

# Security Deposit

## Policy

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# 1. Purpose

The purpose of this policy is to guide the management of security deposits received by the Chief Executive Officer (Housing) and ensure compliance with the *Residential Tenancies Act 1999*.

## 2. Objectives

The objectives of this policy are to:

- Provide guidance on the management of security deposits;
- Not financially burden or disadvantage tenants; and
- Ensure compliance with *Residential Tenancies Act 1999*.

## 3. Scope

This policy applies to public housing tenants in urban areas who have entered into a tenancy agreement with the CEO (Housing). It does not apply to public housing tenants located in remote communities, Alice Springs town camps and Tennant Creek community living areas.

## 4. Policy detail

### 4.1. Security deposit payment

A security deposit is an amount of money a tenant has paid, or will be required to pay to the CEO (Housing) at the start of a tenancy as a provision of the tenancy agreement.

The amount of security deposit payable is determined by the tenant's source income:

- Age pensioners are required to pay four (4) weeks rebated rent; and
- All other tenants are required to pay two (2) weeks rebated rent plus two (2) weeks full rent.

See Allocations and Commencement of a Tenancy policy for further information.

The CEO (Housing) is required to hold the security deposit in trust, in accordance with requirements of the *Residential Tenancies Act 1999*.

### 4.2. Payment options

The Department will provide tenants who have difficulty paying the full amount of security deposit an option to enter into an Agreement to Pay.

An Agreement to Pay is an agreement between the Department and tenant to repay debt through scheduled instalments.

The Department will ensure that the agreement to pay continues to be affordable for the tenant and adjust the agreement if there are changes to their circumstances.

See Debt Management policy for further information.

## 4.3. Security deposit transfer

During a tenancy, the CEO (Housing) may require a tenant to relocate, or the tenant may request a transfer to other accommodation.

The transfer of a security deposit when a transfer occurs will be dependent on the circumstances under which the CEO (Housing) has initiated the relocation or the reason the tenant has requested a transfer.

In all other circumstances the security deposit must be returned to the tenant within 7 business days after the tenant gives up vacant possession, unless the CEO (Housing) is entitled to retain an amount of the security deposit in accordance with section 112 of the *Residential Tenancies Act 1999*. Refer paragraph 4.5 below.

### 4.3.1. Renovation, Replacement or Demolition

A security deposit can be transferred, with the consent of the tenant if the CEO (Housing) terminates a tenancy for the purpose of renovation, replacement or demolition of a public housing premises in accordance with Part 15, Division 2 for the *Residential Tenancies Act 1999*.

Refer to Renovation, Replacement or Demolition of Public Housing policy for further information.

### 4.3.2. Transfers within public housing

In accordance with Part 15, Division 3 of the *Residential Tenancies Act 1999*, the CEO (Housing) may retain any security deposit previously paid by the tenant as a security deposit for the other accommodation, less any amount the CEO (Housing) is entitled to retain, if the CEO (Housing) terminates a tenancy agreement and offers to relocate the tenant or occupiers of the premises to other accommodation because:

- the premises has more bedrooms than the tenant or occupiers needs and the other accommodation would have a suitable number of bedrooms; or
- the premises does not meet the social, physical, psychological or medical needs of the tenant or occupier and the other accommodation would be better suited to those needs; or
- the premises or neighbours pose a risk to the health or safety of the tenant or occupier and the other accommodation would be safer; or
- the tenant or occupier has engaged in any unacceptable conduct as specified in section 100(1)(a), (b) or (c) of the *Residential Tenancies Act 1999*; or
- the tenant or occupier has engaged in any antisocial behaviour as specified in section 28A of the *Housing Act 1982*.

## 4.4. Security deposit between co-tenants

The CEO (Housing) will only accept a security deposit from tenants listed on the tenancy agreement. Tenants must advise the proportions of the security deposit in writing.

Where there are two or more tenants listed on the tenancy agreement and there is no written advice or evidence regarding specified proportions of the security deposit, it is taken that the security deposit has been paid in equal proportions by all tenants listed on the tenancy agreement. At the end of the tenancy, the security deposit will be refunded accordingly, less any amount the CEO (Housing) is entitled to retain.

## 4.5. Refund of security deposit

At the end of a tenancy, the CEO (Housing) will refund the security deposit within 7 business days of the tenant giving up vacant possession, less any amount the CEO (Housing) is entitled to retain.

The CEO (Housing) may retain a security deposit at the end of a tenancy for the following:

- make good damage to premises or ancillary property that occurred during the tenancy caused by or permitted by the tenant;
- replace ancillary property lost or destroyed by the tenant or by a person whose actions the tenant is liable for under Section 12 of the RTA;
- clean the premises or ancillary property left unreasonably dirty by the tenant or permitted by the tenant;
- replace locks, altered, removed or added by the tenant without the consent of the landlord;
- pay for unpaid rent or for unpaid charges for electricity, gas or water payable by the tenant;
- pay and amount associated with the tenant failing to hand over vacant possession as required to; or
- pay money ordered to by the local court or Northern Territory Civil and Administrative Tribunal.

The CEO (Housing) will advise the tenant in writing of any amount of the security deposit that is being retained, within 7 business days of the tenant giving up vacant possession.

Where the security deposit does not fully cover the associated costs, the CEO (Housing) may apply for compensation through the Northern Territory Civil and Administrative Tribunal.

Refer to the Tenant Damage policy for further information.

## 4.6. Unclaimed security deposit

The CEO (Housing) will retain all unclaimed security deposits in trust for the tenant(s) for 6 months after the termination of the tenancy. Upon the expiry of the 6 months after termination, within 28 days the CEO (Housing) will deposit the unclaimed security deposit in the Tenancy Trust Account established by section 16(3) of the RTA.

## 5. Decision-making (delegation and discretion)

The CEO (Housing) may delegate a power or function under the *Housing Act 1982* or other Act. Delegated officers may make decisions on behalf of the CEO (Housing) in line with the CEO (Housing)'s Housing Delegations and Financial Management Delegations.

A discretionary decision may be made outside the general application of policy if it supports the policy intent, will prevent a client from being unfairly disadvantaged, and is in line with the CEO (Housing)'s delegations and legislative obligations. Refer to the Discretionary Decision Making policy.

No discretion can be applied to maximum amounts of bond, legislated timeframes or security deposit transfer options.

Discretion can be applied to decisions that affect debt management or Agreements to Pay.

## 6. Complaints and appeals

If a client is not satisfied with either a decision or action of the CEO (Housing) they can access the complaints and/or appeals processes.

For further information, please refer to the Complaints and/or Appeals policies.

## 7. Review

This policy will be reviewed and amended at any time the legislative, operating or funding environment is so altered that the policy is no longer appropriate in its current form.

## 8. References

### 8.1. Legislation

*Housing Act 1982*

*Residential Tenancies Act 1999*

### 8.2. Policies

Allocations and Commencement of a Tenancy policy

Appeals policy

Complaints policy

Debt Management policy

Discretionary decision making policy

Renovation, replacement or demolition of public housing policy

Tenant damage policy

Termination of a Tenancy policy

Transfers within public housing policy