as water, central heating, laundry, or utility services, wayss add an amount to the income-based rent calculation to cover these costs.

These costs are included in the rent payable figure shown on the rental agreement. This amount will not change until there is a rent review in 12-months' time.

wayss will specify in the lease provided to a renter if a service charge or additional property costs apply.

1. How Rent can Change

Rent payable can change:

- Annually, during rent reviews
- When income or household-circumstances change

During regular rent reviews

Rent is reviewed regularly to make sure the amount renters pay is still a good fit for their income.

- Rent is reviewed every 12 months
- wayss advise the renter in writing before the next rent review happens

When renter's household income or circumstances change

If a renter's household income or family circumstances change at any time, the renter must advise wayss and provide evidence of this change.

wayss needs to know as soon as practical and no longer than one full week if:

- **Renter's income changes:** Getting or stopping a job or getting more, or less money from Centrelink.
- **Renter's household changes:** Like someone moving in or out. This could affect the household income, or the discount to market-based rent eligibility.

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What happens next?

- While the rent amount payable might change, rent will remain affordable, and can never exceed the market-based rent amount, except where there is an additional service charge.
- If a renter's household income increases or decreases, the household income will be reassessed, and the rent payable will be recalculated and made effective from the date the renter advised ways of the change to income occurred based on the documents provided.
OR If a renter's household income increases, the household income will be reassessed at the next scheduled rent review. Permanent decreases to income will be reassessed, and the rent payable will be recalculated and made effective from the date the renter advised ways of the change to income occurred based on the documents provided.
- During a rent review, where a renter does not provide income details, the household rent will default to market-based rent (if applicable).
- If a renter subsequently provides information about reduced household income after a rent review, changes will only take effect on and from the date the renter contacted ways and provided reasonable details of the household income.

10. If Renters Miss Paying Rent

Renters must pay rent on time, or they will be in breach of their rental agreement with ways. Repeated breaches could put the tenancy at risk of ending (see [Rent Arrears Management and Hardship Policy](#) for more information).

There are options if renters have difficulty paying rent

ways will work with the renter to understand rental payment challenges and how they could potentially be addressed. Renters should speak to their tenancy manager if they are concerned that they won't be able to pay their next rent or their rental debt (see [Arrears Management and Hardship Policy](#) for more information).

11. Review

ways will conduct a comprehensive review of this document every two years, aligning with the established policy review schedule. Additionally, revisions may occur sooner in response to legislative changes or feedback about service delivery that could affect the content of this document.

12. Definitions

Applicant	Means an applicant for housing to ways.
Assessable Income	Means the total household income assessed in accordance with the DFFH Income Assessment Guidelines .
Commonwealth Rent Assistance (CRA)	An Australian Government subsidy paid to those in receipt of some form of Commonwealth benefit, to assist them to rent in the private marketplace. Community housing is classified as private housing for the purposes of CRA payments.
Income Earning Household Member	Any member of the household who earns an income from any source including but not limited to wages, salary, Centrelink benefits and compensation payments.

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Market-Based Rent	The maximum rent that will be charged excluding the service charge (if applicable).
Rental Agreement	The Residential Tenancies Act (RTA) defines different types of agreements that is dependent on the type of premises and legal arrangement, such as residential rental agreement, rooming house agreement, lease agreement, or rental agreement. For the purpose of this policy, all agreements will be referred to as a 'Rental Agreement'.
Rent Payable	The amount the renter is required to pay per period as specified in their tenancy agreement or rent review. Rent payable will be the lower of Market-Based Rent or income-based rent, plus other charges, such as for water and electricity applying to the property (for example, in rooming houses and self-contained units which are not separately metered).
Rent Review	An assessment of household income and/or composition, conducted during a tenancy, to align the rent payable by the renter with their current circumstances.

13. Related Documents and Resources

- Arrears Management and Hardship Policy
- Client Feedback and Complaints Policy
- Eligibility and Allocations Policy

Relevant Legislation and Regulations

- Housing Act 1983 (Vic)
- [Guidelines for Registered Housing Agencies published by DFFH](#) (where applicable)
- Performance Standards for Registered Housing Agencies
- Residential Tenancies Act 1997 (Vic)

14. Change History

Review Date	Version	Summary of changes	Approved By	Approval Date
04/01/2024	V.1	Update to new template		
26/08/2024	V.1	Document reviewed and updated. Developed to replace existing Rent Policy and Rent Setting Policy		

