

Arrears Management

Purpose

Tenants living in properties owned or managed by Bridge Housing are required to pay tenancy charges. These charges may include rent, water usage, bonds, removal costs, tenant re-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 Bridge Housing.

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 Bridge Housing as a result of a tenant failing to make the required rent and non-rent payments, constituting a breach of the Residential Tenancy Agreement.

Bridge Housing will take a fair and consistent approach when dealing with rent and non-rent arrears. Bridge Housing 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

Bridge Housing'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, Bridge Housing recognises that early intervention is crucial in order to protect the tenant from further debt. To avoid rental arrears, Bridge Housing 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*, Bridge Housing 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, Bridge Housing can proceed to the NCAT for eviction proceedings
- Applying Housing Pathways' Social Housing Eligibility and Allocations Policy guidelines to former tenants who have tenancy debts

Assisting tenants to meet their financial responsibilities

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

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

Bridge Housing 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 Housing Manager's 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

Bridge Housing will use early intervention to prevent debt from becoming unmanageable for tenants. This approach is a priority for Bridge Housing staff who will proactively monitor all rent and non-rent accounts. Bridge Housing will encourage tenants to speak to their Housing Manager before they get into difficulty with their payments. Bridge Housing will make contact with tenants as soon as they go into arrears using letters, phone calls, email and home visits where allowed (see Access Policy).

Support, advice and referral

Bridge Housing acknowledges that for various reasons tenants may sometimes face difficulties paying their rent and non-rent charges. Where appropriate, Bridge Housing will refer tenants to financial advice and services. In a supported tenancy, Bridge Housing 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 Bridge Housing 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, Bridge Housing will apply to the NCAT for a SPO or an order to terminate the tenancy. Bridge Housing will also apply to NCAT to formalise repayment plans.

Bridge Housing 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 a Bridge Housing tenancy

When a tenant moves out of a Bridge Housing 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, Bridge Housing will, with the tenant's permission, use any credit balance on a tenant's account or the bond.

Debt owed on a Bridge Housing tenancy where the tenant continues to be housed by Bridge Housing

If a tenant continues to be housed by Bridge Housing, (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 Bridge Housing 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, Bridge Housing will apply to the NCAT for a SPO or termination of the tenancy as appropriate.

Debt owed on a former Bridge Housing tenancy where the tenant is no longer housed by Bridge Housing

Bridge Housing 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.

Bridge Housing will proactively work with former tenants to reduce their debt levels.

Complaints and appeals

This policy is appealable.

If a tenant is not satisfied with a service provided by Bridge Housing 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 an **I want to complain** form or an **I want to appeal** form, details of which appear in the Bridge Housing's Complaints and Appeals Policy. This policy, and a helpful information leaflet, is available from Bridge Housing's office or they can be downloaded from our website www.bridgehousing.org.au.

If a tenant is unhappy with the outcome of an appeal to Bridge Housing, 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*
- *Residential Tenancies Regulation 2010*