

Rent and Rental Fraud

Overview

This policy explains:

- how we calculate and review rent
- responsibilities of renters in the rent setting and review process
- how we will meet our legal and regulatory duties
- what rental fraud is and how we will respond to rental fraud.

Scope

This policy applies to SGCH Homes Victoria and its subsidiaries (**we, our and us**).

This policy does not apply to affordable housing renters. Information about how affordable housing rents are calculated is in our Affordable Housing policy.

Definitions

Market rent

Market rent is based on how much it would cost to rent the property privately. The rent we charge our renters will not be higher than the market rent.

Renter

The renter is the person who signed the residential rental agreement.

Household members

Household members are other people we have approved to live in the property.

Rental fraud

Rental fraud is when a renter either:

- gives us false, incomplete or misleading information about their household income or assets
- does not tell us within the required timeframe if there is a change in circumstances which could impact their rent
- sublets their property or allows unauthorised occupants to live in their property (refer to our Occupancy policy for more information).

Guiding principles

- We will be fair and clearly explain how rent is calculated.
- We will meet our legal duties when calculating and reviewing rent.

Market rent

The rental agreement shows the market rent for the property. If the market rent changes, we will give renters written notice of the change as required by law and legislation.

For properties we own or manage, the market rent is based on the median market rent for that type and size of property in the area where the property is. We review market rents for these properties every year. We use independent market rent valuations or information from the current Rental Report by Homes Victoria to work out the market rent. When the rent amount in

the report is higher than actual market rents, we will use current rents in that area for a similar type of housing to calculate the market rent.

For properties we rent from private landlords, the market rent is the rent we pay for the property. We will change the market rent for these properties when the rent we pay for the property changes.

Rental rebate

Renters who cannot afford the market rent are offered a rental rebate if their household income is below the household income limits set by the Victorian Department of Health and Human Services and they provide appropriate documents to support this. These limits are updated annually. If a household's income is more than the income limits, they will be charged the market rent for the property they live in.

The table below shows how we calculate the rental rebate:

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| 30% of income (before tax) for both: The renter, their spouse or live-in partner (regardless of their age) Household members 18 years of age and over |
| 15% of Family Tax Benefit A and B received by all household members |
| 100% of Commonwealth Rent Assistance (CRA) that the household could receive |

The rent will never be more than the market rent for the property.

Not all types of income are included when we calculate a rental rebate. The [Rent Setting and Rebate Operational Guidelines - Assessable Income](#) defines the types of assessable income included in the calculation.

To be able to calculate the rent amount, the renter must provide proof of income for both:

- themselves, their spouse or live-in partner
- all members of the household aged 18 years and over.

Generally, we do not offer joint tenancies. However, if we do have co-renters (two renters who are both listed on the same rental agreement) we may assess their income together or separately, depending on the household circumstances.

Commonwealth Rent Assistance (CRA)

The Australian Government provides this assistance for eligible households to assist with the cost of renting privately or from community housing providers.

We calculate the amount of CRA each household member should receive based on how much rent they will pay and include that amount when we calculate the rent. If they are not receiving the full amount we think they could receive, we will ask them to provide us with a document from Centrelink outlining the amount of CRA they are currently receiving. Once we have this document from Centrelink, we will review the rent amount and inform the renter of the outcome.

If renters or household members are blind and receive the Disability Support Pension or Age Pension, Centrelink may decide they will be financially worse off if they receive CRA because of the asset test used. In these circumstances, we will classify the renter/household member as being ineligible for CRA so they are not disadvantaged.

Reviewing rent amounts

We review each renter's household income and rent charged at least every 6 months.

When we review the rent we charge, we will write to renters and ask them to provide us with current proof of income for themselves, their spouse and every household member 18 years of age or over. This letter is sent 60 days before the indicated rent increase date, as well as an additional 7 days for expected post to be delivered.

Renters and household members who receive income through Centrelink can give us permission to confirm their income rather than provide these details.

The types of documents we can accept as proof of income are listed in the Proof of income section of this policy. If the renter does not provide income details for the household by the due date they will no longer be eligible for a rent subsidy and will be required to pay market rent from the specified due date.

When household income changes

Because we use the household income to work out how much rent to charge, renters must tell us within 21 days when their household income changes or the people in the household move in or out.

When we are informed of these changes, we will ask for proof of income for the adult household members and review the rent amount within 14 days of receiving the updated income details. After we review the rent, we will notify renters in writing of any changes in their assessed rent. The letter will indicate the day that the new rent amount will start. The table below outlines effective start dates of new rent charges.

| Rent review outcome | | New rent start date |
|---------------------|---|---|
| Rent increases | The renter told us about the change within 21 days. | The billing day after rent review is completed. |
| | The renter did not tell us about the change within 21 days. | The new rent will start on the date the income changed. |
| Rent decreases | The renter told us about the change within 21 days. | The new rent will start on the date the income changed. |
| | The renter did not tell us about the change within 21 days. | The billing day after rent review is completed. |

The Head Of can make decisions about rent start dates outside of this policy.

