

Arrears Policy



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1. Purpose

This policy explains the processes for preventing and managing rental arrears and debt recovery

2. Scope

This policy applies to all WHL housing programs

3. Guiding principles

WHL sets rents at affordable levels in line with the *Rent Policy* and will provide clear communication to renters about their rental obligations. Where rental payments are late or rental arrears accrue, WHL will contact the renters as early as possible to ensure rental arrears are addressed, renters have access to support services and the rental income necessary to fund the supply of community housing is collected.

WHL will ensure that:

- renters are provided with timely and accurate information regarding their rent and other debt accounts;
- issues are address as early as possible to keep rent arrears at a minimum and support renters to sustain their tenancies;
- eviction is a measure of last resort;
- staff will respond to matters that may be family violence related in a trauma informed manner that aligns with the Family Violence Multi-Agency Risk Assessment and Management Framework (MARAM);
- consistent, fair and accountable processes are followed, and renters will be provided information about processes that affect their tenancies; and
- all legal, regulatory and contractual duties are met

4. Human rights considerations

WHL affords proper consideration to the human rights of renters arising under the *Charter of Human Rights and Responsibilities Act 2006* (Vic) (“The Charter”)

In considering the Charter, WHL will evaluate:

- which rights are impacted by any decisions arising from this policy;
- how the proposed course of action will interfere with these rights;
- whether it is reasonable and proportionate to pursue this course of action; and
- whether there is a less restrictive measure to resolve the situation

Any decisions to pursue eviction are escalated to Management after an analysis of the above considerations.

5. Managing arrears

WHL aims to support all renters to meet their rent payment obligations in a way that minimises rental debt and supports renters to sustain their tenancies

At the commencement of the tenancy, WHL provides each renter information on the weekly rent payment amount, including any rebate calculation, and services charges (see *Rent Policy*). Renters are also provided information on how to make a rent payment and how to contact WHL if there are any issues making a required payment by the date it is due.

Rental accounts are monitored by WHL on a weekly basis to enable prompt identification of potential rent arrears. In the first instance of a missed payment, and where there is less than 14 days in rent owing, renters are contacted as soon as possible and provided with a reminder via one of multiple communication methods, including:

- Letter
- SMS
- Phone Call
- Email

6. Repayment agreement

Renters are advised that they can pay the arrears in full or enter into a repayment agreement to pay off the arrears in a timely manner. Once an agreement is made, renters are provided with a signed agreement, including a repayment schedule and a final payment date.

The arrangement must involve repayment of at least \$5.00 per week to recover arrears. The Tenancy Officer should aim to re-coup between 1% and 5% of the residents' income for the purpose of arrears recovery.

Repayment plus current rent will not exceed 30% of households' income in General Lease or Transitional Housing properties and 35% of income in Community Housing properties.

If renters fail to comply with the terms of the repayment agreement, WHL will contact the renter and will escalate the action to VCAT.

7. Notice to Vacate

Where an agreement can't be reached, or a renter refuses to communicate with WHL and rent remains unpaid exceeding 14 days in arrears, WHL will issue a Notice to Vacate in relation to the unpaid arrears.

8. Application to VCAT

At the expiry of the Notice to Vacate, if there is no agreement with the renter regarding repayment, WHL will begin the VCAT process to apply for a Possession Order and Warrant of Possession.

WHL will continue to attempt to contact the renter following the issue of a Notice to Vacate and the application to VCAT and seek to enter into a repayment agreement. Repayment agreements may be lodged with VCAT and a repayment amount may become the subject of a VCAT Order. If a renter does not comply with a VCAT Order for repayment, WHL will apply for a renewal and request a Possession Order.

If arrears remain at the end of the tenancy, WHL will seek to claim compensation for arrears from bond moneys held by the Residential Tenancies Bond Authority and/or a compensation order from VCAT.

All decisions to pursue VCAT action are endorsed by Management after careful reflection on Human Rights considerations, the MARAM Framework, cultural safety elements and other relevant factors.

9. Hardship

WHL recognises that there are circumstances where a household may face difficulties that lead to non-payment of rent, these circumstances will be assessed on a case-by-case basis in line with WHL's *Hardship Policy*

10. Support services

When responding to arrears, staff will assess what appropriate support services may be helpful in assisting renters to remedy their arrears and sustain their tenancy.

This may include referrals to:

- Community legal centres
- Specialist tenancy support and advocacy services
- Financial counselling services
- Community based mental health services
- Disability support services
- Family Violence support services

11. Disputed arrears

If renters dispute that their rental account is in arrears, WHL will:

- Review all charges and payments on the account, considering any information provided by the renter to reconcile it
- Ensure previous rental amounts were correctly charged
- Provide the renter with a copy of their rental statement, outlining rental charges and payments
- Offer to meet with the renter and their supports to discuss the account

Where an agreement can't be reached about the correct balance of arrears, WHL may apply to VCAT for a repayment agreement and enable the Member to determine the arrears amount.

12. Reviewing

Every two years following formal approval or earlier when required by changes in the policy or legislative environment

13. Related policies

- Rent Policy
- Rental Hardship Policy
- Complaints and Appeals Policy
- Privacy Policy

14. Relevant legislation

This policy implements WHL's obligations under:

- *Residential Tenancies Act 1997* (Vic)
- *Housing Act 1983* (Vic)
- *Charter of Human Rights and Responsibilities Act 2006* (Vic)
- Performance Standards for Registered Housing Agencies

15. Transparency and accessibility

This policy will be available on WHL's website at womenshousing.com.au

16. Definitions

Term	Definition
Arrears	Overdue rent that now forms a debt
Community Housing property	Long-term housing owned by WHL
General Lease property	A property owned by the DFFH and managed by WHL
MARAM Framework	Family violence multi-agency risk assessment and management framework
Notice to Vacate	A legal notice telling a renter that the rental provider wants them to vacate the property by a certain date
Possession Order	An order granted by VCAT giving the landlord the right to obtain a warrant to regain possession of the property
Rental Agreement	Lease under the <i>Residential Tenancies Act 1997</i> , which sets out the rights and duties of the renter / rental provider
Rent Arrears	Unpaid rent owed to the rental provider
Residential Tenancies Act (RTA)	The principle legislation governing rental housing in Victoria
Transitional Housing property	Supported short term accommodation with access to support services
VCAT	The Victorian Civil & Administrative Tribunal. A legal institution set up to administer several Acts. For residential tenancies, the Tribunal administers the <i>Residential Tenancies Act 1997</i> .
Warrant of Possession	A legal document issued by VCAT authorising police to evict renters from a property