

POLICY NUMBER: 64 ASSET MANAGEMENT

(replaces policies 50 Asset Management Policy, 15 Vacating.)

Version No. 03

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PURPOSE

This policy establishes the approach of Northern Geelong Rental Housing Co-operative Ltd (NGRHC) to manage property assets by setting an appropriate standard in partnership with the Department of Family, Fairness and Housing (DFFH).

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, staff and renter-members.

This policy applies to the following mechanisms of the housing program implemented by NGRHC:

- Asset Planning
- Establishing new Residential Rental Agreements
- Inspections
- Evictions
- Neighbours
- Vacating

POLICY STATEMENT

Northern Geelong Rental Housing Co-operative (NGRHC) recognises and understands that the Co-op will only maintain and protect assets by ensuring a high standard of property asset management.

NGRHC commits to supplying the resources to property asset management which may be needed now and in the future.

Approach to Property Management – guiding principles

Asset management may be defined as: “systematic and co-ordinated activities and practices through which an organisation optimally manages its physical assets and their associated performance, risks and expenditures over their lifecycles”.

Accordingly, NGRHC will:

Assess asset quality;

Ensure the asset is fit for purpose;

Maintain assets according to best practice and not the term of the DFFH lease; and

Follow proper asset utilisation practices.

COMMUNICATION

NGRHC will provide clear information to renter-members regarding inspections and the expectation of how the property should be cared for.

Understanding Asset Management

Asset management may be categorised into the following:

- Strategic management – based on investment, renewal and disposal
- Operational management – based on responsive, planned and capital maintenance
- Alignment with Corporate strategies – ensure asset management aligns with long term goals of the Co-op
- Awareness of asset management – on going training and consultation with the housing sector

Asset Planning

Every 5 years NGRHC will review asset planning in accordance with the DFFH Housing Provider Framework, the General Lease and Asset Management Plan. The strategic and operational maintenance requirements of the properties will be quantified in an annual budget which then contributes to the Co-op's Business Plan.

The NGRHC asset plan will specify:

- The nature of the works to be carried out at the premises;
- If more than one part of the premises is identified, the order of priority in which the proposed works should be carried out,
- The likely future life span of the premises and any alternative asset management action for the premises, such as disposal or redevelopment of the premises; and
- The requirement to phase out reliance on gas appliances in conjunction with the Victorian Government Social Housing guidelines to achieve net zero by 2050.

The identified required maintenance shall be entered into Chintaro as forecast maintenance.

The Committee of Management (CoM) shall be updated by regular reports from the Asset Sub Committee (ASC) and staff regarding asset planning and cyclical maintenance requirements.

Alterations to the General Lease

NGRHC manages properties from DFFH via a General Lease for the provision of residential accommodation in accordance with the criteria set out in "Guidelines for Managing DFFH properties under a General Lease". The terms of the lease may change from time to time either during the lease or at the expiration of a lease. Changes may include but are not limited to:

- DFFH may remove properties from the lease
- NGRHC may hand back properties that are identified in Annexure A of the lease
- DFFH may add properties to the lease via management transfers (from Public Housing to Community Housing)

Establishing new Residential Rental Agreements

New renter-members require close monitoring during the early stages of their tenancy to ensure a high level of engagement and investment into the life and ethos of the Co-op. Statistics show that early engagement with new renter-members gives the best hope of sustaining long term, mutually beneficial tenancies.

For this reason all new renter-members will be placed on a one year fix term Residential Rental Agreement to ensure the right member has been chosen for the property, the property is looked after and all requirements of NGRHC are met.

During the first six months of the tenancy the new renter-member will be closely monitored, and a review of their tenancy will take place by the Asset Management Sub Committee at the six month interval. This ensures there is sufficient time available to issue a Notice to Vacate for end of a fixed term agreement 90 days before the end of the initial fixed-term agreement should it be required.

