

Arrears Management Policy

Purpose

Tenants living in properties managed by Cawarra Residential are required to pay tenancy charges. These charges may include rent, water usage, bonds, removal costs, tenant charges due to damages and any debt from a former tenancy. The purpose of this policy is to provide a clear framework for the management and collection of rent and non-rent charges in accordance with the *Residential Tenancies Act 2010*.

Scope

This policy applies to all tenants and former tenants of Cawarra Residential.

Policy overview

In accordance with the Residential Tenancy Agreement, tenants are legally responsible for ensuring that their rent and non-rent is paid in full when due. This means that tenants must not have a negative balance on their rent account at any time.

Arrears are a debt owed to Cawarra Residential as a result of a tenant failing to make the required rent and non-rent payments, constituting a breach of the Residential Tenancy Agreement.

Cawarra Residential will take a fair and consistent approach when dealing with rent and non-rent arrears. Cawarra Residential staff will work proactively with tenants to address any underlying issues impacting on their tenancies to ensure that where possible tenants do not lose their property through non-payment of rent.

Policy

Cawarra Residential's overall approach for the management and collection of rent and non-rent charges is detailed below. When a tenant's rent account goes into arrears, Cawarra Residential recognises that early intervention is crucial in order to protect the tenant from further debt. To avoid rental arrears, Cawarra Residential will closely monitor accounts on a weekly basis and contact tenants if they fall into arrears, with a view to clearing the debt as soon as possible.

When a tenant is in arrears, depending upon their individual circumstances, and the legislative requirements of the *Residential Tenancies Act 2010*, Cawarra Residential will take a range of actions. These actions may include:

- Negotiating a repayment plan
- Referral to financial counselling and support
- Obtaining a Specific Performance Order (SPO) through the NSW Civil and Administrative Tribunal (NCAT) once the rent account is more than 14 days in arrears
- Only when alternative actions have been tried and failed or a tenant repeatedly is unable to keep to a repayment plan or SPO, Cawarra Residential can proceed to the NCAT for eviction proceedings

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- Applying Housing Pathways' Social Housing Eligibility and Allocations Policy guidelines to former tenants who have tenancy debts

Assisting tenants to meet their financial responsibilities

Cawarra Residential will keep tenants informed and up to date about their rent account. Cawarra Residential will do this by:

1. Promptly notifying tenants when their accounts go into arrears
2. Providing rent statements if requested by a tenant
3. Undertaking rent reviews

Cawarra Residential promotes a positive payment culture in a range of ways:

- Tenants are reminded at tenancy sign-up and at other key tenant contact points regarding the importance of meeting their responsibility for paying their rent and non-rent charges in full.
- Providing a range of simple and efficient payment options
- Regular and timely rent reviews
- Providing tenants with their Tenancy Coordinator contact details to enable them to discuss their rent or other tenancy charges
- Where appropriate referring tenants to other agencies that provide a range of financial support and services including Centrelink

Early intervention

Cawarra Residential will use early intervention to prevent debt from becoming unmanageable for tenants. This approach is a priority for Cawarra Residential staff who will proactively monitor all rent and non-rent accounts. Cawarra Residential will encourage tenants to speak to their Tenancy Coordinator before they get into difficulty with their payments. Cawarra Residential will make contact with tenants as soon as they go into arrears using letters, phone calls, email, text message and/or home visits where allowed (see [Access to Property Policy](#)).

Support, advice and referral

Cawarra Residential acknowledges that for various reasons tenants may sometimes face difficulties paying their rent and non-rent charges. Where appropriate, Cawarra Residential will refer tenants to financial advice and services. In a supported tenancy, Cawarra Residential will discuss the arrears with the tenant and their support agency (if permission has been given) with a view to developing a strategy to clear any debts.

Formal NCAT action

Where Cawarra Residential has been unable to make contact with the tenant or the tenant refuses to either repay the debt or to enter into a repayment plan, Cawarra Residential will apply to the NCAT for a SPO or an order to terminate the tenancy. Cawarra Residential will also apply to NCAT to formalise repayment plans.

Cawarra Residential will only evict a tenant for arrears when alternative actions have been tried and failed or a tenant frequently makes late payments.

Debt owed at the end of an Cawarra Residential tenancy

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When a tenant moves out of an Cawarra Residential property and the tenancy ends, all payments and charges relating to the property will be calculated and a final account produced. If there is an outstanding debt at the end of the tenancy, Cawarra Residential will, with the tenant's permission, use any credit balance on a tenant's account or the bond.

Debt owed on an Cawarra Residential tenancy where the tenant continues to be housed by Cawarra Residential

If a tenant continues to be housed by Cawarra Residential, (for example they have been transferred) any outstanding debts owed on the former tenancy will be linked to the new tenancy.

Under Section 140 of the *Residential Tenancies Act 2010*, tenants must enter into arrangements with Cawarra Residential to repay the former tenancy debt. Where there are outstanding debts from a former tenancy and the tenant fails to repay or continue a repayment agreement, Cawarra Residential will apply to the NCAT for a SPO or termination of the tenancy as appropriate.

Debt owed on a former Cawarra Residential tenancy where the tenant is no longer housed by Cawarra Residential

Cawarra Residential will follow Housing Pathways' Social Housing Eligibility and Allocations Policy guidelines for former tenants (see Allocations Policy). The policy can be found at www.housingpathways.nsw.gov.au.

Cawarra Residential will proactively work with former tenants to reduce their debt.

Complaints & Appeals

This policy is appealable.

If a tenant is not satisfied with a service provided by Cawarra Residential or does not agree with a decision it has made, they can ask for a formal review. To do this, the tenant can complete either a **I want to complain** form or a **I want to appeal** form, details of which appear in the Cawarra Residential's Complaints and Appeals Policy. This policy, and a helpful information leaflet, is available from Cawarra Residential's office or they can be downloaded from our website www.Cawarraresidential.com.au

If a tenant is unhappy with the outcome of an appeal to Cawarra Residential, they can lodge a second level appeal with the Housing Appeals Committee. The Housing Appeals Committee is an independent agency that reviews certain decisions made by staff of Community Housing organisations and Housing NSW. For information on the Housing Appeals Committee call 1800 629 794 or go to www.hac.nsw.gov.au.

Related documents

Legislation

 Residential Tenancies Act 2010

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☐ Residential Tenancies Regulation 2010