

6.5.1 Rent, Contributions, Arrears and Debts Management Procedure

Date adopted: December 2025	Date last reviewed: May – August 2025	Date of next review: September 2027
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Procedure context: This procedure relates to:	
Human Services Quality Standards	HSQ Standard 1.4, 3, 4.1
National Regulatory Code (NRSCH)	NRSCH PO 1b, 7b
Other standards	

Guiding Policy

This procedure is informed and guided by the 6.5 Rent, Contributions and Arrears Management Policy.

Rationale

We aim to ensure that rent and contribution management processes are handled in a manner which assists our service users to maintain sustainable tenancies and impacts positively on the long-term viability of BABI. Whilst access and services will not be denied to a BABI service user if they cannot pay rent, learning how to manage rents and budget is an essential component of upskilling that young person for future tenancies and providing a solid reference for them into the future.

A tenant or an ex-tenant may accrue a debt with BABI through unpaid rent, damage to the property, loans, bonds or cleaning fees. BABI is a not-for-profit community organisation that practices responsible financial management within a limited income stream. Debts should be avoided and managed as much as possible. The SYHS Team need to have a transparent, consistent ways of managing debts.

Procedures

Contributions

Before a tenant moves into an independent property they must ensure they connect the electricity and gas before they move in. It is a health and safety issue to move in before this is arranged. The case worker may assist as required. The tenant is responsible for managing their electricity and gas accounts.

Share-house tenants are required to pay a contribution on top of their calculated rent for electricity and cleaning products. The contribution a tenant is required to pay will be calculated fairly and consistently across the house and the sole purpose of this will be to offset the bill BABI receives in relation to the electricity and cleaning products consumed by the young people in that property. This contribution also goes toward a professional spring clean as required due to the high turnover of tenants.

The preferred payment of this contribution is in addition to their rent through Centrepay or via direct debit.

This contribution is made on a fortnightly basis which ensures the tenant is contributing only to usage during their tenancy and the contributions remains manageable within the parameters of a young person's limited financial means. All tenants are required to work

with their caseworker to identify and resolve any issues that may impact on their capacity to pay this contribution.

Unpaid contributions will be quickly identified and responded to fairly and consistently. Tenants are advised of their responsibilities around contributions during sign up, and this is also covered in the Welcome to the Share-house booklet and the Tenant Rent Info Sheet.

Rent

Tenants are informed about Rent Management policy & procedures prior to and during sign up and are provided with a Tenant Rent Fact sheet.

All tenant rent details (including rent charged, rent payments and any rent changes/issues) will be entered into Chintaro.

Calculating Rent

Rent due (as defined by the DHPW Community Housing Rent Policy) is based on a tenant's capacity to pay, defined by a set percentage of their household income + any rent assistance (CRA) available.

The Property Worker will use the Community Housing Rent Calculator provided by the Department of Housing and Public Works to calculate the amount of rent a tenant is required to pay. This equation takes into account what Centrelink payment they receive, any income from employment and what rent assistance they are eligible for.

The Property Worker will calculate the rent the tenant is required to pay, explain to the tenant how this is calculated and answer any questions the tenant has. Initial rent calculation is done prior to Sign Up by the Property Worker.

Evidence required:

- Where a tenant is on Centrelink, a single Centrelink statement will suffice for the rent calculation.
- Where a tenant is working, six weeks of income statements are averaged to produce the four weeks required in the rent calculation to average out any fluctuations. If the tenant feels these six weeks are not an accurate representation of their income they can contact the Property Worker after six weeks have elapsed to request a new Rent Calculation with new income statements.

Any tampering or tampering that is suspected to these documents may make them invalid for BABI's assessment purposes. If a tenant ceases employment in the weeks prior to a calculation, the Property Worker may decide to conduct the Rent Calculation even without complete evidence.

If the tenant is eligible for Commonwealth Rent Assistance this will be added onto the 25% assessment because Rent Assistance is not considered income and therefore is not assessed – as per the Community Housing Rent Policy.

Any cash-in-hand jobs will not be assessed as part of the rent calculation unless it is formally declared.

