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NRSCH Q & A

Performance outcome 6 - Management

Section 6a .Where do organisations show bad debt due to tenant damage?

Bad debt due to tenant damage is not collected in CHRIS. However organisations are able to record comments/ explanatory notes in CHRIS (6.1) about vacant un-tenantable units that require maintenance, caused by tenant damage, to a tenantable standard before they can be relet.

Source: CHFA website

How will the Registrar determine rent arrears? Different organisations have different thresholds. Some 14 days, some 1 day. What is the tolerance level or will an organisations' policy on rent arrears be sufficient if shown to be financially viable?

The Registrar doesn't determine providers' rent arrears - the provider does. In terms of performance it is up to the provider to demonstrate they have a process in place for monitoring/responding/preventing arrears that is appropriate to the scope and scale of their operations and the characteristics of their client group.

Rent arrears (i.e. rent outstanding) are measured as a % of a total amount of potential rental income. The threshold percentage is <2.5%. If the provider does not meet the threshold they have the opportunity to explain the reasons and/or the action they are taking to address this.

Source: CHFA website

When does a rent arrear become a bad debt? Should we write off at 6 weeks or 12 months?

It is up to each provider to determine when rent arrears become bad debt. A provider should have policies and procedures in place to follow.

The rental bad debt management metric is calculated as the value of bad debts written off during the financial year/ total rent revenue for the financial year. The FPR data is produced from annual edited financial statements so it is not expected that the frequency of write offs (e.g. every 6 weeks VS 12 month) would have an impact on this metric as only annual financial data is used. If the provider is concerned, they will need to talk with their analyst, or record their issues within the comments section of Performance Outcome 6 in CHRIS

Source: CHFA website



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Section 6a. The less than 21 days for third party turnaround time on vacancies was noted as a problem due to the QLD allocation process, i.e. often unable to tenant in that time frame while waiting for an allocation to be made and accepted. How will this reflect in the threshold assessment for that metric?

If provider is concerned, there is space available in the comments section of each performance outcome in CHRIS to record their issues or explanatory notes for amber/red metrics results. The threshold will remain the same, however the provider has the opportunity to record their concerns, and this will be taken into account by their assigned analyst

Source: CHFA website