

Private Rental Assistance Program (PRAP) guidelines

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Introduction

These guidelines set out the Department of Health and Human Service's (the department) minimum program requirements for service providers delivering the Private Rental Assistance Program (PRAP).

The guidelines aim to ensure service providers implement PRAP in a way that is consistent with program objectives, supports ongoing improvement and provides accountability for the outcomes achieved with service users. Private rental refers to a private tenancy agreement under the *Residential Tenancies Act 1997*.

Some marginal tenures, including caravan parks and rooming houses, are included under the *Residential Tenancies Act 1997*. PRAP service providers must ensure that there is a formal private tenancy agreement in place. PRAP service providers must work with households to ensure these forms of housing are appropriate and a long term option and are not used as an emergency response.

PRAP is a preventative intervention that provides holistic support to households experiencing or at risk of homelessness. It should be delivered in a flexible manner, to provide support and practical assistance that is tailored to the needs of each household. PRAP includes three elements:

- Private rental brokers
- Private rental assistance brokerage
- PRAP Plus – support program

Objectives

PRAP is intended to prevent or end homelessness and housing crisis by:

- Rapidly rehousing people capable of sustaining private rental after initial support.
- Supporting at risk households to sustain affordable and appropriate housing in the private rental market.
- Assisting people who currently live in crisis, transitional or social housing to become independent in the private rental market.

Target group and eligibility

To be eligible for PRAP, households must be either financially disadvantaged or victims of family violence. A household is considered to be experiencing financial disadvantage if:

- a) They have no income; or

- b) Their main source of income is a Centrelink benefit; or
- c) Their income is insufficient to sustain their personal financial commitments and they have defaulted in the payment of rent, utility bills or other personal debts.

Service providers should conduct an assessment with households of income and assets to determine eligibility for PRAP. Service providers may use the department's RentAssist bond loan income and asset limits as a guide (<https://www.housing.vic.gov.au/rentassist-bond-loan-income-and-asset-limits>) however, discretion may be applied considering the circumstances of the household.

Households who are victims of family violence are eligible for PRAP regardless of their financial circumstances.

PRAP should be provided to households who are able to sustain private rental housing with time limited support. Resources are targeted to people who:

- a) Are at risk of losing their current tenancy – for example, due to a personal crisis, short term financial crisis, rent arrears, tenancy dispute etc.
- b) Are currently homeless but can be rapidly and sustainably housed in the private rental market with short term assistance.
- c) Could sustain affordable and appropriate housing in the private rental market but need assistance with the transition from crisis, transitional or social housing.

Each potential household will be assessed, with an emphasis on identifying personal and/or financial capabilities that can be enhanced to improve their capacity to sustain appropriate and affordable housing in the private rental market. When assessing households, service providers should prioritise assistance to those who are in one or more of the following categories:

- a) Presenting at access points with a recent private rental history.
- b) Living in marginal private rental housing such as rooming houses or caravan parks who can afford and sustain a private rental tenancy.
- c) On the Victorian Housing Register who can afford and sustain a private rental tenancy.
- d) Living in social housing or transitional housing who are working and for who can afford to sustain a private rental tenancy.
- e) Living in private rental with a tenancy at risk, including with legal action or Victorian Civil and Administrative Tribunal (VCAT) hearing pending.

In determining eligibility for assistance, service providers are required to ensure that the rent paid by the household is affordable, based on an assessment of the household's ongoing capacity to sustain housing. For example, the department's RentAssist bond loan eligibility assesses that rent must be less than 55 per cent of household income.

Outcomes

Private rental assistance should help households who are experiencing or at risk of homelessness to either maintain their existing tenancy or to secure a new private rental tenancy. Households receiving private rental assistance should expect outcomes such as:

- Improved access to affordable and appropriate private rental housing, including those in shared tenancies.
- Support to sustain tenancies, repair their rental history and transition between tenancies.
- Assistance tailored to their needs, based on evidence of what works.
- Diversion from entering homelessness crisis and transitional services.
- Rapid re-entry to the private rental market for households experiencing homelessness.
- Improved capacity to maintain stable housing.

