



TEN-POL-01

RENTS, BONDS, OTHER CHARGES AND ARREARS MANAGEMENT POLICY

1. Introduction

- 1.1. Northside Community Service Ltd (Northside) is committed to maintaining and supporting tenancies in properties that are safe, well-managed and maintained. This policy establishes guidance around rent, bonds and other charges associated with properties owned, occupied, and managed by Northside.

2. Purpose

- 2.1. Rent, bonds, and other charges associated with properties owned, occupied, and managed by Northside support sustainable tenancies and uphold Northside's obligation to effectively manage its assets accordingly.
- 2.2. The Rent, Bonds and Other Charges Policy of Northside outlines a fair and transparent approach to managing rent and non-rent charges at all properties owned, occupied, and managed by Northside.

3. Scope

3.1. This policy applies to all properties owned, occupied, and managed by Northside, including employees, applicants, and tenants of Northside.

4. Policy Owner and Review Requirements

4.1. Policy Owner

4.1.1. This policy owner for the Rents, Bonds and Other Charges Policy is the Executive Director of Client Services.

4.2. Review Requirements

4.2.1. This policy is to be reviewed annually.

5. Policy Statements

5.1. Rent, Bonds and Other Charges

5.1.1. Setting, reviewing, and collecting rent, bonds and other tenancy related charges is the responsibility of both Northside and the tenant.

5.1.2. During each stage of the tenancy, Northside will provide support to ensure that the tenant or applicant understands their obligations when entering into a tenancy.

5.2. Bonds

5.2.1. Each new Northside tenant is required to pay two weeks’ rent in advance, plus the equivalent of four weeks’ rent as a bond. The rent amount for bond purposes is based on the subsidised or discounted rent. The amount of the bond will be included in the tenancy agreement signed by the tenant. A Bond Loan Application can assist where the tenant does not have the means to pay.

5.2.2. The bond amount must be paid in full before signing of the lease/Tenancy Agreement either by direct payment and/or Rental Bond Help (ACT).

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- 5.2.3. If a tenant has sincere financial difficulties and is ineligible for a bond loan, Northside may agree to a payment arrangement. This will be assessed on a case-by-case basis. This requires appropriate evidence and approval from the Chief Executive Officer or nominee.
- 5.2.4. All bonds are lodged with the relevant Government department in each State or Territory.
- 5.2.5. Northside requires tenants transferring to other properties within Northside to pay a bond regardless of whether there is a bond for their previous property.
- 5.2.6. During the tenancy, Northside will work with tenants to assist them to manage issues that may affect the amount of bond that is refunded to them at the end of their tenancy. This includes:
 - 5.2.6.1. Supporting tenants where possible to mitigate problems identified through the routine inspections carried during each tenancy, or the end of the tenancy inspection. Refer to Northside’s **Tenancy Management Policy** for more information;
 - 5.2.6.2. Referring tenants to support agencies that may assist them to maintain a successful tenancy, where required and subject to tenant consent; and
 - 5.2.6.3. Working with tenants who owe rental arrears or non-rent debts to put arrangements in place to repay the debts. See the **Arrears Management** section in this policy for further information.
- 5.2.7. Where, at the end of the tenancy, a tenant does not owe any money to Northside and there are no repairs, maintenance or cleaning issues identified at the property, employee will make arrangements to refund the bond.
- 5.2.8. Northside may seek to retain part or all of a bond at the end of a tenancy where a tenant has rent or on-rent arrears or debt, and where the property is damaged beyond normal wear and tear.

5.3. Market Rent

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5.3.1. Market rent refers to the amount of money that tenants would pay in rent for the property in the private rental market. Market rent can be used to determining rent costs. The market rent cost outlines the maximum rent that tenants can be charged.

5.3.2. Market rent may be determined by an examination of comparable rents for properties in a similar location or area. Different properties in the same area may have different market rent costs due to differences in property age, type, or amenity.

5.4. Rental Subsidy

5.4.1. An applicant or tenant’s entitlement to rental subsidy depends on their income, and the income of other household members. The level of rental subsidy is assessed on the information provided by the tenant on their application. Northside may at any time request additional evidence of income to determine the appropriate subsidy.

