



RENT MANAGEMENT POLICY

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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. This policy applies to both residential rental agreements (rental agreements) and rooming house agreements. Unless stated otherwise, references to “renters”, “tenancies” and “rental agreements” also applies to rooming house residents.

3. AIMS/PRINCIPLES

- Fair and consistent process
- Supporting marginalised people to maintain tenancies by offering rent repayment agreements where renters are willing to engage
- Keeping renters informed of their rent situation
- Timely communication to not allow an individual’s rent arrears to become unmanageable
- Clear communication, assisting renters to understand rent collection process
- Eviction as an absolute last resort and in accordance with organisational policy and procedures
- Complying with all contractual, legal and regulatory obligations.

4. RENT PAYMENT

Renters 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).

If applicable, renters will be issued with a personalised rent payment book issued by the organisation’s banker, the ANZ Bank, identifying each renter by a numbered code system (Agent Number). This enables renters 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 direct electronic transfer by Centrelink (Centrepay)
- Via direct electronic transfer either by a bank or through another agency such as State Trustees
- via the ANZ Bank deposit book arrangement.



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

Renters 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.

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. RENT RECEIPTS

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

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

4.2. RENT IN ADVANCE

A minimum one week's rent in advance, 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 renter 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.

4.3. RENT ADJUSTMENTS FOR NON OCCUPATION

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

However, for premises where rent includes electricity, gas & water, a renter 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.

All renters 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 renter'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.

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.



5.2. 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 renters in rent arrears is examined, and that a course of action is agreed upon. Following up with individual renters 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

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

In negotiating agreements staff must utilise 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 renter 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

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

1 week’s arrears-	<p>Letter 1 (requesting catch-up or contact office)</p> <p>If rent caught up, no action.</p> <p>If unable to catch up arrears immediately, negotiate Repayment Agreement.</p>
2 week’s arrears	<p>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 what renters need to know about a VCAT process.</p> <p>Apply to VCAT for a Hearing and Compliance Order or Order of Possession (This can take several weeks to receive response)</p>
VCAT hearing	<p>Renter informed by VCAT of their right to attend and be represented.</p>
Order Issued	<p>If renter now agrees to Repayment Agreement, implement agreement. Housing Workers need to act on the Order issued by VCAT, generally a repayment agreement.</p>
One week later	<p>If the renter did not attend the VCAT hearing an Order of Possession will generally be granted. If the renter has still not made contact, the Housing Workers will attempt to have a</p>

meeting with them to discuss the fact that the situation is urgent. If in this discussion the renter 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 renter 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 renter 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 renter is on a Repayment Agreement and contact is not made, a **Letter 2a** will be sent, requiring the renter to contact the office within 48 hours. If the renter 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 renters 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 renter 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.

5.6. NO INCOME DUE TO CENTRELINK PUNISHMENT

When renters 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 renter assistance to appeal the benefit suspension decision by Centrelink.

5.7. RELATED POLICIES

- Rent Setting Policy