POLICY NUMBER: 62 TENANCY MANAGEMENT

(replaces policies 26 Rents, 07 Increases and reviews, 11 Rent Arrears, 47 Rental refunds & 57 Rent Arrears Management Policy. Includes Bond Management and Rent management renamed Tenancy Management.)

Version No. 09 Established: 2018

Present Version Passed: 13.02.2024 Next Scheduled Review: 2025

PURPOSE

This policy establishes the approach of Northern Geelong Rental Housing Co-operative Ltd (NGRHC) to establishing leases, setting and collecting rent, and Bonds in its affordable long-term rental housing program, along with Bond refund or division.

RELEVANT CO-OPERATIVE OBJECTIVES

Housing Registrar Performance Standards for Registered Housing Providers.

SCOPE

This policy applies to all affordable long-term rental properties owned or managed by NGRHC. This policy applies to the following mechanisms of the housing program run by NGRHC:

- Starting a Tenancy
- Fixed Term Residential Rental Agreement (also known as lease)
- Household-income based rental rebate explained
- Market Rent (also known as maximum rent)
- Provision of information about household income
- Reviews of calculation of rent
- Response to changes in household circumstances
- When rent is charged
- Bonds
- Communication
- Procedures
 - Rent payment guidelines
 - Rent refunds guidelines
 - Rental arrears guidelines
- Ending a tenancy
 - Renter initiated
 - Abandonment
 - Death of a sole renter-member
 - o Evictions
 - Procedural fairness
 - Property no longer available

POLICY STATEMENT

NGRHC 's mission is to supply Long Term Affordable Housing to vulnerable and low-income people in the City of Greater Geelong.

Starting a Tenancy

Renter-members are initially selected according to the income and asset test and guidelines of the Victorian Housing Register. Possible applicants are then interviewed so that NGRHC can find the best possible renter-member to fulfill the long-term Vision and Mission of the Co-op. NGRHC can only fulfill its vision by ensuring they recruit responsible renter-member's who will care for the property they may be allocated.

Fixed Term Residential Rental Agreement (also known as lease)

Residential rental agreements are renter-member contracts that define in clear, thorough terms the expectations between the housing provider and renter-member, including rent rebates, market rent, rules regarding pets, and duration of agreement. A strong, well thought out, and well-worded rental agreement contract can help ensure both parties' best interests are protected, as neither can alter the agreement without written consent from the other.

From 6/11/2019 all new renter-members entering the NGRHC will be asked to sign a Fixed Term Residential Rental Agreement for not less than one year. NGRHC wants to ensure the best renter-membership arrangement possible for all parties. The prescribed form for entering this Residential Rental Agreement will be used and the requirements for entering and ending a fixed term residential rental agreement will be in accordance with the Residential Tenancies Act 1997 (RTA) https://www.consumer.vic.gov.au/housing/renting/starting-and-changing-rental-agreements/different-rental-agreements/residential-rental-agreements

https://www.consumer.vic.gov.au/housing/renting/moving-out-giving-notice-and-evictions/breaking-a-rental-agreement

Approach to rental affordability – guiding principles

NGRHC sets rent to fulfill its social mission and to ensure that our properties relieve housing stress. Accordingly, NGRHC will:

- set rent in accordance with established affordability benchmarks;
- communicate clearly to applicants and renter-member as to how NGRHC sets and reviews rent;
- respond appropriately to changes in household circumstances to prevent undue hardship;
 and
- comply with its contractual, legal and regulatory obligations relating to affordability of rent.

APPROACHES TO AFFORDABLE RENT

NGRHC sets rent as follows:

The lower of:

- Household income based rebated Rent; (outlined in the table below)
- Market Rent (which is the maximum rent as determined by the Department of Families, Fairness and Housing DFFH on an annual basis.)
- 74.9 % of the ATO Benchmark rent rates

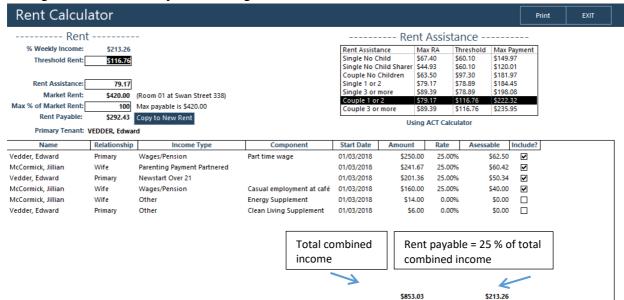
Household-income based rental rebate

This is determined as:

• 25% of Gross Household Income (15% for household members under 21 with their own income), plus

- 15% Family Payments, plus
- Maximum Commonwealth Rental Assistance (CRA)
- 15% Child Support

*Sample of rebated Rent calculation from Chintaro tenancy management system, depicted below is based on a couple with no dependents. Calculation generated on specialised software for Registered Housing Providers and subject to change.



