

## Rental Arrears Collection and Recovery

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<b>Created By:</b>	Pauline Samantha	<b>Approved By:</b>	CEO
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### Purpose

This policy outlines Yilli Rreung Aboriginal Housing Corporation's (Yilli) approach to preventing, managing, and recovering rental arrears in a way that supports tenants to sustain their tenancies while ensuring compliance with relevant legislation and organisational goals.

### Scope

This policy applies to all tenants residing in Yilli properties under a tenancy agreement.

### Policy Statement

Yilli is committed to:

- Supporting tenants to meet their rental obligations to sustain their tenancies.
- Providing clear communication regarding rent payments and arrears.
- Offering support and guidance to tenants facing financial hardship.
- Ensuring fair, consistent, and transparent processes in managing arrears.
- Meeting its obligations under the Northern Territory Residential Tenancies Act.

### Guiding Principles

- **Timely Communication:** Tenants will receive timely and accurate information about rent obligations and arrears.
- **Early Intervention:** Addressing arrears early to minimise escalation and financial strain on tenants.
- **Tenancy Sustainability:** Eviction is a last resort; we aim to work with tenants to resolve arrears and maintain their tenancies.
- **Collaboration:** Partnering with support services to provide tenants access to financial counselling and assistance.
- **Fairness:** Ensuring consistent application of policies while considering individual circumstances.

## Rent Collection and Arrears Management Process

### 1. Preventative Measures

Tenants are informed of their rental obligations during tenancy induction, including:

- Rent amount and payment frequency.
- Available payment methods (e.g., direct debit, Centrepay).
- Consequences of non-payment.
- Regular communication to remind tenants of payment responsibilities and provide account updates.

## **2. Monitoring and Early Action**

Rent accounts are monitored weekly to identify arrears promptly. When arrears occur, Yilli will:

- Send a friendly reminder (e.g. automated SMS, email call, and letter) to notify the tenant of the overdue amount and provide payment options.
- Encourage tenants to discuss any financial challenges.

## **3. Negotiating Payment Plans**

If tenants are unable to pay the arrears in full, Yilli will:

- Request income and expense details.
- Agree on a payment plan, outlining:
  - Regular payments towards arrears.
  - Clear timeframes for clearing the debt.
  - Confirm the agreement in writing.
  - Monitor adherence to the payment plan and provide ongoing support.

## **4. Notice to Remedy Breach**

If arrears remain unresolved and there has been non consistent payments towards an agreed plan, Yilli will issue a Notice to Remedy Breach of Agreement (RT03) in accordance with the NT Residential Tenancies Act. The notice will:

- Specify the arrears amount.
- Provide at least seven clear days for the tenant to rectify the breach.

## **5. Escalation to NTCAT**

If arrears persist beyond the RT03 timeframe, Yilli may lodge an application with the Northern Territory Civil and Administrative Tribunal (NTCAT) to seek termination of the tenancy and an order for payment of the outstanding debt. Supporting documentation, including the rental ledger and communication records, will accompany the application.

## **6. End of Tenancy and Debt Recovery**

Where a tenancy ends with outstanding arrears, Yilli may:

- Deduct the arrears from the tenant's bond.
- Engage a debt collection agency as a last resort.
- Support for Tenants

**Yilli recognises that financial difficulties may arise and will:**

- Refer tenants to appropriate support services, such as financial counselling or the Tenancy Support Program (TSP).
- Assist tenants in accessing benefits, such as Commonwealth Rent Assistance.
- Work collaboratively with tenants to explore all options to sustain their tenancy.

## **Roles and Responsibilities**

Property Managers:

- Monitor rent payments and identify arrears.
- Communicate with tenants about arrears and payment options.
- Implement payment plans and escalate issues as necessary.
- Complete documentation relating to NTCAT Applications and submission of documents
- Referrals to external support services.

Property Team Leader:

- Approve escalation actions, including NTCAT applications and debt recovery.
- Record-Keeping
- Maintain records of all communications, notices, and agreements with tenants.
- Ensure arrears management processes comply with data privacy regulations.

Finance Team:

- Ensure accurate record-keeping of rent accounts.
- Provide reports on arrears to management.
- Referrals to debt collections agencies when other recovery options are exhausted.

## **Compliance**

This policy aligns with the Northern Territory Residential Tenancies Act and supports Yilli's commitment to ethical and effective tenancy management.

## **Related Documents**

- Yilli Rent Setting Policy
- Yilli Tenancy Agreement Template
- NT Residential Tenancies Act