

THM Rent and Rental Arrears Policy

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 Policy owner: Director Housing and Homelessness

1 Purpose

The purpose of this policy is to:

- a ensure the effective management of rental revenue in the Transitional Housing program while ensuring tenancies at risk of or experiencing financial hardship / arrears are identified early, adequately supported and managed collaboratively in partnership with supporting agencies to maintain sustainability of the tenancy

2 Scope

- 2.1 This policy applies to all Unison Transitional Housing Management (THM) program properties.

3 Policy Statement

Principles

- 3.1 Unison is committed to ensuring a consistent and proactive process to achieving the best possible outcomes for renters and the organisation.
- 3.2 Unison’s approach to rent arrears follows these principles:
 - a Rent arrears are identified and addressed early to give the renter the best chance to sustain their rental agreement as delays diminish the renter’s ability to resolve the issue
 - b Care must be taken to establish a rent paying culture from the beginning of the rental agreement
 - c Rent arrears can be a sign of broader rental agreement issues and can provide an opportunity to resolve these issues with engagement with a renter/s support agency

Application

- 3.3 Rent
 - a Renters are charged a rebated rent which is a calculation based on their household income. Income calculation printouts are to be shown to renters at signup and resigns to better understand how their rent is calculated and to reinforce the importance of keeping their rent up to date.
- 3.4 Bonds / Two weeks in advance
 - a Unison THM does not collect bonds in transitional housing however, renters are to be two weeks in advance with their rent in lieu of a bond. Where renters are not two weeks in advance, renters can contribute extra per week to attain this.

3.5 Market Rent

- a** Market rent is the amount of rent that a real estate agent or landlord would charge each week if the property were rented in the private market. DFFH communicate the market rent to Unison and it applies from 1st September each year. A renters rent can never exceed market rent. Renters who do not provide income verification are to be charged market rent until enough proof of income is obtained as to conduct a proper rental calculation.
- b** If it is found that renters are in receipt of Commonwealth Rent Assistance (CRA), they may need to be charged market rent as per the Commonwealth Rent Assistance guidelines.

3.6 Rebated rent

- a** Rent rebate is the difference between the market rent and the rent a renter pays, based on their household's assessable income. The rent rebate is not paid to the renter, however, is deducted straight from the market rent and is determined by the households' assessable income.

3.7 Commonwealth Rent Assistance

- a** Typically, THM renters do not receive Commonwealth Rent Assistance (CRA) as their rent should be rebated. If it is found that renters are in receipt of Commonwealth Rent Assistance (CRA), they will be given an option to be charged market rent if they wish to continue to receive CRA or a rebated rent, upon cancellation of CRA.
- b** Important Note: Renters cannot be in receipt of CRA and receive a rebated rent.

3.8 No income

- a** Renters referred with limited to no income are eligible to apply for nil rent. All nil rent applications are approved by the relevant Manager, Place Management.

3.9 Arrears

- a** Unison aims to utilise a strengths-based approach in engaging with and managing tenancies in arrears. Unison recognises the limited income/s and earning capacity of renters. Unison THM staff ensure there are adequate supports in place for renters at risk of or experiencing rental arrears and / or financial hardship.

3.10 Arrears agreements

- a** Recovery of arrears and any arrears agreements should not place further strain on a renter's household finances/income.
- b** While arrears repayments are not included in the calculation of the rebated rent model and not part of housing affordability, they are still non-discretionary and affect other non-discretionary and discretionary spending.

3.11 Exits

- a** Renter vacates in credit
 - i** All efforts will be made to return any rent owed to renters at the end of a rental agreement

Glossary

- 3.12 Commonwealth Rental Assistance (CRA) - Rent Assistance is a non-taxable income supplement payable to eligible people who rent in the private rental market or community housing.**

4 **Review**

This policy will be reviewed every three years as delegated by the responsible Executive.