Private rental brokers

Private rental brokers will generate and maintain access opportunities in the private rental market. They will build links with relevant service agencies to support early intervention with households at risk, have sound knowledge of and strong relationships with the local real estate market to leverage opportunities for vulnerable households, and have proven capacity in helping to assist people to access and sustain private rental tenancies. Private rental brokers will also be responsible for administering and distributing brokerage funding for the local area.

The private rental broker function is focused on generating and maintaining private rental access opportunities for clients, rather than direct client support.

Private rental brokers are expected to:

- Build links and identify referral pathways with legal, health, education and community services to support prevention and early intervention.
- Advocate for at risk tenancies and negotiate payment plans.
- Build strong relationships with the real estate industry and landlords to leverage opportunities.
- Understand the causes and impacts of homelessness and have skills in holistic assessment and referral.
- Understand local private rental housing market dynamics and identify access opportunities for at risk households.
- Facilitate and improve a household's capacity to access and sustain private rental tenancies. This includes ensuring all eligible households are in receipt of relevant government concessions and payments, including Commonwealth Rent Assistance.

Private rental assistance brokerage

Private rental assistance brokerage is a flexible fund designed to be tailored to the needs of the household and used to the best effect given the local private rental market conditions.

It is expected that service provider's senior management have regular monitoring and oversight over brokerage expenditure.

Examples of primary suitable use of brokerage funds:

- Rent in advance or in arrears (which must be reviewed to determine affordability).
- Rental subsidies (maximum package of \$7,000 per household with greater packages subject to local area approval).
- Guarantees to cover any loss of rent damage costs that are not covered under insurance or the bond.
- Costs associated with accessing private rental such as storage costs, transport rental inspections, or payment of bond (however, the Bond Loan Scheme should be first used whenever possible).
- Costs associated with establishing a new tenancy such as furniture, appliances, removalist costs or utility connection.
- Landlord incentives – this may include minor works to the property that will benefit the tenant. For example, modifications for a tenant with a disability to make the property accessible (see below for further guidance on landlord incentives).

Discretionary use (with clear linkages to how the expenditure will assist to sustain private rental. Other funding sources must be exhausted):

- Alleviation of debts or one off financial assistance in times of crisis.
- Life skills training to learn about budgeting, bill payments, house maintenance, tenant responsibilities and rights.
- Training or materials to assist clients to gain or maintain employment (must be identified as part of case plan).
- Clothing for interviews with real estate agents and landlords.

Funds are **not** to be expended for any other purposes other than client related expenditure and assistance. Brokerage cannot be used for:

- Short term or emergency accommodation of any type.
- Products or services that have not been identified in the client plan.
- Staff related activities.
- Support services that are already available to the household through other funding sources.
- Anything illegal.

Landlord Incentives

From 2016, landlord incentives were trialled in the homelessness launch sites and have now been incorporated into the broader use of PRAP. Landlord incentives are intended to engage landlords in an effective way to achieve sustainable outcomes for vulnerable households. The incentives are also designed to work towards changing perceptions and practices that see tenancy terminations as the only response to rent arrears, property damage and neighbourhood disputes.

Example of landlord incentives

- Payment of landlord insurance to provide financial security against property damage or theft.
- Ongoing support to the landlord and the tenant to manage and mitigate any potential conflicts, including identifying if a household is at risk of not sustaining their tenancy and intervening before their issues reach crisis point.
- Minor property works that improve the amenity of the property to benefit the tenant.

When considering a property for the landlord incentive scheme, consideration should be given to:

- Rental affordability for the target client group.
- Providing access to sustainable housing, for example a private rental lease for a minimum of 12 months, not short term options such as rooming houses.
- The size and location of the property matches the clients' requirements.
- The landlord meets all requirements of the *Residential Tenancies Act 1997*, including safety standards, other 'good repair' requirements and cleanliness in relation to the physical condition of the property, gas, electrical, furnishing, and fire safety standards under building laws.