The Community Housing Rent Policy will guide any decision making on assessable and non-assessable income and the income of other household members where applicable.

A second rent calculation is conducted at 13 weeks at the end of the probationary period for the new lease. Four weeks prior to this assessment tenants are sent a letter to invite

them to collect their payslips in advance for this rent calculation. Tenants have until the date of the second Rent Calculation - at the end of the 13 weeks - to provide these documents. The tenant will be advised of any changes to this rent calculation in writing.

Rent Payment methods and records

The preferred payment method for a tenant is Centrepay, if the service user is on a Centrelink payment. This supports the service user to maintain their tenancy. The Property Worker will support a tenant to set up a Centrepay payment during the Sign-Up process. The Property Worker will monitor the Centrelink reports to ensure rent is paid on time.

A tenant may prefer to organise a direct transfer to BABI's account. Tenants are responsible for organising this through their nominated bank.

The young person can pay cash during office hours and a receipt will be provided for any cash payments.

All rent payments will be recorded in Chintaro. A Rent Record (generated from Chintaro) will be provided to tenants on request and as deemed appropriate by the case worker or Property Worker.

A record of rent calculations will be stored from the day the tenant starts paying rent and ending 6 months after the last day rent was paid.

Tenant Income Changes

When a tenant's income increases:

If a service user's Centrelink payment increases or they gain employment in their time as a tenant BABI will phase in any rent increase at the next rent assessment.

The tenant is required to advise BABI within two weeks of beginning a new job. The caseworker will record this date on SHIP under Details > Profile > Income. When a new lease is signed after beginning a new job, a "Phase in" calculation will be made. The "Phase in" amount will be 50% of the difference between the old rent and new rent calculation.

When a service user's income decreases:

If a service user advises their Centrelink income has decreased BABI will do a new Rent Calculation immediately. The service user will be required to show evidence of this change in their income.

It is the tenant's responsibility to advise BABI of a change in their circumstances. A tenant can seek a rent decrease to be backdated if they can prove that they advised BABI of this change and BABI did not re-assess their rent.

When a service user's income ceases:

Where a service user's income has ceased completely it is the service user's responsibility to advise BABI of this before their rent becomes due. If a service user's Centrelink payment is cut and they are no longer eligible for Centrelink, the rent may be waived at the discretion of the Housing Team Leader.

If the tenant is entitled to Centrelink but has dropped off a payment due to non-compliance or not lodging paperwork, the Team will negotiate a reasonable timeframe

for the tenant to lodge the paperwork or negotiate with Centrelink (ie one week). The team may require evidence of these attempts to negotiate or lodge paperwork with Centrelink. The caseworker is available to assist with this and advocate for the tenant as required.

Tenants who are eligible for Centrelink support are required to lodge their paperwork and reinstate a cut-off payment in a timely manner. If a tenant fails to lodge paperwork or comply with Centrelink requirements for a payment their tenancy may be at risk. The SYHS team can only support a young person to manage their tenancy to the extent that the young person engages with support.

The overall decision on how to manage a tenancy with no financial income rests with the SYHS team. Any decision will take into the requirements of the Community Housing Rent Policy. BABI has no capacity to support a service user with emergency relief. A service user who is not able to support themselves to live independently may not be able to maintain their tenancy in the long-term.

Rent Arrears

Rent Monitoring:

All tenants are required to remain two weeks in advance to avoid falling into arrears. The property worker will monitor rent payments and repayment plans (via daily Centrepay reports and Chintaro reports) to ensure a late or absent payment is noticed quickly.

Rent Arrears Process:

The property worker will contact the tenant via text and phone calls to warn that rent is overdue, and notify the appropriate caseworker. The tenant will be provided with opportunities to engage in a Repayment Plan or work with the caseworker to reinstate the payment. A failure to engage with support, pay the overdue rent in full or enter into a Repayment Plan will result in a Notice to Leave.

Day One arrears: is defined as the day after the rent was supposed to be paid. The property worker will advise both the caseworker and the tenant as soon as they notice the rent was not paid as required.

