

A STEP-BY-STEP GUIDE TO

RENT REDUCTIONS & RENT RELIEF GRANTS





This document was created and researched by Tenants Victoria. It contains general information and is not a substitute for specific legal advice. For assistance or advice, please contact Tenants Victoria. This document is accurate at the time of publication.

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RENT REDUCTION

Are you experiencing financial hardship due to COVID-19? If you are having trouble paying your rent you can ask the landlord for a rent reduction.

START HERE

1 WORK OUT YOUR BUDGET

Work out how much money you have and the cost of all your expenses, for example food, clothing, medical, gas and electricity, child care, phone, internet, education, work, public transport, petrol and vehicle expenses.

★ **Keep bills, pay slips and all other documents that are evidence of your income and expenses.**

2 DECIDE WHAT YOU CAN AFFORD

Work out how much rent you can afford.
See the panel below for tips on working this out.



what's next?

Go to **Step 2: Negotiating a rent reduction** for the next step of the rent reduction process.

TIPS FOR WORKING OUT WHAT YOU CAN AFFORD

- ✓ Work out what income you will have from your employer and/or Centrelink and how long this will last.
- ✓ As a guide, you should pay less than 30 per cent of your gross income (before tax is taken out) on rent. Paying more puts you in rental hardship.
- ✓ Consider any savings you have to support you during this time. However, do not include your superannuation. You should not use it to pay your rent.

Please call us at **1800 068 860** or email if you have any questions. If you can't get through the first time, please keep checking back. Our lawyers are doing their best to assist as many tenants as possible during this time.

KEY CONTACTS

TENANTS VICTORIA
tenantsvic.org.au
CONSUMER AFFAIRS VICTORIA
consumer.vic.gov.au



RENT REDUCTION

CONTINUE HERE

1 WRITE TO THE LANDLORD OR REAL ESTATE AGENT

Be clear about your changed situation - for example, you lost your job, or your hours or pay have been reduced - and the rent you are able to pay. These details will help the landlord understand and assess your rent reduction request.

Use our [sample agreements](#) and [sample letters](#)

2 THE AGREEMENT

Try to reach an agreement about reducing your rent for a set period of time. Ask for it to apply from the time you first contacted the landlord. Be realistic about how much you need the rent reduced by and how long you need it reduced for.

Also be careful of any additional terms the landlord or agent may want to include - for example, only offering a reduction if you agree not to request repairs. You do not have to agree to terms that affect your rights.



Keep records of all your emails, letters or phone calls to your landlord or agent in case you need them as evidence later.

3 REGISTER WITH CONSUMER AFFAIRS

If you come to an agreement that works for you and the landlord, register it with Consumer Affairs Victoria. Registering your agreement will help protect you and will also allow you to apply for the rent relief grant (if you are eligible).

Road blocks? Get help!



If you don't reach an agreement with the landlord, or they delay, want unreasonable terms, are unhelpful or do not respond at all, don't wait. Register with Consumer Affairs Victoria. Go to **Step 3: If you can't get a rent reduction** for the next steps of the process. We recommend that if you don't have an agreement within a week of asking for a rent reduction, contact Consumer Affairs Victoria.

★ If the landlord offers a **rent deferral** rather than a rent reduction, **do not accept this**. You would pay reduced or no rent for the time of the agreement but you would need to pay back the deferred amount when the agreement ends, which could be thousands of dollars.

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TENANTS VICTORIA

RENT REDUCTION

CONTINUE HERE

1

REGISTER WITH CONSUMER AFFAIRS VICTORIA

If you and the landlord can't agree on a rent reduction you should register with Consumer Affairs Victoria. They can try to help you reach an agreement, and if they can't, they can refer you and the landlord for free mediation. [Register here.](#)

2

MEDIATION

If you are referred for mediation, also known as conciliation, you will be contacted to talk about what to expect.