A landlord will receive an incentive with the understanding that they will:

- Lease their home to a household for a minimum of 12 months and if appropriate, offer the household the option to carry over the lease after this period.
- Meet the milestones outlined by the service provider/tenancy broker.
- Maintain the property in good repair to comply with the *Residential Tenancies Act 1997*.
- Provide a reference for the tenants at the completion of the successful tenancy.

A landlord who fails to meet their obligations should not be considered for any further incentive packages.

Legal Implications

Residential Tenancies Act 1997

To ensure compliance with the Residential Tenancies Act 1997, the private rental broker or funded agency will be responsible for providing any landlord incentive payment directly to a landlord or real estate agent. The tenant **is not** responsible in any way for providing such incentives to a landlord.

Private rental assistance brokerage financial limits

One application per year per household will be considered, however multiple applications will be accepted under exceptional circumstances. Private rental broker targets allow for an average brokerage package of \$2,745 in metropolitan areas and \$2,000 in regional areas. Service providers may provide packages up to \$7,000 per annum per household, with larger packages subject to approval by the department. **Note:** this limit includes cumulative payments throughout the year. Any applications to the department for packages over \$7,000 are to be made by representatives from the service provider with appropriate delegation.

See **Addendum 1:** application to the department for packages over \$7,000. Service providers must keep a register of approved packages over \$7,000.

PRAP Plus - Support Program

PRAP Plus is a new initiative, a support program developed in response to feedback from PRAP service providers and homelessness funded service providers to the need for increased support for some households accessing private rental. PRAP Plus is an outreach intervention for households living in or entering private rental tenancies that require additional practical support to establish or maintain their housing.

PRAP Plus is designed to:

- Provide time-limited outreach intervention to support tenancies.
- Address issues which are contributing to the risk of tenancy breakdown.
- Achieve outcomes that lead to successful, sustainable private rental tenancies.
- Reduce preventable exits from private rental.
- Prevent homelessness.

PRAP Plus is not an office-based position, while PRAP Plus will work alongside the Private rental broker, it is an outreach position. Staff will primarily work with clients in the communities where they live.

PRAP Plus is not designed to assist clients who have existing support from other housing support programs.

Service components

Establishing successful tenancies

- Educate and assist with private rental applications.
- Attend inspections with clients, role modelling communication and presentation at inspections.
- Assist clients to connect to utilities and services.
- Assist clients to enrol children in school.
- Assist clients to become acquainted with the local area, public transport, support services, shops, schools, hospitals, community health centres, neighbourhood houses etc.

Intervening when tenancies are at risk

- Develop a support plan with the client to address issues that are causing or have the potential to cause tenancy breakdown.
- Oversight, coordination and implementation of the plan.
- Assist the client to liaise and negotiate with real estate agents, including understanding rental ledgers and reporting maintenance.
- Actively engage with appropriate organisations to address the underlying issues that are causing the tenancy to be at risk.
- Advocacy including providing support at VCAT, negotiating agreements with real estate agents and supporting tenants whose tenancies are at risk.

Capacity building

- Understanding how to manage household bills and budgeting.
- Referral to services if required.
- Attend pre-vacating inspections, addressing issues to prevent blacklisting on TICA (tenancy database).

Brokerage

PRAP brokerage funds are available for PRAP Plus clients. Average brokerage packages are \$2,745 in metropolitan areas and \$2,000 in regional areas. The total limit of \$7,000 per household per annum still applies with higher packages requiring department local area approval (**See Addendum 1**).

Service requirements

PRAP Plus service providers should leverage relationships with 'first to know' agencies, using existing relationships with local real estate agents, emergency relief workers, financial counsellors and other support services to identify 'at risk' private rental tenancies. The referring organisation must ensure consent is obtained from the client prior to exchanging personal information.

Services are required to ensure staff are suitably skilled in:

- Tenancy matters and up to date regarding tenancy and housing legislation via training provided by the Tenants Union Victoria.
- Developing client support plans with tenants, tailored to meet their needs and aspirations in establishing and/or sustaining their tenancy.
- Referring clients to services and coordinating the service response.
- Providing advocacy at VCAT.
- Demonstrating a commitment to continuous improvement both at a service level and through broader networks to improve client outcomes.