15. Appendix

Primary incomes: Assessed at 25 per cent

- Abstudy 60+
- Abstudy Partnered 21+
- Abstudy Partnered with Dependants
- Abstudy Partnered No Dependants
- Abstudy Single 21+
- Abstudy Partnered with Dependants 21+
- Abstudy Single with Dependants 21+
- Abstudy Single Away from Home
- Abstudy Single with Dependants
- Abstudy Single at Home
- Abstudy
- Age Pension
- Age Pension - Pension Reform
- Asylum Seekers Allowance
- Austudy No Dependants
- Austudy Partnered with Dependants
- Austudy Partnered Special No Dependants
- Austudy Single with Dependants
- Austudy Single Special Rate
- Austudy
- Blind Pension
- Carer Pension
- Carer Pension - Pension Reform
- Community Development
- Connected Paid Parental Leave
- Clean Energy Supplement
- Compensation Payment
- Dad Partner Payment
- Defence Force Income Supplement
- Defence Force Reserve Payment
- Disability Wage Supplement
- Domestic Allowance
- Deprived Income
- DSP under 21 with Dependants
- Disability Pension
- Disability Pension - Pension Reform
- Disability Pension Youth Away from Home
- Disability Pension Youth at Home
- Veteran Affairs Disability Pension
- Disability Youth with Dependants- Pension Reform
- University Scholarship/Grant and Bursaries
- Exceptional Circumstances Relief Payment
- Farm Household Support
- Farm Family Restart
- Flexible Paid Parental Leave
- Flexible Support Payment
- Foster Allowance
- Formal Training Allowance
- Incentive Allowance
- Investment/Savings Interest
- Imputed Pension
- Income Stream and Annuities Asset
- Income Stream and Annuities Income
- Income Support Supplement
- Imputed Top-up to appropriate Centrelink Rate
- JobSeeker Payment
- Mature Age Allowance
- Pension Supplement Notional
- Newstart Allowance < 18 with Dependants
- Newstart Allowance with Dependants 18-20
- Newstart Allowance
- Newstart Allowance at Pension Rate
- Approved Program of Work Supplement
- Orphan Pension (18 and under)
- Overseas Pension
- Overseas Assets (deemed interest rate)
- Overseas Income
- Overseas Pension Special
- Partners Allowance
- Paid Parental Leave
- Parenting Payment Partnered
- Parenting Single Pension
- Real Estate Asset (deemed interest rate)

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- Real Estate Income
- Remedial Tuition Allowance
- Self-Employed Adjusted Nett Profit
- Service Pension - Pension Reform
- Service Pension
- Sheltered Workshop Allowance
- Sickness Allowance 18-20
- Sickness Allowance
- Sickness Allowance Single with Dependants
- Sickness Allowance at Pension Rate
- Special Benefit
- Special Benefit Single with Dependants
- Special Benefit at Pension Rate
- Superannuation Payments
- Supplementary income
- Trust and Companies Asset
- Trust and Companies Income
- Top-up to appropriate Centrelink Rate
- Wages (PAYE employees)
- War Widow Pension - Pension Reform
- Work Care Payments
- Widows Allowance
- Widows Allowance at Pension Rate
- Widows Pension
- Widows Pension - Pension Reform
- Wife Age/DSP Pensioner
- Wife Age/DSP Pensioner - Pension Reform
- Youth Allowance Away from Home
- Youth Allowance at Home
- Youth Allowance Partnered no Dependants
- Youth Allowance Partnered and Dependants
- Youth Allowance Single with Dependants
- Youth Allowance Special Away from Home
- Youth Allowance Special at Home
- Youth Allow Special Partnered and Dependants
- Youth Allowance

Family incomes: Assessed at 15 per cent

- Clean Energy Supplement, FTB part A
- Clean Energy Supplement, FTB part B
- Family Lump Sum Supplement (A)
- Family Lump Sum Supplement (B)
- Family Tax Benefit - Part A
- Family Tax Benefit - Part B
- Imputed Family Lump Sum Supplement (A)
- Imputed Family Lump Sum Supplement (B)
- Imputed Family Tax Benefit - Part A
- Imputed Family Tax Benefit - Part B

Non-assessable incomes

- Non-assessable incomes are usually payments that are provided for a specific purpose. Adequate Means of Support Pension paid by the Department of Veterans' Affairs
- Additional payments made by other countries to victims of war as a result of their war experiences that do not affect the full entitlement of Centrelink payments are also excluded as assessable income
- Austudy Loan
- Austudy Pensioner Educational Supplement
- Baby Bonus (formerly known as Maternity Payment) – paid to families for children born or adopted after 1 July 2007. Only the deemed interest rate is applied to any savings or investments where the amount has been deposited. See Maternity Payment