New Renter-Member Guidelines

New renter-members will be placed on a fixed term lease for the first year of their tenancy and pay a bond equivalent to one months rent. The extension of the lease and therefore continued membership depends on the following factors:

- New renter-member is expected to honor their commitment to participate in the life of the Co-op
- Respect the Rules of NGRHC
- Keep the property clean and tidy
- Maintain the garden (this includes watering plants and trees)
- Always stay two weeks ahead in their rent
- Notify NGRHC of any new persons staying at the property
- Notify NGRHC of any changes to their income
- Be courteous to staff and fellow renter-members

Inspections

Inspections are intended to create the opportunity to identify maintenance needs before they become evident and require urgent attention. For NGRHC to maintain Co-op properties in good condition inspections will be carried out on a regular basis.

This allows:

- Renter-members the opportunity to discuss any maintenance needs that are not readily identifiable to the Tenancy Support staff carrying out the inspection; and
- Staff to complete a thorough check of the property and assist members to highlight any maintenance needs.

Inspections will be carried out at all NGRHC properties in accordance with the Residential Tenancies Act (RTA) and reasonable consideration will be extended to the renter-members' circumstances and availability.

The table below identifies the types of inspections classified by the RTA.

Types of Inspections

- **Routine/planned/regular inspections:** routine inspections will occur every 6 months or at NGRHC's discretion *A minimum of **7 days'** notice will be given to the renter-member residing in the property.
- **Prospective renter-member inspections:** where an applicant for housing is shown the premises prior to an offer for housing being made (s86.1a) *A minimum of **48 hours'** notice is required if there is a current renter-member residing in the property. The notice period is subject to agreement between all parties in the last two weeks of a tenancy.
- **Follow (new renter-member) home visits:** where a premises inspected shortly after the commencement of a new tenancy (s86.1c) After 3 months 7 days' notice
- **Pre-exit renter-member inspections:** where the premises are inspected ideally two weeks before the renter-member vacates the property (s86.2) A minimum of 24 hours' notice from the time notice to vacate has been received.
- **Post-exit renter-member inspections:** where the premises are inspected after the renter-member has vacated. A condition report of the property will be created at this time.

Termination of a Rental Agreement

A notice to vacate may only be given to renter-members for specific circumstances allowable under the RTA. Should the renter-member be issued a notice to vacate and does not rectify the grounds under which the notice was issued NGRHC may apply to the Victorian Civil and Administrative Tribunal (VCAT) for a possession order within a certain time, depending on the grounds for the notice to vacate being issued.

For more information on these time frames go to:

<https://www.consumer.vic.gov.au/housing/renting/ending-a-lease-or-residency/if-the-landlord-or-owner-wants-the-tenant-to-leave/possession-orders-eviction#when>

NGRHC offers long-term affordable Community Housing and therefore an eviction is a last resort, however, should a renter-member put their own tenancy at risk by giving grounds for termination then this avenue will be pursued.

Bonds

Where a bond has been paid at the beginning of a tenancy in accordance with the NGRHC Rent Management Policy this bond is refundable if the property is left in good condition and rent is paid up to the date of the end of the tenancy agreement.

Note: You cannot pay your final rent using the bond. The bond and rent are separate payments. Renters or residents may be fined for treating any part of the bond as rent. This includes if the residential rental agreement is in its last month.

<https://www.consumer.vic.gov.au/housing/renting/ending-a-lease-or-residency/claiming-the-bond-tenants-and-residents/overview>

Bond loan paid by DFFH.

The DFFH website explains how the refund of bonds is treated. "For the majority of Rent Assist Bond Loan applicants, when a tenancy has ended, the Residential Tenancies Bond Authority will refund the bond loan directly to the Department of Families, Fairness and Housing.

However, there can be some circumstances where the rental provider/property manager or owner may want to claim money from the bond. This could be because:

- there is outstanding rent owed
- there is damage to the property

Where the full bond amount is not returned automatically to the Department of Families, Fairness and Housing, it is encouraged that applicants agree, on request, to repay any balance retained by a landlord to the Department of Families, Fairness and Housing".

