

RENT ARREARS POLICY

HOUSING & HOMELESSNESS

Purpose

The purpose of this policy is to explain how we manage:

- Rent arrears;
- Unpaid utilities (water, gas and electricity charges);
- Other debt incurred (e.g. repairs for damage caused); and
- Lease termination.

The policy also explains your responsibilities and our responsibilities.

Definitions

Resident

A person living in a property owned or leased by us.

Lodging accommodation

Accommodation where residents have the right to occupy one bedroom each, but share the rest of the house (e.g. bathroom, kitchen and laundry).

License to Occupy

A contract giving you the right to occupy a bedroom and share the communal areas for a defined length of time in lodging accommodation.

Rent Arrears

A debt resulting from the non-payment of an agreed rental amount.

We use the *Debt Management Policy* when we need to manage debt resulting from unpaid utilities and other debt incurred.

Non-rent debt

Non-rent expenses are all costs excluding rent (e.g. property damage, cleaning, replacing lost keys, replacing remote controls, utility charges etc.).

Ex-residents

Residents that have vacated our accommodation.

Resident damage

Deliberate or accidental damage or neglect caused by you, your visitor or anyone else that you have permitted to enter the property (e.g. broken windows, blocked sinks or

toilets, holes in doors or walls, damage to floor coverings, broken locks, overgrown lawns and gardens, cleaning, removal of rubbish etc.).

Our commitments

Falling behind in your rent payments (rent arrears) makes it difficult for you to get ahead financially. You will need to pay back the amount owed, plus keep paying your daily living expenses. We commit to working with you to reduce your debt and to maintain your tenancy.

This means we will:

- Provide direct support and guidance (e.g. drug and alcohol programs, financial counselling, parenting programs etc.) to help to:
- Prevent the debt occurring;
- Identify and deal with the issues that created the debt; and
- Assist in reducing the debt.
- Facilitate access to other support services as needed (e.g. Aboriginal Community Controlled Organisations, disability support organisations, mental health services etc.).
- Negotiate a payment plan.
- Take action that is appropriate to the level of arrears and the requirements of the Tenancy Agreement.

We will only take legal action when all our other attempts to recover the arrears have failed.

Guiding principles

- You are informed of your responsibility to pay rent in advance, and you are supported to avoid rent arrears wherever possible.
- Our early intervention assists you to manage arrears and to reduce associated risks to your tenancy.
- You are provided with support and tools in order to assist you to manage your tenancy and other financial obligations.
- You are given opportunities to appeal organisational decisions in order to ensure fair and transparent outcomes.

Policy

- We will inform you of your responsibility to pay rent two weeks in advance when a new tenancy commences and during your existing tenancy.
- You will be in breach of your License to Occupy when you do not pay your rent on time.
- We will work with you as soon as we identify evidence of rent arrears, so that your repayments do not become unmanageable. A 'red flag' might be Centrepay deductions stopping. If this occurs, we will work with you to re-establish these payments.
- Support workers will help you get a referral to a Financial Counsellor if desired, in order to have a payment plan set up within seven days of the arrears occurring.
- We will pursue a range of options, including but not limited to legal proceedings through the Magistrates Court closest to the property, to recover costs where the tenants refuse to rectify arrears and/or abandon the property leaving arrears.
- We will inform you of your right to complain about and/or appeal decisions or actions we take.
- We will store all correspondence relating to rental arrears.

Your responsibilities

- Under your License to Occupy, you have a legal responsibility to pay your rent every fortnight (two weeks in advance). If you cannot pay your rent, please contact us immediately. We want to be able to lend support and provide financial advice before the debt becomes unmanageable. If you cannot pay off the debt in a single payment, we will arrange a repayment plan to reduce the arrears.
- We will only take legal action when all our other attempts to recover the arrears have failed.
- If you do not pay your rent, you risk losing your current property. It will also be more difficult for you to rent a property in the future.
- Your utility charges are included in your rental amount.
- Joint tenants are responsible (together and separately) for paying any amounts due. This means that we can recover unpaid amounts from either tenant individually.