There are certain assessable income items that NGRHC has chosen not to include in the calculations; however, this is subject to change.

Gross Household Income is determined in accordance with the Department of Families, Fairness and Housing (DFFH) Assessable Income guidelines.

https://www.housing.vic.gov.au/market-rent-and-rental-rebates https://www.housing.vic.gov.au/social-housing-eligibility

Maximum Rent (also known as Market Rent)

This is determined as either:

- Rebated Rent (as calculated on household income); or
- 74.9% of the ATO Benchmark Rent, or
- Market rent as determined annually by DFFH

DETERMINING THE PROPERTY RENT (Also known Maximum Rent)

To determine the property rent that applies to a property, NGRHC will rely on the annual rent valuations provided by DFFH, this is how the level of maximum property rent or 'market' rent is determined.

Residential Rental Agreement Guidelines

NGRHC recognises that in line with the Residential Tenancies Act 1997 (RTA) and the Department of Families, Fairness and Housing, **any** Renter-member housed in an NGRHC house must pay rent in the following circumstances:

- Where a new tenancy is created the renter-member must sign a Residential Rental Agreement and complete a condition report;
 - The Rental Agreement must comply with the RTA;
 - The Rental Agreement must comply with the prescribed standard form in accordance with the RTA; and
- Transfers from one Co-op property to another require a new Rental Agreement and are considered to be a new tenancy
- Any renter-member continuing their tenancy on a periodic lease.

PROVISION OF INFORMATION ABOUT HOUSEHOLD INCOME

Where there is a household-income based rebated rent, renter-member and applicants are required to provide to NGRHC reasonable evidence that establishes their total household income when requested:

- before being offered a tenancy with NGRHC; and
- when NGRHC carries out a rent rebate review.

NGRHC may increase a renter-member's rent to Market Rent (also known as maximum rent) if the renter-member does not provide the information within the timeframe required. I.e. their rental rebate will be removed. DFFH guidelines stipulate rental rebate is reviewed twice a year, i.e. Typically at the end of March and September.

Renter-members have the option to provide their own Income Statements and set up Centrepay deductions. However, to streamline this process renter-members can request Centrelink to provide authorisation to NGRHC to access information regarding payments and services or commence/adjust Centrepay rent deductions on their behalf via the authorisation form found in the link below. (See Rent Payment Guidelines in this policy)

Centrelink authorisation will be obtained by completing and returning the form found on the link below to NGRHC.

Information link:

https://www.servicesaustralia.gov.au/personal-information-releases?context=1#a2

Authorisation form link:

https://www.servicesaustralia.gov.au/sites/default/files/2022-11/si039-2212en-f.pdf

DETERMINING THE APPROACHES TO AFFORDABLE RENT

NGRHC will determine the approach to rental rebates or market rent that applies to the property or tenancy prior to an offer of a tenancy being made.

In determining the approach that applies to a property or tenancy, NGRHC will comply with legal and contractual obligations that may apply to a particular property.

NGRHC will not offer a tenancy to an applicant for housing unless it is satisfied that the approach to the affordability of rent is appropriate and sustainable for that household.

REVIEWS OF CALCULATION OF RENT

NGRHC will provide renter-members with a clear and transparent explanation as to <u>how</u> their rent has been calculated. In order to complete this calculation certain documents may be required from the renter-member which include:

- Proof of Income (as listed on the Application for Rental Rebate)
- Bank Statements where requested
- Details of all household occupants and any income applicable
- Separation Certificate from previous employer if work has ceased

On the completion of the rental review copies of standard documents will be provided to the renter-member including:

- Standard rent review letter (in the event of a complex rent review or that of a new member the letter should be more comprehensive and explain the processes and how the rent figure was derived)
- A copy of the "Calculation Checklist" used to calculate the rent amount
- An up-to-date rental statement from Chintaro

All renter-members have the right to ask NGRHC to review the way their rent has been determined and to request a further explanation. (Refer to Complaints & Appeals Policy).

