



# Tenant Eligibility Policy

## Overview

Adelaide Workers' Homes (AWH) is an association incorporated in 1898 under the *Associations Incorporations Act 1858* in accordance with the terms of the Will of Sir Thomas Elder who died on 6 March 1897. Sir Thomas Elder bequeathed his executors, who were also appointed Trustees of his Will, the sum of **TWENTY FIVE THOUSAND POUNDS** (£25,000) and directed his executors to apply that sum in founding and establishing an institution to be called the "Adelaide Workmen's Homes" subject to such scheme of management as the executors considered appropriate.

The terms of the original Trust have been amended by Act of Parliament on three occasions since 1898 and the principal object of AWH is to benefit workmen and persons who, having being workmen or dependants of workmen, are pensioners or aged persons, by providing them with suitable dwellings and other accommodation at a reasonable rental. It is in the sole discretion of the Trustees of AWH to determine whether any person is or is not qualified to receive any benefit from AWH.

"Workmen" is specifically defined to include "workwomen".

The most recent amendment to the terms of the original Trust changed the name to Adelaide Workers' Homes Incorporated to allow the name to be gender neutral.

**In other words, the purpose of AWH is to provide accommodation at a reasonable rental to working men and working women, their dependants, retired working men and working women and / or their dependants.**

## Scope

This policy applies to AWH tenants.

## Purpose

The purpose of the policy is to:

- Outline the guidelines that are used by the Trustees, Executive, and Management to determine tenant eligibility
- Provide an open and transparent application process

## **Eligibility of tenants**

### **General Policy**

The Trustees consider that the persons eligible to become tenants of AWH are limited to:-

- Working men or working women and their dependants; and
- Former working men or working women who are now pensioners or aged persons.

In determining whether a person in financial need is a working man or working woman, the Trustees will consider the following factors:-

- The occupation of the person including whether that occupation is skilled or unskilled, manual or non-manual, industrial or non-industrial;
- The income of the person and the extent to which that income is derived from the sale of that person's labour;
- The form which the income takes;
- The education attainments of the applicant; and
- The asset position of the applicant,

Although in certain circumstances (for example if a suitable person within the categories detailed above cannot be found within a reasonable time) the Trustees may in their absolute discretion rent properties to others with a view to keeping vacancies at a minimum.

### **Circumstances of all Adult Occupants to be considered**

The financial and work situation of all adults intending to reside in the property must be submitted for consideration by AWH at all relevant times when eligibility or on going eligibility is considered.

### **Application Forms / Applications Procedure**

A copy of a Tenancy Application Form can be accessed by the website.

In respect of each adult applicant the following information must be provided:-

- Employment / Occupation
- Trade / Professional Qualifications:-
  - Schooling
  - Post-schooling
- Work History (including self-employment):-
  - Description of duties
  - Period in current work
  - Period in previous work
- Statement of Assets and Liabilities:-
  - Real estate
  - Motor vehicles – including make and registration details
  - Furniture and effects
  - Boats and caravans – including make and registration details
  - Bank accounts
  - Loans
- Statement of Income and Expenditure (including any welfare or other Centrelink benefits).

Before a tenancy is confirmed AWH will:-

- Assess the truth or otherwise of work and financial information provided in support of the application and if thought necessary confer with the applicant;
- Be satisfied as to the proper identity of all applicants by the production of photo identification or some suitable alternative means of identification, such as correspondence from a bona fide employer.

Any student who applies for a tenancy must be in regular part time employment and produce proof concerning the nature and extent thereof.

### **Changes in Circumstances of Applicants / Termination of Lease**

It is possible that situations will arise where tenants who are eligible at the commencement of a tenancy change their circumstances such that they may no longer be eligible.

Tenants may be required to provide AWH with updated financial and work information so that AWH can be satisfied that the tenant remains eligible to be granted a lease.

All tenancies granted by AWH will be periodic tenancies and can be terminated by AWH for any reason upon giving ninety (90) days notice to a tenant.

If tenants are not in breach of the terms of the Lease and provided that their financial and work particulars have not changed since the commencement of the Lease, tenants can expect leases to remain in force unless AWH:-

- Requires possession of the premises for the purposes of demolition;
- Requires possession of the premises in order to carry out repairs or renovations that cannot be undertaken with reasonable convenience while the tenant remains in possession of the premises; or
- Has entered into a contract for sale of the premises requiring vacant possession of the premises

In which case AWH must give not less than sixty (60) days notice of termination to the tenant.

If AWH requests updated financial and work information from a tenant and the tenant neglects or refuses to supply that information or if the information so supplied by a tenant indicates that the circumstances of the tenant no longer comply with this Eligibility Policy then AWH reserves the right to terminate the tenancy by the giving of ninety (90) days notice in writing.

### **Rental Determination**

#### **Requirement for Rental to be reasonable**

The object of AWH is to benefit eligible tenants by providing "suitable dwellings and other accommodation at a reasonable rental".

The Trustees are obliged by the terms of the Trust to require a "moderate" return upon capital and believe that currently a net rental of between one and two per cent (1 – 2 %) based on the net asset value of trust assets is "moderate" and therefore "reasonable".

AWH has always charged tenants a rental which is less than an appropriate market rate and will continue that policy.

## **Annual Rent Review**

Rent in respect of all premises will be reviewed on an annual basis from the start date of the tenancy, calculated with having regard to a moderate return on capital.

In order to assess a proper return on AWH's assets, valuations are commissioned in respect of:-

- market rent; and
- market value

On the annual AWH balance date which is the 31<sup>st</sup> day of December each year.

Rents are to be considered against those valuations allowing a return on net asset value in the range mentioned above.

The rent so determined can then be compared to a market rent as a demonstration that actual rents are significantly less than market. It is anticipated that the percentage reduction from market rent will vary in respect of different properties and estates – i.e. not necessarily ten per cent (10%) (or any figure for that matter) across the board.

The Trustees recognise that each estate may be considered separately to enable some form of cross subsidy.

Under the *Residential Tenancies Act* tenants are entitled to not less than sixty (60) days notice if the rent is to increase.

## **Policy information**

<b>Version:</b>	1
<b>Approved:</b>	June 2023
<b>Amended:</b>	
<b>Reviewed:</b>	
<b>Review frequency:</b>	24 Months
<b>Responsible team/position:</b>	Audit and Risk Committee
<b>Approval required</b>	Board