Rental fraud or changes in income

If a renter has committed rental fraud or has not told us about changes to their household income, we may backdate the rent to the date the income changed, cancel their rental rebate and charge market rent. Refer to the Our response to rental fraud section of this policy for more information.

Other circumstances

No statutory income or a reduced statutory income

A statutory income is an income received from Centrelink or another government agency (e.g. Department Veterans' Affairs).

There may be situations when a renter or household member receives no statutory income or a reduced statutory income because they have chosen not to apply for an income which they are eligible or are not eligible to receive a statutory income because they:

- have gone overseas and have become ineligible for further payments for a specified period
- receive a job seeker payment, have not sought work and have become ineligible for further payments for a specified period
- have received a compensation or other lump sum payment that is less than the relevant statutory income, or Centrelink deems them to have sufficient resources and Centrelink expects them to use those resources for living expenses
- are New Zealand citizens who are in Australia on a non-protected Special Category Visa
- have breached Centrelink mutual obligations requirements
- are repaying a Centrelink debt.

In these situations, the rental rebate will be assessed based on the statutory allowance the renter or other household members would normally receive (including CRA and family tax benefits if applicable).

Where a renter or household member cannot receive a statutory income, they must provide us with relevant evidence showing they are not able to do so. If a person:

- has no income
- is not able to get an income from Centrelink
- has gone through all possible appeal options with Centrelink.

We will charge \$15 a week rent for that person for up to 6 weeks while we assess and calculate the appropriate rent amount. If other people are living in the household, we will continue to use their income to calculate the rent.

Fluctuations in income

If a renter or household member's income changes frequently, we will use their average income from the past 3-6 months or their income from their last tax return when we are calculating their rent.

Overtime payments

We will include overtime payments as income when we are calculating rent.

Self employed

If a renter or household member is self-employed, we will ask them to give us their most recent tax return or their latest 13-week profit and loss statement from an accountant. If their income is less than the standard rate of Job Seeker, we will use the current rate for Job Seeker to calculate their rental rebate.

Rent during approved absences

Renters and household members must pay their rent while they are away from the property.

Housing is a limited resource. If renters are going to be away from their property for extended periods, we will ask them to voluntarily give up their tenancy and vacate the property, so it can be allocated to another person in need of housing assistance. Refer to our Absence from Property policy for more details.

In some situations, a renter can ask us to reduce the rent we charge them while they are away from their property for short periods. If a renter or household member is approved for reduced rent, we will charge that person \$15 per week rent when we calculate the household rent. If other household members remain in the property, we will still use their income to work out

their share of the household rent. The below table outlines the principles applied when determining a reduction in rent based on relevant circumstances.

| Circumstances | Details |
|--|---|
| <p>The renter or household member is going to be away from their property, and will be paying for other accommodation, because they are going into:</p> <ul style="list-style-type: none"> • hospital for long term care • nursing home • rehabilitation facility • respite care • refuge or other accommodation because they are at risk or escaping domestic and family violence. | <p>We will charge the person \$15 per week rent if they need to pay costs at the place where they are staying. They will need to show us evidence that they have to pay costs at the place where they are staying.</p> <p>The reduced rent can be approved for up to 12 weeks. After the 12 weeks, we will look at the person's situation and decide whether to cancel or extend the rent reduction.</p> <p>Victim-survivors escaping domestic violence situations who retain their social housing tenancy and are not paying for alternative accommodation, e.g. in a refuge or other supported accommodation, are also eligible for \$15 rent and the above provisions will apply.</p> |
| <p>The person (a renter or household member) is going into prison, and the reason is not related to an offence which is a breach of duty.</p> | <p>We will charge the person \$15 per week rent.</p> <p>The reduced rent can be approved for up to 26 weeks if the reason for imprisonment is not related to a breach of duty.</p> <p>If a prison term is expected to be longer than 26 weeks, and the renter is a sole person household, the renter will be required to give up their tenancy and arrange to vacate the property, so it can be allocated to another person in need of housing assistance. If the tenancy is not relinquished, once the approved period ends, the rent amount the person paid before the rent reduction will apply.</p> <p>If a prison term is expected to be longer than 26 weeks, and there are other authorised adult household members, an authorised household member may apply for succession of the tenancy. Refer to our Succession of Tenancy policy for more information.</p> <p>For transitional tenancies, where the maximum time a person can live in a property is generally limited under program guidelines, we will only approve a</p> |

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| | rent reduction for up to 12 weeks. This reduced rent charge will only be granted to a renter once during their tenancy with us. |
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We will not reduce rent when the renter/household members are away for other reasons such as holidays, visiting family or helping with immigration matters in their home country.

Rent reductions can be approved by a Lead. Leads or the Head Of can make decisions about rent reductions outside of this policy.

The renter/household member must give us written evidence to support their request for a rent reduction. This could include proof of where they will be staying, how much they will pay in accommodation costs, and/or how long they will be in prison.

Proof of income

The renter is responsible for giving us proof of income details for:

- the renter's spouse or live-in partner
- all household members who are 18 years or older.

Renters and household members who receive income through Centrelink can give us permission to obtain and confirm their income directly with Centrelink, instead of providing these details themselves.