Renter-members paying 'market rent' must be given a minimum of sixty (60) days' notice of any intention to increase the market rent. This notice should be in writing, and preferably sent as registered post, as per S44 of the Residential Tenancies Act 1997 (RTA).

RESPONSE TO CHANGES IN HOUSEHOLD CIRCUMSTANCES

If a renter-member contacts NGRHC and is facing hardship with paying rent, NGRHC may determine:

- to re-assess the renter-member's rent based on this policy,
- to determine that a different approach to rent should apply to that tenancy; or
- to back-date an adjustment to the rent payable by the renter-member in accordance with the hardship provisions of this policy.

Generally, such changes will only take effect on and from the date the renter-member contacts NGRHC and provides reasonable details of the change in the household circumstances. NGRHC may agree to back-date changes in rent payable in circumstances where it is determined that the rentermember ought to be granted relief from hardship.

Break in or Cessation of Employment

When assessing eligibility for a rebate, there may be a period where the renter-member was not earning income from their employment due to a break or cessation of work. Where a renter-member has an ongoing employment contract and includes an unpaid period such as enforced holidays, the rebate is reassessed again from the Sunday following the recommencement of work and the new weekly payment is applied from this date.

In the event of an INCREASE to household income:

If your income goes up between fixed rent periods, your weekly payment amount will generally not increase until the start of the next fixed rent period.

However, an increase in the amount you pay may apply immediately (or be backdated), if any of the following occurs:

- you do not tell us about changes to your household and household income when they happen.
- you received a lump sum payment.
- you resume employment after a temporary break from an ongoing contract.

In the event of a DECREASE to household income:

If a household renter-member has been retrenched or voluntarily left employment, NGRHC will continue to assess the income before the household renter-member was retrenched or voluntarily left employment up until documentation is supplied from Centrelink confirming the commencement date of benefits. The effective date for the income change date will be the date that Centrelink payments commenced. See DFFH assessable income guidelines. Conversely, the effective date for the income change date will be the date that the renter-member commenced receiving a salary or wage.

If a renter-member subsequently provides information about their household's details after a rent review, changes will only take effect on and from the date the renter-member contacted NGRHC and provided reasonable details of the household income.

NGRHC may agree to back-date changes in rent in circumstances where NGRHC determines that the hardship provision of this policy applies (outlined as follows).

Hardship Guidelines

NGRHC determines hardship by looking at the overall circumstances of the household, including:

- any unforeseen change to household composition beyond the control of the rentermember;
- any material change in the health (physical or mental) of the renter-member or members of their household;
- any disability of the renter-member or members of their household;
- the impact of family violence on the renter-member or members of the household; and
- cultural aspects, including Aboriginal cultural considerations.

WHEN RENT IS CHARGED

Rent is charged each and every Monday (one week at a time). Rent is charged for the period Saturday to Friday. Renter-members are advised to have their rent paid by the end of each week or fortnight (depending on your payment terms).

If you pay rent weekly, rent must be paid by the end of the week for the coming week. If you pay rent fortnightly, rent must be paid by the end of the week for the coming fortnight. Rentermembers who pay rent weekly must always stay at least one week in advance.

Renter-members who pay rent fortnightly must always stay at least two weeks in advance. During holiday periods such as Christmas, if a renter-member is sufficiently in advance and has a good

payment history they may apply to cease payments during that holiday time <u>IF so long as such an arrangement does not put them into a position of rent arrears.</u>

Rent charged and paid is displayed on statements which are sent out to renter-members each quarter. Rent statements should be thoroughly checked in case any errors have occurred. While all care is taken by NGRHC staff, it is the renter-member's responsibility to ensure that all rent paid is shown on your statement and any rent arrears are rectified immediately.

BONDS

As of the 7th July 2020, a bond equivalent to one month's rent calculated for the residential rental agreement shall be charged to all new tenancies, with the exception of tenancies created by internal transfer for existing renter-members.

The bond will be processed and lodged electronically with the Residential Tenancies Bond Authority (RTBA).