Extract from DFFH website viewed 19/8/20 <https://www.housing.vic.gov.au/how-do-i-repay-rentassist-bond-loan>

Bond paid by the renter-member will be returned directly to the renter-member via electronic funds transfer after the final inspection is completed and the renter-member has left the property in a 'clean and tidy' condition with all rent paid up to date.

Grounds for termination of a Rental Agreement under the RTA – (includes the following examples but not limited to)

- The renter-member or their visitor causes malicious damage to the premises or common areas
- The renter-member or their visitor puts neighbours in danger
- The premises are unsafe or unfit for human habitation
- The renter-member owes at least 14 days' rent
- The renter-member has breached a VCAT compensation or compliance order
- The renter-member has breached a duty owed under the RTA for the third time (and has been given a breach of duty notice twice before to remedy the breach of the same duty).
- The renter-member is using the premises for an illegal purpose
- The rental provider is a government housing authority and the renter-member made a false statement relating to their eligibility to be accepted as a renter-member
- The renter-member has assigned or sublet the premises without the landlord's consent
- Planned reconstruction, repairs or renovations which cannot be properly carried out unless the renter-member vacates
- The premises are to be demolished and all necessary permits have been obtained
- A government authority owns the premises and is compulsorily acquiring the premises for a public purpose.

Neighbours

NGRHC values all stakeholders including renter-members' neighbours. While NGRHC must take all reasonable steps to ensure that the renter-member has quiet enjoyment of the premises it is important to remember that neighbours also have this same right under the RTA.

Disputes between neighbours can have a serious effect on everyday life therefore it is important to understand that NGRHC acknowledges the rights of neighbours to include peace, comfort and privacy. The Dispute Settlement Centre of Victoria has a free telephone service that assists neighbours with disputes. NGRHC must be informed and kept up to date if there is a neighbour dispute taking place.

<https://www.legalaid.vic.gov.au/find-legal-answers/disputes-with-neighbours/get-help>

Good Neighbour Guidelines

- Fencing repairs or replacement is the responsibility of NGRHC not the renter-member
- Noise restrictions apply to particular times of the day <https://www.epa.vic.gov.au/about-us/legislation/noise-legislation#noiseregs>
- Renter-members should cut back their overhanging branches if they are able to do so, this will prevent extra costs when fences need replacement
- Pets – if you own a pet you are responsible for its behavior
- If you fear for your safety contact the police
- Respect your neighbours' privacy
- Look after your children and visitors, ensure they do not trespass onto other people's property
- Look out for your neighbour and give them a hand if they are in need, they just might also help if you are in need.

Vacating

Renter-members wanting to vacate must give written notice to the staff at NGRHC.

In accordance with the RTA all renter-members must give 28 days' notice to the Co-op if they intend to vacate the property unless they are accepting an offer for public housing in which case the notice period becomes 14 days. Properties must be left in a clean and tidy state with rent paid up to the date of handing keys back to NGRHC staff.

NGRHC staff should consider the renter-members individual circumstances and shall work together to make the process of vacating as smooth as possible for all parties.

Vacating Guidelines

- When staff receive a notice that a renter-member is vacating an End of Tenancy Checklist shall be sent immediately to the renter-member by email and post.
- Renter-members will be charged for all maintenance and cleaning costs for damage caused by the renter-member or their household, not including fair wear and tear that is required to return the property and surrounds to a good condition
- If the vacating renter-member and staff disagree about damage mentioned on the condition report, the renter-member should provide proof of how damage may have occurred
- The renter-member must make arrangements with NGRHC staff to repay any rent arrears
- Rent will be charged up until the day the renter-member returns the keys
- Supply a forwarding address
- All keys to the property must be handed back to the office on the agreed vacating date
- Photographs will be taken to verify any damage to the property and surrounds (renter-members are encouraged to take their own photos)
- If the vacating renter-member does not pay to the NGRHC any money owing due to rent arrears, cleaning or maintenance costs, the staff will apply to VCAT for compensation of these costs (within 10 working days)
- If a vacating renter-member does not pay the Co-op any outstanding costs they will be listed on the TICA tenancy database.

