

# Service Charge Procedure

## 1. Introduction

This procedure outlines how Wayss calculates, applies, reviews, and communicates service charges to renters where individual utility usage cannot be separately metered.

## 2. Commitment Statement

wayss is a Child Safe organisation and child safety is at the forefront of our program delivery. Our procedures 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. Service Charge Definition

A service charge is an amount charged to renters in addition to rent to recover the cost incurred by Wayss for usage of gas, electricity, water and common area cleaning when applicable.

Service charges are calculated as a weekly amount and payable at the same time as rent falls due. This is to ensure renters do not incur larger, unexpected charges as Wayss receives actual usage bills.

Wayss service charges will not exceed the actual costs it incurs in the provision of those items that form the service charge. Because the service charge is calculated on actual historic costs, it is necessary to periodically reconcile the costs incurred against the amounts charged for service fees. Where the reconciliation of actual costs against service fees charged results in overpayment by any renter, the renter will be notified of this in writing and the overcharged amount will be reimbursed to that renter.

Where a reconciliation of actual costs results in an increase in the amount to be charged for future service fee payments Wayss will provide renters written notice of this including particulars of the variation to be applied.

Wayss will ensure renters are advised that they may apply to VCAT to vary or withdraw a service charge.

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## 4. Application of service charges

A service charge will only be applied where it is not possible or practical to accurately measure individual use of those expenses that make up the total service charge. This is typically because a property such as a rooming house does not have individual metering for energy/water consumption.

Wayss will only charge a service fee where it may legally do so. For a service fee to be charged in a rooming house, that property must be declared as a rooming house by notice in the Government Gazette under section 19(2) or section 19(3) and additionally must not have separately metered rooms.

A service charge will not be applied to renters residing in non-gazetted rooming houses. The actual cost incurred in the provision of gas, electricity, water supply, and common area cleaning may be applied as additional property charges on a property basis. Additional property charges are included in the total rent charged to a renter but regardless of actual costs, the total rent charged cannot exceed 74.99% of the actual market rent that is applied on a per room basis.

## 5. Calculation

The amount charged will be calculated on the actual costs per property divided by the number of rooms providing individual tenancies in that property.

Service charges are calculated as follows:

The actual costs incurred for gas, electricity, water supply and the provision of cleaning for common areas for the review period are totalled. That amount is then divided by 52 to determine the weekly actual cost incurred by Wayss over the review period. This weekly actual cost is then divided by the number of residential rooms in the property. This amount is the applicable service charge to be applied until the end of the next review period has been reached and the actual costs for that new period have been reconciled against the service charges applied.

The actual costs are those amounts for which Wayss has paid on supply invoices. Any invoices/records used to determine a service charge as well as those used in any review process will be retained for a period not less than the time required by the Australian Tax Office for standard business records

## 6. Rental ledgers and service charge records

Service charges are recorded separately from rent payable in the renter's ledger. Payment of a service charge is recorded separately from payment of rent.

If a service charge reconciliation evidences a renter has been charged a higher service charge than the actual proportional costs incurred by Wayss, then the amount that exceeds the actual cost will be credited to the renter's ledger. Credits for service charges will be processed as soon as practicable after reconciliations are completed.

All amendments to rental ledgers detailed above will be communicated to renters.

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## 7. Notices of imposition and variation

Wayss will ensure that all communications with renters about the charging of service fees advise the statutory basis which these are permitted— section 57 for residential rental agreements or section 109A for rooming houses.

Renters will be advised why Wayss cannot accurately or practicably measure individual usage of utilities including electricity, gas and water usage. They will be advised that where a service fee is charged it is calculated on the actual costs of the service charge components for the property in which they reside. Renters will be advised that service charges are calculated on a weekly basis and are payable fortnightly to coincide with their rent payment cycle.

All communications with renters about service charge reconciliations and any adjustments made to their rental ledger including reimbursements where a service charge exceeds actual costs will be:

- Written in plain terms.
- Include the actual pro-rata costs alongside the service charges for the review period.
- Provide a breakdown of each component expense that makes up the service charge.
- Advise the date from which any amended service will be applied and when the next reconciliation of actual charges will occur.
- Advise renters they may seek additional information and clarification of any applicable service charges at any time.
- Advise renters they may apply to VCAT to seek a variation of any applicable service charges or a withdrawal of any charges made.

## 8. Recovery of service charge arrears

Where a renter has service charges applied to their tenancy and they fall into arrears with their service charges, wayss will apply its arrears management and hardship policy. For the purposes of service charge arrears, this policy shall be read as inclusive of service charge arrears.

Where wayss is not able to obtain a satisfactory outcome with a renter in service charge arrears wayss may lodge an application with VCAT to seek payment of amounts outstanding.

## 9. Accountability Statement:

**wayss Board:** Provide appropriate strategic governance, direction, and guidance across the organisation.

**wayss Leadership Team:** Ensure that all team members are aware of all policies, procedures, documents and how they apply to the person's role.

**Team Members:** Comply with all aspects of wayss policies, procedures, documents, and guidelines as required to meet professional standards and practices.

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## 10. 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.

## 11. Related Documents and Resources

- Income Based Rent Policy
- Arrears Management and Hardship Policy
- Client Feedback and Complaints Policy

### Relevant Legislation and Regulations

- Standards for Registered Housing Agencies
- Residential Tenancies Act 1997 (Vic)
- Housing Registrar Guidance note: Service Charges under the Residential Tenancies Act 1997 (Vic)

## 12. Change History

| Review Date | Version | Summary of changes | Approved By               | Approval Date |
|-------------|---------|--------------------|---------------------------|---------------|
| 01/07/26    | V 1.0   | New Procedure      | GM Housing & Homelessness | 01/07/2026    |
| 01/07/2028  |         |                    |                           |               |
|             |         |                    |                           |               |

**QRC Reviewed**

**Date: 2/7/2026**

**Reviewer: SH**