



RENT MANAGEMENT POLICY

DOCUMENT:	RENT MANAGEMENT POLICY
DOCUMENT TYPE:	OPERATIONAL POLICY
VERSION:	FINAL
AUTHOR:	PCSM
AUTHORISATION FINAL VERSION CEO:	CEO
ISSUE DATE:	21 Aug 2019
REVIEW DATE:	Aug 2020

1. PURPOSE

This policy describes the guidelines and parameters for staff in managing rent collection.

2. SCOPE

This policy applies to all tenancies in long-term rental properties owned or managed by SPCHG.

3. AIMS/PRINCIPLES

- Fair and consistent process
- Supporting marginalized people to maintain tenancies by offering rent repayment agreements where tenants are willing to engage
- Keeping tenants informed of their rent situation
- Timely communication to not allow an individual's rent arrears to become unmanageable
- Clear communication, assisting tenants to understand rent collection process
- Eviction as an absolute last resort and in accordance with organizational policy and procedures
- Complying with government leases, funding agreements
- Complying with Residential Tenancies Act 1997 and Residential Tenancies Amendment Act 2018 (being phased in until 1 July 2020)
- Complying with Privacy law

4. RENT PAYMENT

Tenants will be informed in writing at the time of accepting tenancy, of the amount and what is covered by their rent (private use of premises and facilities).

All tenants will be issued with a personalised rent payment book issued by the organisation's banker, the ANZ Bank, identifying each tenant by a numbered code system (Agent Number). This enables tenants to pay directly to the organisation's account at any branch of the ANZ Bank.

Rent may be paid by one of three methods:

- via the ANZ Bank deposit book arrangement;



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- via direct electronic transfer either by a bank or through another agency such as State Trustees;
- via direct electronic transfer by Centrelink (the Centrepay system).

Rent payments in cash to the office will not be accepted except in one-off exceptional circumstances with the permission of the CEO.

Tenants must be advised that automatic transfer options are available through banks and Centrelink (Centrepay Service). They will not in any circumstances, however, be *required* to utilise these options if they prefer not to, nor will this be made a condition of tenancy.

Bonds are not charged. In accordance with the organisation's philosophy of providing housing to people on low incomes and people coming from situation of personal housing crisis, no bond will be charged on the grounds that this extra financial burden would present a barrier to access.

4.1. 'KEY' DEPOSIT

A Key Deposit is charged. The deposit is refundable in full upon return of the key (or electronic fob) when a tenancy ceases. A deposit will also be charged for swipe cards.

These charges are reviewed in conjunction with the rent review, annually.

4.2. RENT RECEIPTS

The butt in the rent payment book, stamped by the bank, enables tenants who pay this way to keep track of their rent payments. If, however, tenants pay rent by direct bank transfer or by Centrepay they do not get a receipt automatically.

Tenants will be made aware at intake that they have a right to request a receipt or rent statement. If a tenant requires a detailed receipt which indicates the time period covered by the rent paid on a particular date, this will be issued upon request.

4.3. RENT IN ADVANCE

A minimum one week's rent in advance, plus key deposit, is required prior to allowing a person to take occupancy

Rent is required to be kept one week in advance at all times. If rent is not kept one week in advance, the CEO is authorised to negotiate a payment agreement if there are exceptional circumstances. This document outlines the delegation to Housing Workers in relation to negotiating rent repayment agreements.

If a prospective tenant has no money and no income at the time of being offered a tenancy, the matter should be referred to the CEO who may waive the "rent in advance" rule in special circumstances, subject to the person being referred for assistance in obtaining an income and an agreement about later payment being accepted. This may only happen when the housing worker sees evidence that the applicant can realistically obtain an income within two weeks. Approval from the CEO is still required.

4.4. RENT ADJUSTMENTS FOR NON OCCUPATION

In most circumstances, rent is charged regardless of whether or not the tenant is occupying their premises at a particular time.



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However, for premises where rent includes electricity, gas & water, a tenant may apply for reduced rent when they are not staying in their rented premises for a period in excess of two weeks for the reason of hospitalisation, incarceration, or caring for a relative who is ill. Rent will be reduced by \$25 per week. Evidence must be provided.

All tenants will be informed about this policy. Cases will be considered by the CEO or delegate on a case-by-case basis subject to provision of documented evidence. The rent discount will be back-paid by crediting to the tenant’s rent account.