5.5. Rent Reviews

- 5.5.1. Northside will conduct a review on rent charges at least annually, under which:
 - 5.5.1.1. Staff will inform tenants in writing of the upcoming rent review and provide them with supporting information and relevant forms.
 - 5.5.1.2. Tenants will be required to provide up-to-date income details for each member of their household, as well as all persons over the age of 18 named on the Tenancy Agreement, additional information may be requested to support the review.
 - 5.5.1.3. Rent review outcomes will be communicated to the tenant in writing. Tenants will be provided the opportunity to discuss and appeal the review process to ensure fair outcomes.
- 5.5.2. All tenants of Northside are required to participate in regular reviews of the rent they are charged for their property. Rent reviews will also occur where employee are made aware of a change in household circumstances.

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5.5.3. Rent is generally calculated at 25% of the household income, plus any rental assistance the tenant may be eligible for or receiving.

5.6. Change of Circumstances

5.6.1. Tenants are responsible for informing Northside of any changes to their circumstances that may impact upon the amount of rent they are charged within 28 days of a change, including:

5.6.1.1. Household composition changes; and

5.6.1.2. Income changes for any household member.

5.6.2. Where a tenant does not provide this information and Northside becomes aware of the change, they may be required to back pay the additional rent from the date of the income change. Where a serious breach has been identified, Northside may charge market rent for this period.

5.7. Water Charges

5.7.1. All tenants are responsible for water usage charges at their property, in accordance with an invoice received from the Water Authority, in accordance with the Residential Tenancies Act 1997 (ACT).

5.7.2. Determination of water usage charges at the end of tenancy will be made by reading within 24 hours of the end of the tenancy, or in the case of weekends and Public Holiday, the next working day.

5.7.3. Northside may adjust water charges on tenant accounts in exceptional circumstances such as a burst water pipes or undetectable leaks, where the tenants are not at fault or had no way of detecting that a leak existed.

5.7.4. Water adjustments will only be considered in exceptional circumstances. This will be assessed on a case-by-case basis, Northside may ask the tenant to provide evidence to support the adjustment. The outcome will be communicated to the tenant in writing.

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5.8. Arrears Management

5.8.1. Advising and Managing Tenants in Rental Arrears

5.8.1.1. Arrears must be addressed as early as possible to ensure that tenants on low incomes do not accrue rental debts that become unmanageable. Therefore, tenants must notify Northside immediately if they are unable to make payments. Northside will work with tenants to ensure they meet their obligations to pay their tenancy charges, support include:

- 5.8.1.1.1. Negotiating a re-payment plan;
- 5.8.1.1.2. Referral to case management services which may involve financial counselling or additional support.

5.8.1.2. Early intervention is the best way to manage rental arrears and sustain tenancies. Northside will offer support to tenants who experience difficulty paying their rent, and where required will seek to enter them into a payment plan and make referrals to support organisations.

5.8.1.3. Northside will always contact tenants in writing if their accounts fall into arrears. Northside may also contact tenants by phone or visit them in their homes. Northside will aim to respond quickly to ensure the tenant pays their tenancy charges on time and to help prevent the debt from escalating.

5.8.1.4. Northside can apply for and recover tenancy-related charges in accordance with the provisions of the **Residential Tenancies Act** and the **Renting Book**. Tenants have a legal obligation to pay their tenancy charges as they become due. If they do not make payments, their accounts will fall into arrears; this will result in a breach of their Tenancy Agreement. For more information, please see **Northside’s Breach of Tenancy Policy**.

5.8.1.5. Where a tenant is in arrears with their rent, Northside will take steps to:

- 5.8.1.5.1. communicate empathetically with tenants and their supports to ensure that they are aware of any rent arrears;

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- 5.8.1.5.2. provide a reasonable opportunity for tenants to address their arrears promptly;
- 5.8.1.5.3. refer tenants to appropriate support services in respect of helping sustain their tenancy;
- 5.8.1.5.4. as a last resort, will take an action in the ACT Civil & Administrative Tribunal (ACAT) to establish effective orders to recover outstanding rental amounts.