Smoking

NGRHC recognises it is an individual's choice to smoke, however, smoking in the property has a detrimental effect on paint, woodwork, carpets and fixtures therefore NGRHC bans smoking inside any property owned or managed by NGRHC. There are times when staff and contractors are required to enter properties and therefore during those times these properties effectively become a workplace and workers will also have the right to insist no one is smoking inside the property.

NGRHC also recognises there is an extra cost for cleaning and rectifying the damage caused by smoking. This cost shall be passed on to the renter-member (excluding normal wear and tear) if they choose to smoke inside the property and ignore this policy directive from the Committee of Management (CoM). A breach notice under section 61(1) of the Residential Tenancies Act may be issued for renter-members who damage NGRHC properties by smoking inside.

Smoking Guidelines

- Under Victoria's Tobacco Act 1987, smoking is prohibited in all enclosed workplaces and certain public spaces where members of the public gather and may be exposed to second-hand tobacco smoke
- Staff and contractors have a right to refuse entry into properties where it is evident that the renter-member is smoking in the property
- Renter-members are responsible for repair costs directly associated with smoking inside the properties. This may include the cost for additional servicing of split systems which are affected by air pollution as a result of smoking
- Be considerate of passive smoke travelling into neighbours' properties

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 from the date of the change.

NGRHC will implement strategies to mitigate the effect of any changes of this policy on renter-members and their households.

DEFINITIONS:

In this policy;

Annexure A	A document attached to the General Lease which lists the properties that are included in the General Lease.
Asset utilisation	Practices which ensure the maximum use of the asset including asset planning, forecast maintenance and maximum occupancy of bedrooms.
General Lease	A lease granted by DFFH to NGRHC under which properties are managed by NGRHC to provide affordable, flexible and long term housing within the community consistent with the approach taken by the Director in providing public housing
Housing Provider Framework	Also known as the Housing Provider Framework Lease and Property Management Agreement. This document outlines the agreement between an agency and the Director of Housing in regards to property management.

RELATED DOCUMENTS

Complaints and Appeals Policy

Allocation of Long Term Housing Policy

Renter-Member Handbook

Maintenance

Rent Management Policy

LEGISLATION AND STANDARDS

This policy implements the obligations of NGRHC under:

Housing Act 1983 (Vic)

Victorian Civil and Administrative Tribunal (Australia)

Tobacco Act 1987

[http://www.legislation.vic.gov.au/domino/Web_Notes/LDMS/LTObject_Store/LTObjSt4.nsf/0/2e41f3df50a8d522ca2577610030f700/\\$FILE/87-81a071.pdf](http://www.legislation.vic.gov.au/domino/Web_Notes/LDMS/LTObject_Store/LTObjSt4.nsf/0/2e41f3df50a8d522ca2577610030f700/$FILE/87-81a071.pdf)

Residential Tenancies Act 1997

[http://www.legislation.vic.gov.au/Domino/Web_Notes/LDMS/PubStatbook.nsf/f932b66241ecf1b7ca256e92000e23be/B408F5C7E296511ACA25830C0011B84D/\\$FILE/18-045aa%20authorised.pdf](http://www.legislation.vic.gov.au/Domino/Web_Notes/LDMS/PubStatbook.nsf/f932b66241ecf1b7ca256e92000e23be/B408F5C7E296511ACA25830C0011B84D/$FILE/18-045aa%20authorised.pdf)

Guidelines for Registered Housing Agencies published by DFFH

<https://providers.dffh.vic.gov.au/public-housing-allocations-operational-guidelines>

Performance Standards for Registered Housing Agencies

<http://www.housingregistrar.vic.gov.au/Publications/Performance-standards-and-evidence-guidelines>

DFFH Housing providers framework

<https://providers.dffh.vic.gov.au/housing-provider-framework>

Transparency and accessibility

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