5. MANAGING RENT ARREARS

5.1. RENT PURSUED CONSISTENTLY

Rent arrears reports must be generated, examined and acted upon weekly by the Housing Program.

5.2. THE CEO WILL COMMUNICATE WITH THE HOUSING PROGRAM FROM TIME TO TIME TO SET A KPI FOR TOTAL RENT ARREARS AS A RATIO OF TOTAL RENT COLLECTED. THE CEO HAS APPROVED A HIERARCHY OF LETTERS TO TENANTS ABOUT DIFFERENT RENT ARREARS SCENARIOS. RENT ARREARS MONITORING AND RECORDS

Rent payments are uploaded weekly from ANZ bank & Centrelink. Rent arrears are monitored weekly using the CHINTARO community housing management program.

Rent Arrears Reports are created by the Manager of Housing Operations (MHO) on a weekly basis.

The MHO is responsible for the overview of the rent arrears situation. The MHO is responsible for ensuring that rent arrears are monitored at weekly Housing Program meetings, that the situation of all tenants in rent arrears is examined, and that a course of action is agreed upon. Following up with individual tenants regarding rent arrears is the responsibility of the Housing Workers and the MHO. The process is outlined in Sections 6.4 and 6.5.

5.3. RENT ARREARS REPAYMENT AGREEMENTS

Tenants will be given the opportunity to repay rent arrears over time subject to the guidelines described in this policy.

In negotiating agreements staff must utilize the **Arrears Repayment Schedule**. The Schedule sets acceptable weekly repayment amounts based on a scale of rent arrears amounts, and will be reviewed by the CEO annually following any rent increase.

Repayment Agreements must be in writing and signed by both tenant and worker.

Entering into a repayment agreement will not limit the organisation’s right to apply to the Victorian Civil and Administrative Tribunal (VCAT) for a Compliance or Possession Order.

5.4. NEW ARREARS

Tenants who have not previously made an agreement regarding the repayment of rent arrears:

1 week’s arrears-	Letter 1 (requesting catch-up or contact office) If rent caught up, no action. If unable to catch up arrears immediately, negotiate Repayment Agreement
2 weeks arrears	If no response, issue Letter 2 and a Breach of Duty for failure to pay rent and a Notice to Vacate. Letter 2 also explains



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what tenants need to know about a VCAT process.

Apply to VCAT for a Hearing and Compliance Order or Order of Possession (This can take 2 weeks to receive response)

VCAT hearing Tenant informed by VCAT of their right to attend and be represented

Order Issued

If tenant now agrees to Repayment Agreement, implement agreement

Housing Workers need to act on the Order issued by VCAT, generally a repayment agreement

One week later

If the tenant did not attend the VCAT hearing an Order of Possession will generally be granted. If the tenant has still not made contact, the Housing Workers will attempt to have a meeting with them to discuss the fact that the situation is urgent.

If in this discussion the tenant is willing to sign a repayment agreement, this should be done. If not, the worker should discuss possible eviction with the program Manager or CEO.

SPCHG Evictions Policy dictates that staff must have made at least three attempts, within two weeks of the VCAT Hearing, to contact the tenant in order to negotiate a plan to repay rent arrears and, if required, a plan to get access to relevant support services.

Workers must complete an Application to Evict Form which must be authorised by the CEO before a Warrant may be acted upon.

Letter 3 advises the tenant that the organisation is purchasing a Warrant of Possession and will activate it within a set time period.

5.5. RECURRENT ARREARS

If a payment is missed while a tenant is on a Repayment Agreement and contact is not made, a **Letter 2a** will be sent, requiring the tenant to contact the office within 48 hours. If the tenant contacts, there will be opportunity to renegotiate the repayment agreement. If no contact, a VCAT application will be made. If there is already an Order of Possession in effect, a **Letter 2b** will be sent, which demands urgent attention.

In the case of long term tenants with genuine circumstances affecting capacity to repay at a particular time, the organisation may seek a Compliance Order, rather than an Order of Possession.

As long as a tenant has negotiated and signed a Repayment Agreement and is maintaining payments at agreed levels, the organisation will not seek or enact an Order of Possession.



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5.6. NO INCOME DUE TO CENTRELINK PUNISHMENT

When tenants are cut off their Centrelink income for a period of weeks as punishment by Centrelink, this creates a dilemma for a community housing organisation which is keen to sustain the tenancies of people on low income.

A period of grace will be allowed in these circumstances and Housing Workers should investigate getting the tenant assistance to appeal the benefit suspension decision by Centrelink.