Refund or division of the bond at end of tenancy shall be done in accordance to the Residential Tenancies Act 1997 and Consumer Affairs Victoria guidelines.

COMMUNICATION

NGRHC will provide clear information to renter-members on how their rent has been determined and inform renter-members of their right to have their rental calculation reviewed if their circumstances change. An annual rental rebate review will occur <u>each</u> March and September for <u>ALL</u> renter-members' regardless of whether they are receiving a rental rebate or paying market rent.

The annual review is a separate process to the advice by DFFH each year regarding the level of market rent which they set. This two-step process firstly identifies <u>who</u> is eligible for a rental rebate; and secondly who should pay market rent. The market rent is set by DFFH and so for those who are on market rent; and are determined so by the first step, may also need to participate in another review after the market rent is reviewed by DFFH.

The Committee of Management shall keep themselves informed by staff of rent arrears levels at each monthly meeting.

The Co-op will carry out weekly monitoring of the rent collected and account arrears. Regular reports will be made to the Committee of Management meetings detailing the Co-operative's position with regard to current arrears, former renter-member arrears, arrears performance, rent in advance and trends.

HOW THE POLICY CAN BE CHANGED

NGRHC may, from time to time, implement changes to this policy. The revised policy will apply to all tenancies on and from the date of the change.

NGRHC will implement strategies to mitigate the effect of any changes of this policy on rentermembers and households.

PROCEDURES

Procedures established by NGRHC will include processes to ensure compliance with this policy, including:

• the setting and review of affordable rent;

- the communication with applicants and renter-members about how NGRHC has determined their rent;
- the identification of the rental approach that applies to a particular vacancy, property or tenancy; and
- how renter-members may ask for a determination of rent to be reviewed.

Rent Payment Guidelines:

NGRHC recognises that effective management of rent is important to the financial strength of the Co-op. Rent collected from renter-members is the <u>only</u> source of income and therefore is vital in the sustainability of the Co-op.

- 1. Each renter-member will be issued a deposit book which has a unique identifier number,
- 2. Renter-members may pay their rent in the following ways:
 - a. personal deposit at any bank (noting their book number details)
 - b. via Centrelink Centrepay (renter-members are strongly encouraged to use this method if receiving a Centrelink payment),
 - c. via direct debit, or
 - d. via Electronic Funds Transfer (EFT).
- 3. Renter-members must ensure their rent is paid at least two weeks in advance or in accordance with their Residential rental agreement.

Rent Refunds Guidelines:

NGRHC recognises its responsibility to ensure that any rental payments paid to the Cooperative in excess of the renter-member requirements must be returned to the renter-member upon cessation of the tenancy.

- 1. NGRHC shall refund any payments made by a renter-member that are in excess of the required amount when a tenancy ends and all other payments relating to vacating a NGRHC property have been made by a renter-member. (Refer to Termination of a Rental Agreement in Asset Management Policy for more details).
- 2. Refund payments can be made either in cheque format or by Electronic Funds Transfer.
- 3. Renter-members wishing to know their current rent balance may request a rental statement either via phone or in writing at any time.

Rent Arrears Guidelines:

The purpose of this guideline is to:

- Define a process for effective determination of rental arrears
- ❖ Define a procedure for ensuring that rental arrears are minimised and responded to in an equitable and responsible manner.
- 1. The Staff will notify the Renter-member in writing if they fall behind in their rent.
- 2. The Renter-member will notify Staff if they are unable to pay their rent.
- 3. The Renter-member and the Staff will agree on a rent arrears payment plan and both will sign the agreement. This agreement is binding and failure to honor the agreement may end in a Notice to Vacate being issued and then NGRHC will apply for a hearing by VCAT.
- 4. The rent arrears payment plan will not have a duration of greater than 6 months.
- 5. If the Renter-member does sign a rent arrears payment plan agreement but then breaches the agreement the Staff will discuss the case with the Committee of Management (COM). The COM may decide to issue a Notice to vacate and apply for a VCAT hearing
- 6. Once an Order for Possession has been obtained the COM may decide to obtain and execute a Warrant for Possession and the Renter-member will be forced to vacate the property.
- 7. If the Renter-member vacates with rent arrears owing the NGRHC may use the services of a debt collection agency to make sure that all arrears are repaid.
- 8. If a renter-member refuses to sign an arrears payment plan the Staff will discuss the case with the Committee of Management (COM). The COM may decide to issue a Notice to vacate and apply for a VCAT hearing.