Referral

Service providers should develop referral processes aligned with existing referral processes for the broader PRAP program. Referral may come from a range of sources, including homelessness access points, local real estate agents, emergency relief workers, financial counsellors and other support services. Referrals including tenancies with legal action or VCAT hearing pending should be prioritised for support. Service providers will have established assessment procedures. PRAP Plus is a voluntary program and consent must be obtained for referral and exchange of personal information into the program, and for the use and disclosure of personal information by service providers. The Office of the Victorian Information Commissioner provides guidance on key privacy concepts, and provides useful guidance on the requirements to ensure consent is free and informed. More information can be found: <https://ovic.vic.gov.au/book/key-concepts/>

Client support plans

PRAP Plus staff are required to develop client support plans in collaboration with clients to address the issues that are causing or have the potential to cause tenancy breakdown.

Duration of support

It is expected that PRAP Plus will provide tailored support to clients depending on the needs of the client. The duration of support for households should be between six to twelve weeks. Clients may be eligible to be referred for multiple or repeated support periods throughout their tenancy to achieve program outcomes.

Targets and reporting

Targets are included in the service provider's Funding and Service Agreement with the department. Private Rental Broker targets allow for an average brokerage package of \$2,745 in metropolitan areas and \$2,000 in regional areas. Service providers may provide packages up to \$7,000 per annum per household, with larger packages subject to approval by the department. Service providers must keep a register of department approved packages over \$7,000. (See **Addendum 1** for application form).

Service providers are required to report against targets for private rental assistance brokerage and PRAP Plus in Service Delivery Tracking. PRAP is funded through activity code 94675 – Private Rental Assistance. Service providers should contact their local area if further advice is required.

Service providers should ensure that the purpose of each payment is accurately recorded within existing data collection. The department will use existing monthly Specialist Homelessness Data Collection (HDC) reporting processes to collect and analyse data on the use of brokerage funds including:

- Time from assessment to being housed.
- Expenditure (total and per household).
- Number of people in household assisted.
- Number of people housed and the type of rental housing (i.e. independent private rental, shared rental or marginal tenure such as rooming house or caravan park).
- Number of support periods.
- Number of rental applications made by each client.
- Type of services required.
- Other services received by client.
- Client income.
- Rent and duration of lease.

Acquittal

Service providers are required to acquit brokerage funding to the department every six months. The acquittal process will ensure funds are used in accordance with the outcomes and principles of the program. The acquittal process will involve service providers submitting payment lists through the department's Secure Data Exchange portal, as well as providing a financial acquittal of funds expended.

Service providers are expected to fully expend allocated brokerage funding over the relevant funding period. Service providers must report any unspent PRAP brokerage funds within one month after the end of the funding period. The treatment of any unspent funds will be negotiated with the department, depending on the amount and reasons. The department reserves the right to recoup the unspent funds. The department may undertake a forensic audit of the brokerage expenditure to ensure funds have been acquitted as reported and in line with the guidelines.

Addendum 1: Application to DHHS for PRAP brokerage package over \$7,000

Applications to be made from representative of service provider with delegation to department local area Agency Performance and System Support Manager.

Organisation		Organisation representative	
Date of request		Response required by	
Client name		Age	
Number of household members		Is the client culturally and linguistically diverse?	Yes/No
Is the client Aboriginal or Torres Strait Islander?	Yes/No	Is the client experiencing family violence?	Yes/No
Weekly rent		Start date of tenancy (if current tenancy)	
Is the client eligible for PRAP (refer to eligibility criteria in guidelines)?	Yes/No	Are PRAP brokerage funds available?	Yes/No
What is the amount and payment purpose of PRAP brokerage being sought?			
What are the tenancy risk factors?			
What other support is the household receiving?			
Has the household accessed other brokerage sources? (HEF/ Family Violence Flexible Support Packages etc) Please specify.			
What strategies are in place to ensure this tenancy is sustainable?			
List any previous PRAP allocations for this household			
Amount	Date		
Are PRAP brokerage funds available?	Yes/No		
For local area:			
Approver (Agency Performance and System Support Manager): (Name and title)		Date of response:	
Application approved or declined – rationale:			