

Arrears Management - Policy Number 109

Edited August 2023

1. Purpose

The purpose of this policy is to provide a clear framework for the management and collection of rent and non-rent arrears based on a fair and consistent approach. The policy recognises that early action is crucial if tenants' arrears are to be kept under control, thus avoiding the build-up of a debt they cannot repay, and which may ultimately lead to the loss of their housing.

2. Scope

This policy applies to all Pacific Community Housing tenants.

3. Principles

Tenants are responsible for ensuring that their rent and other charges (e.g., rental bond, rent, water charges or repayment of costs relating to property damage) are paid in full when due. Pacific Community Housing will take action to seek payment of this debt, in keeping with the relevant Residential Tenancies Act. Pacific Community Housing will manage this by:

- Monitoring the payment of rent and other charges and where appropriate will liaise with tenants to help them avoid arrears or to pay off arrears by instalments.
- Reminding the tenant that failure to pay rent and non-rent charges on time may ultimately result in Pacific Community Housing taking action to terminate the tenancy.

4. Applying this Policy

Early intervention is crucial when a tenant's rent account goes into arrears, in order to protect the tenant from further debt. Pacific Community Housing will monitor accounts and contact a tenant if they fall into arrears, with a view to clearing the debt. This may include contact by phone, letter, email or home visits.

Tenants are encouraged to speak to Pacific Community Housing staff before they get into difficulty with their payments. Managing rent and non-rent debt may involve different strategies depending on the circumstances. These strategies may include:

- Negotiating a repayment plan. If a tenant is unable to clear the debt in one payment, a minimum weekly repayment amount will be determined based on the tenant's gross household income.
- Referral to financial counselling or assistance (such as www.mybudget.com.au).
- Seeking government assistance.
- Obtaining a Specific Performance Order (SPO) through the NSW Civil and Administrative Tribunal (NCAT) <https://www.ncat.nsw.gov.au/ncat/about-ncat/contact-us.html>. An SPO is a legally binding order.

An SPO will generally be sought only when Pacific Community Housing has been unable to make contact with the tenant, the tenant refuses to seek financial counselling and/or assistance or if the tenant does not meet payments under an agreed repayment plan. In cases where the tenant repeatedly fails to keep to a repayment plan or SPO, or has arrears due to persistently late payments, Pacific Community Housing may issue a Termination Notice and proceed to the NSW Civil and Administrative Tribunal (NCAT) <https://www.ncat.nsw.gov.au/ncat/about-ncat/contact-us.html> to terminate the tenancy. However Pacific Community Housing will only seek to terminate a tenancy when all alternative strategies have been tried and failed.

5. Legislative Framework and Related Policies

- Breaking or Terminating a Lease – Policy 108
- Residential Tenancies Act 2010