ENDING TENANCIES

Renter Initiated (including transfers)

Renter-members may initiate termination of their rental agreement when they give 28 days written notice of their intention to vacate the rented premises (unless transferring to another community housing provider, 14 days' notice is required).

Renter-members should use the Notice of Intention to Vacate form available from the Consumer Affairs Victoria website which outlines the required timeframes for providing the notice. NGRHC will provide a copy of this form upon request.

https://www.consumer.vic.gov.au/housing/renting/moving-out-giving-notice-and-evictions/giving-notice-as-a-renter/renter-giving-notice

NGRHC aims to make the process for vacating properties as smooth as possible. The guidelines should be followed at all times to avoid unnecessary costs to the members and NGRHC.

Ending Tenancies Guidelines:

The purpose of this guideline is to:

- Define a process for exiting a property
- Inform renter-members of their responsibilities when ending their tenancy which include:
- The property should be left in a clean and tidy state including gardens.
- The renter-member will be given an 'end of renting requirements' checklist to ensure they understand what the expected standard of the property should be before they vacate.
- Keys must be returned to NGRHC on or before the last day of the tenancy.
- Renters must remove all belongings from the property otherwise the cost of rubbish removal will be passed on via a VCAT compensation order.
- Renter-members must resolve all outstanding rental issues.
- Renter-members are expected to be present at the 'pre-exit' inspection (2 weeks before exit) where they will be given feedback to ensure that the required standards will be met and an opportunity to discuss any concerns.
- Renter-members will be given a reasonable opportunity to attend the final inspection.
 An exit condition report will be completed from this inspection.
- Pay rent through to vacate date.
- The renter-member must have all or part of the rented premises professionally cleaned or pay the cost of having all or part of the rented premises professionally cleaned, if professional cleaning becomes required to restore the premises to the condition they were in immediately before the start of the tenancy, having regard to the condition report and taking into account fair wear and tear.

Abandonment

Abandonment occurs where a household leaves a property empty or uninhabited, without intending to return.

Where a tenancy is suspected of being abandoned, NGRHC will investigate, which may include:

- Attempts to contact renter at least 3 times over a 2-week period.
- Checking if rental payments have stopped.
- Visual external inspection (long grass, uncollected mail, no electricity use detected at meter).
- Attempts to contact next of kin and/or support worker.
- Sending a notice of entry and inspecting the property internally

Where NGRHC determines that a property has been abandoned, an application may be made to VCAT seeking an order declaring the property to be abandoned. Where the renter has confirmed that they have abandoned the property or NGRHC has otherwise confirmed that the renter-member will not be returning to the property, and there is no one else residing in the property, NGRHC may take possession without applying to VCAT. Rent charged accrues until possession is obtained.

Any goods left behind will be stored or disposed of in line with the RTA requirements.

Death of a sole renter

Where there is a death of a renter-member for a sole tenancy, NGRHC will make arrangements with the next of kin or legal representative for termination of the rental agreement and collection of all goods left at the property.

Where other household member/s reside at the property and wish to remain living in the property but are not parties to the rental agreement, their requests will be considered in line with NGRHC's Allocation of long-term housing policy.

If a next of kin or legal personal representative is not listed, or not contactable, NGRHC will apply to VCAT to end the rental agreement, which requires evidence of the death of the renter-member.

The rental agreement is terminated on the earliest date of the following:

- A date agreed in writing between NGRHC and deceased renter's next of kin or legal personal representative.
- The date on the "Termination after Death of a Sole Renter Notice" given by NGRHC to the next of kin or legal personal representative.
- The date on the Notice of Intention to Vacate form given by the next of kin or legal personal representative to [CHO].
- A date determined by VCAT

Evictions

Where renter-members fail to uphold their obligations under their tenancy agreement and the Residential Tenancies Act, NGRHC will work with the renter/s to rectify any issues and assist them to secure access to the support services they may need to help them to sustain their tenancy.