If the rent is paid in full no further action will be taken. A young person may wish to enter into a Repayment Plan with BABI. The property worker will arrange this at the tenant's request. It is the responsibility of the tenant to manage this before day seven after the rent was due. If this occurs no further action will be taken.

If the rent is still unpaid by day seven after it was due, a Notice to Remedy Breach will be sent by the property worker. This document will be brought to the attention of the caseworker and where applicable a copy sent to the caretaker. This will allow seven days to remedy the Breach by either paying the rent in full or setting up a repayment plan with the property worker.

It is up to the service user to arrange a time to set up this repayment plan with the property worker within the Remedy Breach period.

The tenant may either:

- Pay the overdue rent in full, or

- Negotiate a payment plan whereby they will increase their Centrepay payments to cover the arrears within a set number of weeks.

If the service user has not entered into a payment plan or paid the overdue rent in full, on day fourteen a letter will be sent to the tenant by the SYHS Team Leader requesting the service user attend a Show Cause meeting at the BABI office at a set time and date. This may include a Notice to Leave dated for fourteen days.

It is up to the service user to contact BABI to negotiate a new time if this time does not suit. The caseworker, Team Leader and the young person will attend this meeting and the young person is able to bring a support person if they require this. The service user must either:

- Pay the overdue rent in full, or
- Enter into a repayment plan with BABI by increasing their Centrepay payments to cover the rent arrears across a set number of weeks, or
- Agree to exit.

If a repayment plan cannot be negotiated and the service user cannot pay upfront the Notice to Leave in 14 days will be enforced (although the exact date could be negotiated in some circumstances). If the tenant is within their 13-week probationary lease they may be asked to leave immediately.

Until the service user is out of arrears with their payment plan, any break in the payment plan will result in an immediate Breach Notice. If the breach is not remedied within 7 days, or a new payment plan not entered in to, they will be served with a Notice to Leave in 14 days.

If the service user does not attend the Show Cause Meeting after breaching their repayment plan they will be served with a Notice to Leave in 14 days. The length of time for this exit may be negotiated in extreme circumstances.

If the service user does not leave by this date, and they are outside of the 13-week probationary period, the matter will be referred to the Queensland Civil and Administrative Tribunal.

If the service user does not leave by this date, and is within the 13-week probation period, BABI may give immediate notice to vacate the property and may contact police to assist where deemed necessary.

Debt

Managing debts for existing service users:

Tenants who have a debt with BABI will be required to negotiate a Repayment Plan to cover a debt accrued from:

- Unpaid rent.
- Damage they are required to reimburse BABI for fixing.
- BABI loans for household goods.
- Any cleaning or pest inspections that have occurred.

- Bond Loan (if applicable).

The Repayment Plan will detail how they plan to repay the debt, preferably through Centrepay. The Property Worker is responsible for setting up and maintaining repayment plans with a tenant. Care will be taken that this Repayment Plan does not have a significant impact on the tenant's ability to support themselves, but which allows them to repay the debt in a timely manner.

The repayment plan will ideally be created within a week of the debt. Repayment plans are signed voluntarily by the service user. A debt that has not been paid off in a timely manner, which has no plan in place to pay it off, may impact whether a service user's lease can be extended with BABI.

Managing a debt with an ex-tenant

Advising an ex-tenant of a debt:

Attempts will be made as a service user exits the service to negotiate a payment plan of part or all of the debt.

If unable to negotiate a repayment plan prior to exiting, a letter will be sent to the tenant at a suitable mailing address, outlining the debt that has accrued and requesting repayment of this debt. The maximum of 3 letters will be sent to the service user with a minimum of 30 days in between each letter. Letters should be written in a supportive, non-confrontational, non-threatening way and the service user will be invited to voluntarily enter into a repayment plan with BABI. The package will contain a completed Centrepay form for the service user to sign and BABI's account details.

In some cases, sending a letter is not possible. Attempts will be made to contact the service user in a variety of manners, from phone calls and texts through to letters attempting to engage the service user in a repayment plan. Attempts will be made to locate a mailing address for an ex-tenant. When a maximum of three phone calls/texts/letters have not been responded to attempts to contact them via phone/text will cease.

