

# DEBT MANAGEMENT POLICY

## HOUSING & HOMELESSNESS

## Purpose

This policy explains how we manage:

- rent arrears;
- tenants' responsibilities (e.g. maintenance, property damage, unpaid utilities etc.); and
- potential tenancy terminations resulting from unpaid tenant rent and any incurred debt.

## Definitions

### Rent arrears

Debt resulting from non-payment of an agreed rental amount.

### Non-rent debt

Non-rent expenses incurred during tenancy. These include costs for property damage and/or cleaning, replacing lost keys, remote controls and utility charges.

### Tenant

A person who is a resident of one of our properties under a Tenancy Agreement or a License to Occupy arrangement.

### Ex-tenant

Tenants that have vacated our accommodation.

### Tenant damage

Deliberate or accidental damage or neglect caused by a tenant, anyone else living at the house or any visitor. Tenant damage can include: broken windows/glass, blocked sinks or toilets caused by oil, nappies, or sanitary towels, holes in doors or walls, burns or other damage to floor coverings, broken locks, overgrown lawns and gardens or cleaning and/or removal of rubbish.

## 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.

## 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 use best practice tenancy management processes (including rent arrears management, routine inspections and re-inspections) to limit tenant liability.
- You are responsible for the costs of repairs and/or maintenance where you, members of your household or visitors deliberately or negligently damage a property.
- You are responsible for paying any debts owing, whether incurred during or at the end of their tenancy.
- You will be given opportunities to repay outstanding debts and may be required to enter into a payment plan.
- At the start of each tenancy we will inform you of the rent and property care responsibilities under the Tenancy Agreement or the License to Occupy.
- 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 Tenancy Agreement 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 taken by us that you want to address.
- We will store all correspondence relating to rental arrears.

## Your responsibilities

The Tenancy Agreement or the License to Occupy makes you responsible for:

- Paying rent on time (two weeks in advance);
- Paying utilities;
- Not deliberately or carelessly allowing damage to the property;
- Reporting damage to the property as soon as possible; and
- Keeping the home clean.

You are responsible for fixing any damage you cause, either by organising the work yourself or by arranging it through us.

If the damage was caused as a result of crime and this has been reported to the Police, you must give us the police report number and evidence to prove that the crime was committed by someone not connected to you.

## Procedures

### Informing you of your responsibility

On admission, we will provide you with an Admissions Package containing information on your rights and responsibilities, how to minimise debt, our privacy and confidentiality policy and any other additional information that may assist you throughout the tenancy. All this information is also available on-line.

### Identifying debts owing

We will undertake a range of processes over the course of the tenancy to review the condition of the property, identify outstanding utilities costs and any other outstanding non-rent debt, including by:

- Reviewing utility accounts where you are responsible for the usage costs of the utilities
- Routine inspections

- Re-inspections (if required) to ensure that actions from routine inspections have been completed
- Checking the number of property keys returned to us at the end of the tenancy
- Providing you with a *Tenant Vacating Checklist (HHFM001)* in order to potentially avoid preventable debt. We will work with you to ensure that all the items on the checklist are addressed. On request, we will also refer you to other services you may need.
- We will carry out a final inspection with you (if you want to attend) and your support worker. We will give you 48 hours to rectify any items that are outstanding. Your support worker will attend the property while you are at the property rectifying the items.

### Repaying debts owing

Where there is evidence of rental arrears and/or non-rent debts owing, we will:

- Provide you with the opportunity to rectify matters where these matters can be addressed independently by you (e.g. cleaning).
- Inform you of the applicable process where matters cannot be rectified independently by a you (e.g. significant deliberate or negligent property damage).
- Inform you of your right to appeal decisions made us and/or submit a complaint.
- Monitor your progress toward either rectifying matters independently or paying the outstanding debt.

We will put all communication about debts in writing to your current address or that of your last known address.

### Payment plans

When you are having difficulty managing payment of your debt, we will ask you to voluntarily enter into a payment plan:

- Your payment plan will include amounts owing, frequency of repayments and time taken to repay debts. The plan may also include special conditions to address any identified root causes of your debt. This may include referrals to other appropriate support services or programs.
- When required, your payment plan will be readjusted to account for your circumstance and/or your capacity to make payments.

### Claiming bonds

We will apply to claim the bonds lodged where you vacate our property with rent arrears and/or non-rent debts. We reserve the right to collect debt through the court, a bailiff and/or debt collection agency.

## 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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If you are deaf, or have difficulty speaking or hearing English,  
we are committed to helping you to access our services.

Accordwest acknowledges the Australian Aboriginal and Torres  
Strait Islander peoples as the first inhabitants of the nation and  
traditional custodians of the land we live, learn and work.



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