Eviction is a measure of last resort and will only occur where:

- All alternative options have been explored with the renter/s;
- Suitable referrals have been made to support and advocacy services;
- The human rights of the renters under the Charter have been given proper consideration and the decision is compatible with obligations under the Charter;
- A consistent, fair and accountable process has been followed and the renter has been kept informed of this process; and
- The relevant actions and recommendation have been reviewed and approved by a senior decision maker.

A decision to apply to VCAT for a Possession Order requires written approval from the Committee of Management.

Procedural Fairness

Renter-members will be provided with adequate notice of any proposed actions or proceedings so that they are in a position to seek assistance where needed and to effectively consider and prepare their response.

To ensure procedural fairness, NGRHC staff will:

- Notify the renter, either in writing or verbally, of the nature of the alleged breach that may result in a notice or action taken by NGRHC.
- Inform the renter of information and evidence gathered that will be used in the making of the decision in relation to their tenancy.
- Provide the renter with an opportunity to refute the alleged breach or provide a response to the alleged breach, including reasons why a notice should not be issued and allowing the renter to provide supporting evidence.
- Fairly consider any material or information provided by the renter when making a decision.
- Where family violence is identified, any assessment will be trauma informed and align with MARAM and not further disadvantage victim-survivors.

Property No Longer Available

In circumstances where a property is no longer available to be leased as social housing, NGRHC will inform the renter-member as soon as possible and assist the renter-member to obtain and transfer to a suitable alternative property.

Such circumstances may include:

- Properties becoming uninhabitable due to natural forcers (e.g. decay, fires or floods);
- Redevelopment of the property to upgrade or build additional social housing;
- Sale of the property; or
- Return of the property to the owner (where NGRHC leases the property from another party). Where this occurs, NGRHC will meet with the impacted renter-member as early as possible to understand their relocation needs and support them to transfer to suitable alternative housing. If NGRHC has suitable alternative properties available that meet the household's requirements, impacted renter-members will be prioritised for offers to these properties.

DEFINITIONS:

In this policy;

Applicant	Means an applicant for housing to NGRHC
ATO Benchmark Rent	Means the amount set by the Australian Taxation Office https://www.communityhousing.com.au/ato-long-term-
	accommodation-market-rent-benchmarks-updated-1-july-2019/
Gross Household	Means the total household income assessed in accordance with the
Income	DFFH Assessable Income guidelines.
Maximum CRA	The maximum amount of Commonwealth Rental Assistance to which the household is entitled
Market Rent	Means the maximum rental amount payable determined for a property in accordance with this policy. Also known as 'Maximum Rent'.
Notice to Vacate	A legal notice telling a renter that the rental provider wants then to vacate the property by a certain date

Possession Order Rebated Rent	An order granted by VCAT giving the landlord the right to obtain a warrant to regain possession of the property, whereby locks will be changed and NGRHC takes back possession. Means the rent derived from calculating the combined total
	household income for a property determined by NGRHC in accordance with this policy
Residential Rental	A rental agreement is a contract outlining the terms under which
Agreement	one party agrees to rent property owned or managed by another party. It guarantees the Renter, also known as the renter-member, use of an asset and guarantees the Housing Provider regular payments and terms for a specified period in exchange. Both the Renter and the Housing Provider face consequences if they fail to uphold the terms of the Residential Rental Agreement.
Warrant of	A legal document issued by Victorian Civil & Administrative Tribunal
Possession	(VCAT) authorising the Police to evict renters from a property.

RELATED POLICIES and Documents

Complaints and Appeals Policy
Vacating Policy
Allocation of Long Term Housing Policy
Asset Management Policy
End of renting requirements checklist

LEGISLATION AND STANDARDS

This policy implements the obligations of NGRHC under:

- Housing Act 1983 (Vic)
- Victorian Civil and Administrative Tribunal (Australia)
- Residential Tenancies Act 1997
- Residential Tenancies Regulations 2021 https://www.legislation.vic.gov.au/as-made/statutory-rules/residential-tenancies-regulations-2021-0
- Guidelines for Registered Housing Agencies published by DFFH
- Performance Standards for Registered Housing Agencies
- Consumer Affairs Victoria. https://www.consumer.vic.gov.au/housing/renting/ending-a-lease-or-residency/claiming-the-bond-renter-members-and-residents

Transparency and accessibility

This policy will be available on the NGRHC website www.ngrhc.org.au