

Public housing rents

What is rent?

Under the tenancy law in Victoria, **rent** is defined as 'the amount paid to a landlord by a tenant to occupy rented premises and use facilities and services'.

In public housing, rent has two different meanings:

Market rent is the rent that you would pay for the property if it was available in the private rental market. The market rent for each property is set by the Victorian Valuer-General.

However, many public tenants receive a **rebate** to the market rent. A rebate is an amount taken off or deducted from the market rent to make the rent more affordable.

Rebated rent is the rent you actually pay when the rebate is applied to the market rent.

How is the rebated rent calculated?

The rebated rent is calculated as a proportion of total household income based on the income of all members in the household.

To determine the rebated rent, three types of income are considered. These are:

- > **base income** – such as wages, salaries, pensions, benefits, allowances, superannuation, lump sum payments, interest from savings or income from investments
- > **concessionally-treated income** – such as Family tax benefits paid by Centrelink and child maintenance paid by either a Child Support Agency or a non-custodial parent
- > **exempted income** – such as veterans' payments

➡ Rebated rent is basically calculated as 25% of the household's base income plus 15% of any concessionally-treated income.

How often does my rent increase?

In public housing, the **market rent** is assessed every 12 months.

If your market rent increases, you should receive proper notice of the rent increase. If you believe that the increase makes your market rent excessive

(ie too high), you can apply to the Director of Consumer Affairs for a rent assessment. Most public tenants do not seek an assessment of their market rent because it makes no difference to their rebated rent.

The **rebated rent** is set twice a year based on the household income at that time and is fixed for up to 26 weeks (even if household income increases between assessments).

However, if the household income goes down between assessments then tenants can apply to have their rebated rent reduced.

Each time your rebated rent is assessed, you will receive a letter from the Director of Housing* asking you to confirm your household income.

It is very important for you to check this letter carefully. You need to make sure that all the details are up to date and correct. If the income details are not correct you should contact your local housing office* as soon as possible to have the details corrected.

You may be required to attend your local housing office to provide confirmation and evidence of your income for each assessment.

It is important that you respond to any request from the Director of Housing to confirm your income details. If the Director of Housing does not receive confirmation of your income, you may have your rebate withdrawn, fall into rent arrears and end up being evicted.

If you receive income from Centrelink you can sign up for the **income confirmation service**. This means that your income information goes directly from Centrelink to the Director of Housing. Each time your pension or benefit changes that information is passed on to the Director of Housing to ensure that they have the correct income details when they do the rebated rent assessment.

➡ There are a number of different policies that effect how income is treated and how your rebated rent is calculated. If you do not think the Director of Housing has calculated your rebated rent correctly you should contact the **Tenants Union** for advice on ☎ **1800 068 860**.

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What if I disagree with the Director of Housing's rent assessment?

If you think that the Director of Housing hasn't calculated your rent correctly you should start by trying to resolve the issue with your local housing office. If you reach an agreement with the local housing office you should ask them to confirm the agreement in writing for you.

If you cannot resolve the issue with your local housing office, you can then make a formal complaint.

It is free to make a complaint and you can do so in person at your local housing office, in writing, or by telephone. If you have any questions or need assistance to lodge your complaint, contact the **Housing Complaints Management Unit** on ☎ **1800 155 743**.

The Director of Housing also has an internal appeals process. You can apply for an internal appeal if you think that the Director of Housing has not applied their policy and procedures properly, or if you think they have made a mistake in calculating your rebated rent.

➡ For more information about the internal appeals process see our ***Appealing a public housing decision*** fact sheet.

Rent subsidies

In addition to a rent rebate, you may be eligible for a rent subsidy under some circumstances such as the following:

- > the property has been damaged by fire or flooding
- > the property is being upgraded while you are still living there
- > you are a Resident Liaison Officer or Resident Caretaker
- > you turn 100 years old

If you think you may be entitled to a rent subsidy you should contact your local housing office.

You can also contact the Tenants Union for advice.

For more information phone the Tenants Union Advice Line on ☎ (03) 9416 2577.

*The government department that manages public housing has used many names over time including the Housing Commission, Department of Housing and Office of Housing. It is now called the Housing and Community Building Division of the Department of Human Services. As an alternative, the Tenants Union is using the name Director of Housing as the best way to describe this service. Please also note that your local housing office may now be located within the Department of Human Services.