5.8.2. Non-rental Accounts

5.8.2.1. Northside will address arrears in non-rent accounts using the same actions and principles as outlined in this policy. Non-rent accounts include utilities and damage charges.

5.8.3. ACT Civil & Administrative Tribunal (ACAT) Action

5.8.3.1. Where a tenant remains in breach of their agreement, Northside will take an action with ACAT to establish orders for the repayment of rent. Where orders are made by ACAT and the tenant does not comply with these orders, Northside may then take action to end the tenancy by seeking a termination order.

5.8.3.2. Where Northside lodges an application to ACAT for orders in respect of rental or non-rental arrears, the following guidelines will apply:

5.8.3.2.1. Tenants will be promptly advised in writing that an application has been made, contacted by telephone to explain the reasons for seeking the orders and encouraged to attend the hearing.

5.8.3.2.2. Referral advice to tenant advocacy services will be provided, including culturally appropriate options.

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5.8.3.2.3. With a view to sustaining the tenancy, all efforts will be made to reach an acceptable repayment agreement that is affordable and reasonable for both the tenant and Northside.

5.8.3.2.4. In addition to orders relating to rent arrears, if a termination order is sought Northside will seek orders regarding the disposal of goods left at the property and the tenant’s bond will not be sought as part of rent arrears orders (for more information refer to Northside’s **End of Tenancy Policy**).

5.8.4. Order of Termination and Possession

5.8.4.1. An Order of Termination and Possession is an order granted in ACAT, which legally ends the tenancy on a certain date.

5.8.4.2. An eviction action is only ever taken by Northside as a last resort after reasonable efforts have been made to sustain the tenancy.

5.8.4.3. If a tenant fails to vacate the property by the date in the possession order, Northside will apply for a Warrant of Possession requesting the ACT Federal Police Office to evict the tenant.

5.9. Appeal Process

5.9.1. Tenants have the right to appeal organisational decisions and to complain about the services that they have received from Northside. If you do not agree with any of our decisions or actions, you can appeal following Northside’s **Complaints and Appeals Procedure**.

6. Breaches and Penalties

6.1. Breaches

6.1.1. Breaches of this policy must be reported immediately to the Chief Executive Officer (or nominee). Confidentiality will be maintained where appropriate.

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- 6.1.2. If a tenant breach is found to have occurred, Northside may decide to issue a breach notice or terminate the tenancy, depending on the seriousness of the offence.
- 6.1.3. Where an employee has breached this Policy, and the offence is judged to be serious, the procedures outlined in the **Northside Grievance Policy** will be followed.
- 6.1.4. Where a breach involves illegal activities, Northside has an obligation to report these to the relevant external law enforcement agencies, and individuals may be subject to prosecution.

6.2. Penalties

- 6.2.1. If Northside believes that this policy has been breached, these processes will be followed:
 - 6.2.1.1. An investigation will take place to determine potential breaches.
 - 6.2.1.2. If a tenant breach is found to have occurred, Northside may decide to issue a breach notice or terminate the tenancy, depending on the seriousness of the offence.
 - 6.2.1.3. Where an employee has breached this Policy, and the offence is judged to be serious, the procedures outlined in the Northside **Grievance Policy** will be followed.
 - 6.2.1.4. Where a breach involves illegal activities, Northside has an obligation to report these to the relevant external law enforcement agencies, and individuals may be subject to prosecution.

7. Audits

- 7.1. All properties owned, occupied, and managed by Northside will be subject to ongoing assurance and audits. All records belong to Northside. In most cases, these are admissible as evidence and are subject to relevant Territory and Federal Laws.

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- 7.2. Northside management is responsible for the development of the audit plan overseeing Tenancy Management, including routine property inspections, rent reviews and tenancy record audits.
- 7.3. The team leader or manager is to provide a report to the CEO in relation to the results of audits undertaken during the period.