For example, you can expect:

- the mediation to be held over the phone
- to be able to ask the landlord questions during the mediation
- to be able to speak to the mediator privately
- to be asked about changes to your financial situation
- the mediation to take up to two and a half hours

You may be asked for details and documents about how your financial situation has changed, such as letters from employers, payslips and Centrelink statements. This will help the mediator understand the size of the rent reduction you will need. You should also let the mediator know as early as possible if you want a support person to attend the mediation with you, such as a translator, financial counsellor or tenancy-agency worker.

In getting ready for the mediation you should:

- put together a realistic budget of your income and expenses and what you can afford to pay in rent
- get together any documents that will help you at the mediation, for example copies of bills and other expenses and documents showing how your financial situation has changed

And before the mediation starts you should:

- make sure you have your budget and documents in front of you
- have pen and paper to make notes
- have a calculator handy to help you work out if any offers will work within your budget. If you need time to calculate any offers you can ask for the mediation to be put on hold.

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RENT REDUCTION

CONTINUE HERE

✓ AGREEMENT IS REACHED

The mediator will give you and the landlord a written agreement, which will be registered with Consumer Affairs Victoria. Registration allows you to apply for a rent relief grant.

Continue to Step 4: How to get a rent relief grant.

OR

✗ AGREEMENT IS NOT REACHED

The Chief Dispute Resolution Officer for Residential Tenancies can:

- order a rent reduction, *or*
- let you know if you can apply to the Victorian Civil and Administrative Tribunal (VCAT), who can order a rent reduction and/or payment plan.

For more information see **Consumer Affairs Victoria's guide to conciliations.**



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RENT RELIEF GRANT

The Victorian Government's rent relief grant provides up to \$3,000 to eligible tenants who are experiencing rental hardship due to the COVID-19 pandemic. The one-off grant is paid directly to the agent or landlord for the tenant's rent.

The grant is designed to provide up to a maximum of \$3,000 to help reduce your rent down to 30 per cent of your income, before tax is taken out, where possible. Not all eligible tenants will get the full \$3,000 if less is needed to reduce their rent to 30 per cent of their income.

You do not need to be an Australian citizen or permanent resident to apply. Workers on holiday and working visas, international students, skilled visa holders, seasonal workers, New Zealand citizens and people on refugee and temporary protection visas can all apply.

ELIGIBILITY

- ✓ Have a rent reduction agreement registered with Consumer Affairs Victoria

This can be:

- an agreement made by you and the landlord
- an agreement Consumer Affairs Victoria helped you and the landlord make
- an agreement made by the Dispute Settlement Centre of Victoria after mediation
- an order made through the Residential Tenancies Dispute Resolution Scheme or VCAT (Victorian Civil and Administrative Tribunal)

This can't be:

- a deferral agreement – if you only have an agreement to defer, rather than reduce your rent, you cannot apply
- ✓ Work hours or wages must be down by at least 20 per cent due to the COVID-19 pandemic
- ✓ Income must be less than \$1,903 a week (before tax)
- ✓ Have less than \$10,000 in savings. Do not include superannuation and fixed term deposits
- ✓ Rent must be over 30 per cent of your income (before tax) even after any rent reduction agreement

Example

You have an agreement to reduce your rent, but even with this agreement you are still paying 40 per cent of your income in rent. The grant will provide as much as possible up to \$3,000 to help reduce the rent you pay down to 30 per cent of your income. If the full \$3,000 isn't needed to bring your rent down to that 30 per cent level you will only get the amount needed to do this.

- ★ Full details on the grant and how to apply are on the Department of Health and Human Services website: <https://www.housing.vic.gov.au/help-renting/rentrelief>

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HOUSINGVIC
housing.vic.gov.au



RENT DEFERRALS

If you are experiencing hardship do **not** agree to a rent deferral.