Our responsibilities

- We will act to recover rent arrears as soon as rent arrears is identified. We will try to resolve the issue directly with you before starting formal procedures.
- If you fail to pay the rent arrears or fail to agree on a repayment plan, we will take legal action to recover the costs.
- During the debt recovery process, we will:
 - Provide you with direct support, and guidance (e.g. drug and alcohol programs, financial counselling, parenting programs etc.).
 - Facilitate access to other support services as needed (e.g. Aboriginal Community Controlled Organisations, disability support organisations, mental health services etc.).
 - Negotiate a payment plan.
 - Take action that is appropriate to the level of arrears and the requirements of the License to Occupy.
- We will only take legal action when all our other attempts to recover the arrears have failed.

Procedures

Identifying rent arrears

We will monitor rent arrears daily and advise you as soon as you fall behind.

Preventing arrears

- If you are paying rent using Centrepay and Centrepay is cancelled, your support worker will work with you to reinstate Centrepay immediately to prevent arrears.
- If there is a change in your Centrepay circumstances, your support worker will help you apply and/or reinstate payments.

Recovering arrears

- If you fall into arrears, we will contact you to discuss the debt and to make arrangements to pay it off.
- If you cannot pay off the debt in a single payment, you can use a repayment plan to reduce the arrears.
- We will regularly monitor your rent account to make sure you are following the repayment plan. If you miss any payments the payment plan may be cancelled.
- We will only take action to terminate your residency when all our other efforts to recover the debt have failed.

Rectifying rent arrears

Rent arrears less than five days

Your Support Worker will notify you when your rent is in arrears. You will be provided with:

- The amount owing on your rent;
- The date that you are paid up to;
- A copy of your transaction history showing the payments collected so far; and
- A text reminder.

Your Support Worker will contact you to:

- Arrange to reinstate the rental payments;
- Help you to make an appointment to meet with a Financial Counsellor if desired;
- Help you to get a referral to, and make an appointment with, other support services you might need (e.g. alcohol and other drugs, mental health, disability services etc.); and
- Put in place a payment plan within seven days of the arrears occurring.

The Tenancy Officer will monitor the account to ensure everyone is meeting their respective responsibilities.

Rent arrears between 7 and 14 days

Your Support Worker will notify you when your rent is in arrears. You will be provided with:

- The amount owing on your rent;
- The date that you are paid up to;
- A copy of your transaction history showing the payments collected so far; and
- A text reminder.

Your Support Worker will meet with you at the property if s/he cannot contact you via phone.

If, after working with your Support Worker, you have failed to:

- Reinstate the rental payments;
- Meet with a financial counsellor;
- Meet with other support services (e.g. alcohol and other drugs, mental health, disability services etc.), as requested by you and arranged by the Support Worker; and
- Follow the payment plan,
- We will issue a Breach Notice.

If you refuse to agree to (and comply with) a payment plan, we may take the issue to the Magistrates Court to enforce the payment.

When you repeatedly fail to pay the rent arrears, we may seek to terminate the tenancy.

Rent arrears between 14 and 28 days

Your Support Worker will notify you when your rent is in arrears. You will be provided with:

- The amount owing on your rent;
- The amount owing on your payment plan;
- The date that you are paid up to;
- A copy of your transaction history showing the payments collected so far; and
- A text reminder.

Your Support Worker will meet with you at the property if s/he cannot contact you via phone.

If after working with your Support Worker, you have:

- Reinstated the rental payments;
- Met with a financial counsellor;
- Met with other support services (e.g. alcohol and other drugs, mental health, disability services etc.), as requested by you and arranged by the Support Worker; and
- Followed the payment plan,

We will continue the payment plan arrangement.

If after working with your Support Worker, you have failed to:

- Reinstated the rental payments;
- Met with a financial counsellor;
- Met with other support services (e.g. alcohol and other drugs, mental health, disability services etc.), as requested by you and arranged by the Support Worker; and
- Follow the payment plan,

We will issue a Breach Notice.

Ongoing arrears beyond 28 days

If you repeatedly fail to pay rent arrears or engage in a payment plan, we may seek to terminate the tenancy. The risk of this option increases, the longer the rent arrears period continues.

If you do not vacate the property after receiving an eviction notice, we will seek eviction through the Magistrates Court.

Appeals Process

If you do not agree with any of our decisions or actions, you can appeal using our *Appeals Policy*(HHPP006).



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