8. Roles and Responsibilities

- 8.1. Roles and responsibilities for Visitors and Additional Occupants are detailed below:
 - 8.1.1. **Northside is responsible for:**
 - 8.1.1.1. Ensuring that tenancy services are delivered lawfully, efficiently and ethically.
 - 8.1.2. **The Executive Director Corporate Services is responsible for:**
 - 8.1.2.1. Ensuring that breaches of this policy are referred to the Chief Executive Officer so that action can be taken when required, and reports are made to other agencies (for example, the Police) when necessary;
 - 8.1.2.2. Ensuring accurate system records are maintained and that records are monitored and archived as appropriate;
 - 8.1.2.3. Assisting with any audit, including audits conducted by other agencies (with the approval of the Chief Executive Officer, or nominee) in investigating suspected breaches or conducting scheduled audits or inspections.
 - 8.1.2.4. Assisting with rent reviews in line with this policy.
 - 8.1.3. **Managers are responsible for:**

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- 8.1.3.1. Ensuring all staff are aware of this Policy in relation to their work at Northside;
- 8.1.3.2. Ensuring that all work practices comply with this Policy;
- 8.1.3.3. Leading by example with respect to upholding this Policy.
- 8.1.4. **Employees are responsible for:**
 - 8.1.4.1. Following policies and procedures;
 - 8.1.4.2. Participating in development opportunities;
 - 8.1.4.3. Treating clients with dignity and respect at all times;
 - 8.1.4.4. Working to maintain an environment that is culturally safe;
 - 8.1.4.5. Supporting clients to make informed choices;
 - 8.1.4.6. Ensuring the privacy and confidentiality of clients;
 - 8.1.4.7. Working in partnership with clients and other service providers to provide best practice tenancy management.
- 8.1.5. **Clients and/or their representatives are responsible for:**
 - 8.1.5.1. Informing Northside and disclosing known arrears or changes to circumstances that may affect their tenancy;
 - 8.1.5.2. Ensuring that this policy is upheld in relation to any arrears management;
 - 8.1.5.3. Letting Northside know when they feel they have not been treated with dignity and respect.

9. Associated Documents

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9.1. The following documents are associated with this Policy:

- 9.1.1. **Complaints and Appeals Procedure**
- 9.1.2. **Establishing a Tenancy Policy**
- 9.1.3. **Breach of Tenancy Policy**
- 9.1.4. **Grievance Policy**

10. Definitions

- 10.1. **Northside** - Northside Community Service, including all Services operated by both Community Services and Children’s Services business units.
- 10.2. **Employee** - means the employees of Northside, and contractors, sub-contractors and consultants employed by Northside, apprentice or trainee, student gaining work experience, and volunteer, whilst they are on Northside property or engaged on Northside business.
- 10.3. **Applicant** – is the person making formal application for housing assistance.
- 10.4. **Tenant** – is the person who signed the Tenancy Agreement
- 10.5. **ACAT** - ACT Civil & Administrative Tribunal
- 10.6. **Water meter**- An instrument for recording the quantity of water passing through a particular outlet.
- 10.7. **Assessable income** - Income which is included in assessments undertaken by Northside in order to determine a suitable amount of rent for a tenant and, where applicable, their household. Assessable income includes earned income and some government payments.
- 10.8. **Bond** - An amount equating to two weeks’ rent paid by the tenant at the start of their tenancy as a form of financial security in the event of rental arrears, property damage or neglect.
- 10.9. **Market rent** - The amount a property would be leased for in the private rental market. This represents the maximum rent that can be charged for a property.
- 10.10. **Household member** - Any person who resides in a property as an approved occupant. Unauthorised occupants and visitors are not considered household members.

11. Document Control and Version History

11.1. Document Control

Document Reference:	Rents, Bonds, Other Charges and Arrears Management Policy
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Signature of Approval Authority:	
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Functional Unit:	Tenancy
Enquiries Contact:	Name: Beryl Tsao Position: Acting Chief Executive Officer Phone: 02 6171 8000 Email: beryl.tsao@northside.asn.au

11.2. Version History

Revision Date	Version No.	Brief reason for change	Reference Sections
1/12/2022	V2	Formatting and minor content change. Introduction of procedures.	All.
3/4/2023	V3	Minor changes in content to all sections. Change of Policy title.	All.
May 2024	V4	Minor change to the terminology in Rent payment requirements.	5.2.2
May 2024	V4	Clarification of who is to provide income statements	5.5.1.
May 2024	V4	Minor change of terminology from staff to employee	All.

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