Accessing a service user's bond:

If a tenant exits with a debt due to damage, cleaning bills or unpaid rent then BABI will seek to recoup some of this debt via the tenant's bond. Where possible the tenant will be advised of this and where the tenant consents the Property Worker and the tenant will sign the bond release form to release some or all of this bond to BABI to cover this debt. Where a service user does not consent to releasing their bond to BABI to cover a debt the Property Worker will sign the bond release form and send this to the RTA. The RTA is responsible for contacting that young person and advising them to appeal this if they wish to. If the debt is higher than the bond, the Property Worker will send an amended debt repayment request detailing the debt that remains after the bond is accessed.

Refusal to repay a debt:

If a service user responds and refuses to pay the debt, then attempts to settle the debts will cease.

Further attempts to settle the debt may occur through legal avenues as required.

Re-referral of a service user with a debt:

Outstanding debts may affect a service user's eligibility for future accommodation with BABI. This will depend on how long ago this debt was accrued, their history with the service, the type of debt accrued (whether substantial damage to property etc) and how significant the debt is.

Where a service user re-presents for support with a debt the service user may:

- Be asked to make a voluntary donation of the amount owed if the debt has already been written off by BABI.
- Be offered accommodation only on the proviso that extra measures are put in place to manage the potential of future debts (such as advanced rent and/or voluntary security deposit).
- Requested to enter into a repayment plan for some of the debt owing (to be negotiated with the service user at Intake).

Writing off a debt:

Depending on the situation and the debt the Housing Manager in consultation with the CEO may decide to waive a full or partial debt. For example:

- If a substantial component of a debt can be recovered through a Bond Refund. If a tenant offers to pay most or a portion (over 50%) of an insignificant debt, the Housing Manager may assess that wavering the remaining portion now might encourage the tenant to pay this debt off immediately. This should be negotiated to get as high a percentage of this debt paid off as possible. Where this has been negotiated, the Property Worker will advise the Finance Coordinator in writing to "write off" the remainder of this debt. The tenant will receive an email confirming this debt has been settled.
- If the service user has not responded or is un-contactable for a year, the Property Worker will advise the Finance Manager who will arrange for that debt to be written off.

Previous tenant with a debt is re-housed by BABI

Previous tenants with a debt to BABI are required to enter into a repayment plan for some or all of their debt upon re-entering the accommodation service.

How a debt will be managed will depend on whether the service user is a current tenant or an ex-tenant. An accrual of a debt or falling behind in a payment plan will affect the sustainability of a tenancy.

The Property Worker will be responsible for identifying and responding to debts accrued by tenants although they will collaborate with the caseworker around communication and support to the tenant to manage the debt. The Property Worker will liaise with the Finance Coordinator as required.

Procedure Review and Version Tracking - Rent			
Version	Date Reviewed	Person Responsible	Comments
1	01.01.2009	Patricia Rose	Procedure developed
2	1/2/2011	CEO	Reviewed, no change
3	17/9/2018	SHYS Team Leader	Reviewed, no changes
4	23/10/2020	Housing Program Manager	Updated to include Community Housing Rent Calculator
5	30/05/2023	Housing Program Manager	Updated to include storage of rent calculations as per 17(4) Housing Regulation 2015.
6	04/09/2025	Housing Program Manager and CEO	Reviewed, no change

Procedure Review and Version Tracking – Rent Arrears			
Version	Date Reviewed	Person Responsible	Comments
1	01.01.2009	Patricia Rose	Procedure developed
2	1/2/2011	CEO	Reviewed, no change
3	6/10/16	Margaret Ponting	
4	12/9/2018	SHYS Team Leader	Reviewed, changes to simplify process and include actions if tenant does not leave following NTL, and debt management issues
5	04/09/2015	Housing Program Manager and CEO	Reviewed, no change

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1	01.01.2009	Patricia Rose	Procedure developed
2	1/2/2011	CEO	Reviewed, no change
3	18/9/2018	SHYS Team Leader	Reviewed, no change
4	04/09/2025	Housing Program Manager and CEO	Reviewed, minor change