

# THM Rent & Rental Arrears Policy

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Policy owner: Director Housing and Homelessness

## Purpose

To 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.

## Scope

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

## Principles

Unison is committed to ensuring a consistent and proactive process to achieving the best possible outcomes for tenants and the organisation.

Unison's approach to rent arrears follows these principles:

- Rent arrears are identified and addressed early to give the tenant the best chance to sustain their tenancy as delays diminish the tenant's ability to resolve the issue
- Care must be taken to establish a rent paying culture from the beginning of the tenancy
- Rent arrears can be a sign of broader tenancy issues and can provide an opportunity to resolve these issues with engagement with a tenant/s support agency

## Application

### Rent

Tenants are charged a rebated rent which is a calculation based on their household income. Income calculation printouts are to be shown to tenants at signup and resigns to better understand how their rent is calculated and to reinforce the importance of keeping their rent up to date.



## Bonds / Two weeks in advance

Unison THM does not collect bonds in transitional housing however, tenants are to be two weeks in advance with their rent in lieu of a bond. Where tenants are not two weeks in advance, tenants can contribute extra per week to attain this.

## Market Rent

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. DHHS communicate the market rent to Unison and it applies from 1<sup>st</sup> September each year. A tenants rent can never exceed market rent. Tenants 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.

If it is found that tenants are in receipt of Commonwealth Rent Assistance (CRA), they may need to be charged market rent as per the Commonwealth Rent Assistance guidelines.

## Rebated rent

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

## Commonwealth Rent Assistance

Typically, THM tenants do not receive Commonwealth Rent Assistance (CRA) as their rent should be rebated. If it is found that tenants 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.

Important Note: Tenants cannot be in receipt of CRA and receive a rebated rent.

## No income

Tenants 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.

## Arrears

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 tenants. Unison THM staff ensure there are adequate supports in place for tenants at risk of or experiencing rental arrears and / or financial hardship.

## Arrears agreements

Recovery of arrears and any arrears agreements should not place further strain on a tenant's household finances / income.

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.

## Exits

### Tenant vacates in credit

All efforts will be made to return any rent owed to tenants at the end of a tenancy.

## Glossary

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.

## Review of policy

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