

Arrears Management

1. Purpose

All tenants are required to pay rent as a condition of their residential tenancy agreement. Housing Trust depends upon the rent paid by tenants to fund maintenance and other essential business activities. The aim of this policy is to:

- Outline action that may be taken by Housing Trust in respect of non-payment of rent
- Provide guiding principles for how Housing Trust will manage situations involving the non-payment of rent by tenants
- Maintain equity with the majority of tenants who, despite limited income, make paying their rent to maintain their housing a priority

2. Guiding principles

Housing Trust will implement business rules and allocate sufficient resources to ensure that rental arrears are appropriately managed, monitored, and addressed.

Arrears must be addressed as early as possible to ensure that tenants on low incomes do not accrue rental debts that become unmanageable.

In accordance with the *Residential Tenancies Act 2010*, Housing Trust will not issue a termination notice for non-payment of rent unless a tenant's rent has remained unpaid in breach of the residential tenancy agreement at 14 days.

A termination notice for non-payment of rent will advise the tenant that if they pay the rental arrears in full or they enter into and comply with a written repayment agreement that they do not have to vacate the property. It is important that tenants understand that Housing Trust's goal is to sustain the tenancy by working proactively with tenants.

Where a tenant remains in breach of their agreement, Housing Trust will take action in the NSW Civil & Administrative Tribunal (NCAT) to establish orders for the repayment of rent. Where orders are made by NCAT and the tenant does not comply with these orders, Housing Trust may then take action to end the tenancy by seeking a termination order.

In deciding whether to seek a termination order, Housing Trust will consider:

- Amount of rent arrears owing and extent to which the tenant has made efforts to repay
- Previous history of non-payment of rent or non-compliance with orders
- Tenant's personal and financial situation, including their housing affordability
- impacts of possible eviction on children or vulnerable household members
- Whether the tenant has sought to engage with HT and/or support services to sustain their tenancy
- History of the tenancy generally

Eviction action is only ever taken by Housing Trust as a last resort, after reasonable efforts have been made to sustain the tenancy.

3. Termination orders

Where a termination order has been granted by NCAT, Housing Trust will take steps to end that tenancy in accordance with the orders. If a tenant has not provided vacant possession of the premises, orders will be enforced by the NSW Sheriff.

4. Arrears at first lease signing

All new tenants are asked to pay the full amount of rebated rent on the day they sign their Residential Tenancy Agreement. If tenants are unable to do this, they will be required to enter into a payment agreement for arrears at the commencement of the tenancy.

5. Paddy's Place

Tenants at Paddy's place are in either temporary or transitional accommodation. On occasion, a tenant can arrive at Paddy's as a temporary tenant and then become a transitional tenant. If a tenant exits from Paddy's as a temporary tenant the Housing Trust will not attempt to collect any arrears, if they exist. If the tenant returns, or is transitioned into transitional accommodation at Paddy's any rental debt they incurred as a temporary tenant will require payment. Under circumstances of extreme financial hardship tenants will be required to enter into a payment plan.