Proof of income must match the type of income that the person receiving. For example, if a person receives a Centrelink income, they must give us their Centrelink statement. The renter and household members must give us proof of income for all types of income that they receive. Proof of income cannot be more than one month old, except for tax returns for people who are self-employed, which cannot be more than 13 months old.

Proof of income documents must be original and can include:

| Type of income | Acceptable proof of income |
|--|---|
| Income from Centrelink or Veterans' Affairs | Income statement from Centrelink or the Department of Veterans' Affairs. |
| Wages/salary | Pay slips, a letter or statement from the employer showing the person's gross wage, tax, other deductions, pay period and details for the person. Documents must show the income for a minimum period of 3 weeks. |
| Self-employed | Profit and loss statement completed by an accountant or taxation return. |
| Income from an overseas government, WorkCover or an insurance company/agency | Letter or statement from an overseas government, WorkCover or an insurance company showing any money paid to them. |
| Income from investments | Letter or statement from a finance or investment company showing any amounts paid to them from investments. |
| Other | Letter from another company or agency not listed above that pays them money, showing the type and amount of money paid to them. |

Payment options

Renters can pay their rent by:

- Centrepay deductions
- internet banking
- EFTPOS
- bank deposits
- money orders
- cheques
- online, via our website.

We do not accept cash payments.

For security reasons, credit/debit card details must not be sent to us via email, text, or any written format.

Rent receipts and rent statements

A renter can ask us for a rent statement at any time. If a renter asks us for a rent statement, we will give them the statement within 7 days.

Renters' responsibilities

Because we use the household income to work out how much rent to charge, our renters must tell us within 21 days when their household income or assets change or the people in the household change and must give us proof of income and assets for the household.

Renters' rights

If we think a renter has committed rental fraud or has not told us about changes to their household income, the renter has the right to:

- be told about any information/evidence that we have about them and suspected rental fraud
- be given a chance to respond to the information
- be treated fairly and have us apply procedural fairness when dealing with suspected rental fraud
- have a support person or advocate present at any interviews
- have access to an interpreter (if needed)
- be given a record of the interview if requested and have the chance to read it and check that it is correct.

Rental fraud

Because a rental rebate is based on a renter's eligibility and circumstances, we may ask a renter to verify their eligibility for a rental rebate at our request. This may occur at any time during the tenancy and for different reasons.

Rental fraud occurs when a renter:

- provides us with false, incomplete, or misleading information about their household income or assets

- does not tell us within the required timeframe if there is a change in circumstances that could impact their rent
- sublets their property or allows unauthorised occupants to live in their property (refer to our Occupancy policy for more information).

When we investigate an allegation of rental fraud, we will apply procedural fairness. We will ensure that renters are made aware of any allegations and will be advised of their right to:

- provide evidence to refute any allegations made against them
- have a support person or advocate present at any interviews
- have access to an interpreter (if needed)
- be given a record of the interview if requested and have the chance to read it and check that it is correct.

Our response to rental fraud

If we receive information relating to possible rental fraud or suspect that rental fraud has or is happening, we will investigate it.

We might contact the following people, where we are allowed to or required to by law, to ask them about matters related to rental fraud:

- the renter's employer or possible employer
- supply authorities, like gas, electricity, water and telephone providers
- neighbours
- Centrelink
- real estate agents
- any other people who might have relevant information.

If we suspect a renter has committed rental fraud, we will write to the renter and tell them what information we need from them and give them 21 days to respond. If we do not receive the required information after 21 days, we will charge the renter market rent.

If we have information that shows a renter has committed rental fraud or has not told us about changes to their household income, we will cancel their rental rebate and might backdate the rent to the date the income changed. Decisions about backdating rent and/or charging market rent will be made by the Head Of and/or Executive Director, Customers – Services. In some cases, this may mean the renter has to repay a debt.

Where fraud is deliberate and/or serious, we may take action to terminate the rental agreement. The fraud may also be referred to other relevant agencies where required or permitted by law.

Confidentiality

If we receive information about possible rental fraud, we will not reveal the details of the person who gave us the information unless required by law, or unless the person gives their approval. Depending on the severity of the allegations we may contact the Police.

We will not provide any details about the outcome of the investigation to the person who provided the information.

Requests for information

We may receive requests for information from other government agencies. We will only share information with government agencies, where we are required or authorised to provide information by law.

Requests for information will be managed by the Privacy Officer.

Appeals

Renters can appeal our decisions made under this policy. Our Appeals, Complaints and Feedback policy has more information on appeals.

Relevant legislation, regulations or standards

- [Department of Families, Fairness and Housing \(DFFH\) Rent Setting and Rebate Operational Guidelines – Assessable Income](#)
- [Department of Health and Human Services Rent Setting for Registered Housing Agencies](#)
- [Housing Act 1983 \(Vic\): Performance Standard 1 \(Tenant and housing services\)](#)
- [Residential Tenancies Act 1997 \(Vic\)](#)

Related documents/resources

- Policy: Absence from Property
- Policy: Affordable Housing
- Policy: Appeals, Complaints and Feedback
- Policy: Occupancy
- Policy: Succession of Tenancy

Policy information

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