DEFERRALS ARE A BAD IDEA

- ✗ You will end up with a big deferral debt at the end of the agreement that you will be expected to pay back.
- ✗ If your financial situation doesn't improve and you can't afford to pay back the deferral debt the landlord could try to evict you, once the current moratorium (suspension) of notices to vacate ends.
- ✗ Even if your tenancy has ended the landlord could try to get you to repay the debt.
- ✗ You will not be able to apply for the Victorian Government's rent relief grant of up to \$3,000.

Example:

If your weekly rent is \$300 and you defer it for 6 months, then at the end of that time you will owe \$7,800.



RENT REDUCTIONS ARE A GOOD IDEA

- ✓ If you have an agreement for a rent reduction you pay the reduced amount for the time of the agreement and you won't end up with a debt afterwards.
- ✓ If you have a rent reduction agreement registered with Consumer Affairs Victoria you can apply for the Victorian Government's rent relief grant of up to \$3,000 (if you are eligible).

Example:

If your weekly rent is \$300 and you have an agreement to reduce it by \$75 to \$225 a week for six months you only need to pay \$225 while the agreement is in place. You will not need to pay back any money for rent when the agreement ends.

★ Do not agree to anything that doesn't work for you financially or requires you to give up your rights. Register with Consumer Affairs Victoria straight away. They can help you and the landlord come to an agreement. See our handy step-by-step rent reduction guide.

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9 TIPS



FOR GETTING A RENT REDUCTION

1 Work out how much you need the rent reduced by and how long you need it reduced for.

2 Keep copies of all your documents, like pay slips, redundancy letters, bills, and Centrelink statements. You may need these later to show how your financial situation has changed.

3 Keep a record of all your emails, letters and phone calls, with the landlord and agent, including dates and what was said.

4 Write to the landlord, or agent, to request a rent reduction.

✓ Use the Tenants Victoria sample rent reduction letters and agreements to start negotiations.

✓ Be clear about your changed situation, such as losing your job or having your hours or wages reduced, and what you can afford.

✓ Tell the landlord about help available from the Victorian Government, for example land tax discounts and rent relief grants.

5 Do not wait more than a week for a response to your request. Register with Consumer Affairs Victoria for help.

6 Do not agree to a rent deferral instead of a rent reduction if this doesn't suit your financial circumstances. Register with Consumer Affairs Victoria for help.

7 Do not give away your rights, like the right to ask for repairs, in return for a rent reduction. Register with Consumer Affairs Victoria for help.

8 Ask for help from a tenancy advice service such as Tenants Victoria, or from Consumer Affairs Victoria

9 Ask for an extension or a new rent reduction agreement if yours has ended or is about to end.

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RESOURCES & USEFUL LINKS

TENANTS VICTORIA

COVID-19 Guide for renters

[‘Rent reductions’ – COVID-19 Guide for renters](#)

[‘Rent relief grant’ - COVID-19 Guide for renters](#)

[‘Financial Help’ - COVID-19 Guide for renters](#)

Contact us (Advice line) : 1800 068 860

Contact us (Email) : www.tenantsvic.org.au/contact

CONSUMER AFFAIRS VICTORIA

[‘Coronavirus \(COVID-19\) and your rights’](#)

[‘Rent Reduction process’](#)

[‘Coronavirus \(COVID-19\) rental agreement or dispute’](#) (to register an agreement or to ask CAV for help)

[‘Rental dispute initial assessment form’](#) (for applications to VCAT)

DEPARTMENT OF HEALTH AND HUMAN SERVICES

[Rent relief grant Q&A](#)

[Rent relief grant application](#)

[Rent relief grant policy](#)

FINANCIAL HELP

[National Debt Helpline:](#) 1800 007 007

[Private Rental Assistance Program \(PRAP\)](#)

[Commonwealth Rent Assistance](#)

[Financial help for private renters](#)

OTHER TENANCY SUPPORT IN VICTORIA

[Tenancy Assistance and Advocacy Program \(TAAP\)](#)

(List of providers - Covers metropolitan and regional Victoria)

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