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- Basic Parenting Payment (partnered) - formerly known as Basic Parenting Allowance – This payment was included in Family Tax Benefit Part B from 1 October 2000 and assessable from this date
- Bereavement Payment
- Book Allowance
- Carer's Allowance (formerly known as Child Disability Allowance and Domiciliary Allowance)
- Community Development Employment Project (CDEP) Payment Supplement – only the base rate amount
- Community Empowerment Project Payments (paid by the City of Yarra)
- Child Care Benefit
- Children's Trust Funds where the household member has no access to the funds
- Clean Energy Advance – one off payment made from May 2012 (i.e. before the Clean Energy Supplement) to pensioners, other income support recipients, families receiving Family Tax Benefit payments and Seniors Supplement recipients, provided they met eligibility requirements. The deemed interest rate is applied to any savings or investments where the amount has been deposited.
- Department of Health and Human Services (the department) Caregiver payments. This payment is made by the department to families involved in caring for foster children
- Double Orphan Allowance
- Double Orphan Pension (assessable prior to 23 November 2008)
- Education Allowances
- Education Entry Payment
- F-111 ex-gratia \$40,000 or \$10,000 lump sum payments for participants in the F-111 Deseal/Reseal programs. The one-off payment is not assessable, however where the payment is invested, the deemed interest rate should be applied and the resultant amount included as assessable income
- Family Tax Benefits for 6th and subsequent child
- Family Tax Initiative (For assessments prior to 1 October 2000)
- Family Tax Benefit Lump Sum Amount of \$600 paid before 30 June 2004. This was a one-off payment of \$600 per child paid to all families entitled to receive Family Tax Benefit Part A during the 2003/04 financial year. The deemed interest rate is applied to any savings or investments where the amount has been deposited.
- Family Tax Benefit Part A Lump Sum Supplement paid in respect of the 2003/04 financial year. This payment commenced on 1 July 2004. Families have two years from 30 June 2004 to claim for this payment.
- Fares Assistance
- Formal Training Allowance - paid with Centrelink pension/allowance
- Foster Allowance
- GST for allowances
- Income of residents under 18 years of age
- Language, Literacy and Numeracy Supplement
- Large Family Supplement
- Lump sum funds invested into income stream products such as annuities
- Maternity Payment (now known as Baby Bonus) –paid to families for children born or adopted after 1 July 2004. Only the deemed interest rate is applied to any savings or investments where the amount has been deposited. See Baby Bonus.

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- Minimum Family Allowance (formerly known as Basic Family Payment) – This payment is included in Family Tax Benefit Part A after 1 October 2000 and assessable after this date.
- Minimum Family Allowance for dependents aged 18 – 24. This payment is included in Family Tax Benefit Part A after 1 October 2000 and assessable after this date.
- Mobility Allowance
- Multiple Birth Allowance
- Neighbourhood Renewal Community Survey Payments made to both interviewees and interviewers (This applies to renters or residents in identified Neighbourhood Renewal Areas only)
- Orphan Pension (18 years and under)
- One off Economic Support Payment
- Pension Bonus Scheme (formerly Older Australian's Bonus) – a one-off non-taxable bonus payment of \$500 paid to older Australians of Age Pension age. The payment was part of the 2007/08 Federal budget and was paid to recipients of the Age Pension, Mature Age Allowance, Widow Allowance, Partner Allowance, Commonwealth Seniors Card and Veterans' Affairs Gold Card holders. The deemed interest rate is applied to any savings or investments where the amount has been deposited.
- Pension Supplement (formerly known as GST Component of Pensions)
- Pharmaceutical Allowance
- Prisoner of War (Japan and Korea) \$25,000 lump sum compensation payment. Paid to surviving Australian service personnel (or their surviving widows/ers) in 2001 (Japan) and 2004 (Korea). The one-off payment is not assessable, however where the payment is invested, the deemed interest rate should be applied and the resultant amount included as assessable income
- Remedial Tuition Allowance
- Rent Assistance paid to renters who have a tenancy agreement with the Director of Housing (the renter should notify Centrelink that they are a Departmental renter)
- Restitution payments from Foreign Governments
- Schoolkids bonus
- School Start Bonus – one off payment paid to families with children starting prep and year seven at a government or non-government school. The deemed interest rate is applied to any savings or investments where the amount has been deposited.
- Superannuation funds, lifetime annuities that cannot be realised or drawn from
- Superannuation funds, lifetime annuities of persons under retiring age whose funds are realisable but choose not to access them.
- TAC Impairment Annuity Benefit
- Telephone Rental Concession
- Travel, Meals, Laundry and Accommodation Allowances
- War Disability Pensions (Department of Veterans' Affairs)
- Work for the Dole Supplement
- Youth Disability Supplement

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