SERVICE CHARGE POLICY

1. PURPOSE

The purpose of this policy is to establish a clear, consistent and transparent framework for the application, management and recovery of service charges associated with various services that are provided in connection with a property.

This policy aims to ensure that service charges are applied in line with the legislation, reflect actual service costs and are communicated clearly to renters.

2. SCOPE

This policy applies to all homes owned or managed by WPI, where service charges are payable under a residential rental agreement.

3. POLICY STATEMENT

What is a service charge and when does it apply?

A service charge is a cost-recovery amount charged alongside rent that is imposed when it is not possible or practicable to accurately measure individual use of a water, central heating, laundry or utility service or facility provided to a renter or resident. It must not exceed the cost of the service, may move up or down in line with cost changes, and renters require written notice for any imposition or variation (including particulars of the cost change).

Renters may apply to VCAT to vary or withdraw a service charge.

3.1 Overview

WPI will apply service charges where permitted under legislation, and in line with the contractual obligations associated with the property.

Service charges will:

- be reasonable and justifiable.
- relate to identifiable services or costs to the property.
- comply with the relevant legislation and contractual obligations.
- not exceed the cost of providing the relevant services or facilities.
- only apply where individual usage cannot reasonably be measured or separately billed.
- be clearly communicated to renters before commencement and;
- be reviewed periodically to ensure accuracy and fairness.

Service charges do not generate profit and reflect the cost of providing or recovering the cost of services associated with the property.

3.2 Principles

WPI applies the following principles when managing service charges:

- Service charges will be clearly explained, documented, and communicated to renters.
- Service charges will be applied consistently and based on reasonable and identifiable costs associated with the property and the services provided.

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- WPI recognises the financial circumstances of renters and will seek to minimise unnecessary cost impacts where possible.
- The administration of service charges will comply with legislative requirements and regulatory expectations.
- WPI will maintain appropriate records and review service charges periodically to ensure they remain accurate and appropriate.
- Renters experiencing financial hardship will be treated respectfully and supported through reasonable repayment or assistance arrangements.

4. TYPES OF SERVICE CHARGES

Service charges may include, though are not limited to:

- utilities supplied centrally or through embedded networks
- water usage, where a separate meter is not available.
- central heating
- communal laundry facilities

The applicable service charges for a property will be outlined within the Residential Rental Agreement, property schedule, and/or accompanying documentation.

5. Setting and Reviewing Service Charges

Service charges will be determined based on one or more of the following:

- actual invoiced costs
- contractual obligations under head lease or management agreements
- utility consumption data
- equitable apportionment methodologies
- estimated operational costs where actual costs are not yet available

WPI may review service charges periodically, including where:

- utility prices increase
- contracted service costs change
- building operational costs materially change
- funding or lease conditions are amended
- services are added, removed, or varied

Where required by legislation or agreement, renters will receive written notice of any change to service charges.

6. Communication With Renters

WPI will provide renters with clear information regarding:

- the nature of the service charge.

- how the charge has been calculated, where applicable.
- payment frequency and method.
- any changes to charges.
- who to contact with questions or concerns.

Information may be provided through:

- Residential Rental Agreements
- welcome packs
- rent review letters
- separate written notices
- fact sheets or property information guides

7. Applying to VCAT

Under section 57 of the Residential Tenancies Act 1997 (Vic), a renter may apply to the Victorian Civil and Administrative Tribunal (VCAT) to seek a variation or withdrawal of a service charge.

WPI will ensure renters are informed of their rights in relation to service charges, including through written notices issued when a service charge is imposed or varied.

Where a renter raises concerns regarding a service charge, WPI will seek to resolve the matter directly and provide information regarding the basis of the charge, including the relevant service or facility being provided and how the charge has been determined.

8. Definitions

Embedded network:	A utility supply arrangement where services such as electricity or gas are supplied through a private network within a building or site.
Service Charge:	A charge payable by a renter for services, utilities, facilities, maintenance, or amenity costs provided in connection with the property, separate to rent where permitted.

9. Relevant Documents

Rent Setting Policy

Financial Hardship Policy

10. Relevant Legislation

This policy aligns with:

Residential Tenancies Act 1997 (Vic)

Housing Act 1983 (Vic)

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11. Review and Version Control

Performance Standard	Tenancy management	**Version**	1.0
Approval Date	29 June 2026	**Review Period**	3 years
Approver	CEO	**Scheduled Review Date**	29.06.2029
Reviewer Responsible	Housing Services Manager	Service Charge Policy	