

Revised @ 6 August 2019

SUNSHINE/ST. ALBANS RENTAL HOUSING CO-OPERATIVE LTD

RENT ARREARS MANAGEMENT – Policy and Procedures

Rental revenue is Sunshine/St. Albans only source of income. In order for the Co-operative to remain financially viable and continue to provide housing services it is very important that rents are paid on time and kept up to date.

Unpaid rents impact on the Co-operatives ability to deliver essential housing services (i.e. property maintenance).

SUNRHC recognises that there must be a balance between supporting members in financial difficulty and the financial viability of the Co-operative and therefore we adopt an early intervention approach to mitigate arrears risk.

SUNRHC's rental arrears policy and procedures aim to:

- 1) Assist tenants to sustain their tenancy by:
 - Preventing and reducing rental arrears
 - Ensuring debts are fully paid
- 2) Ensure that rent revenue is collected to ensure the ongoing financial viability of the Co-operative
- 3) Recover possession of the property via a VCAT order where arrears are not dealt with by the tenant and are excessive.

The purpose of this policy is to:

- Provide a clear framework for the management and collection of rent
- Minimise the risk of terminations resulting from unpaid arrears and debts, assist tenants to sustain their tenancy and prevent homelessness
- Ensure the financial sustainability of SUNRHC through the collection of all monies that are due.

On establishing a tenancy each tenant member is issued a bank deposit book that has a unique identifier number.

Tenant members may pay rent via the following methods:

- Bank deposit (via bank deposit book)
- Centrelink Centrepay (members are strongly encouraged to use this method if they receive a Centrelink benefit)
- Direct Debit
- Electronic Funds Transfer (EFT)

Tenant members are legally responsible for paying rent in accordance with their Residential Tenancy Agreement.

Regular Rent Statements are sent out to all tenants and more frequently to tenants who start to fall into arrears. Advice re being in arrears is noted on statements in such cases. If no action is taken by the tenant then either a staff member or a member of the Rent Arrears Committee will attempt to make contact with the tenant to arrange a payment agreement. The Board may also direct the Rent Arrears Committee to arrange to meet with the Tenant.

Staff will monitor repayment agreements to ensure they are being adhered to and that rent arrears are being reduced. Staff may also advise tenants with problem arrears re other local support agencies who may be able to assist (eg. Salvation Army Social Housing Services – SASHS).

EVICCTIONS

The Co-operative tries to avoid having to evict tenants as much as is possible but at times this may become a necessary action. Such cases can occur in the following situations:

- Where a tenant stops paying rent altogether and will not make or receive any contact with the co-op to explain or make a payment agreement and rent is more than 3 weeks in arrears
- Where a tenant has made a payment agreement but does not adhere to the agreement and rent remains more than 3 weeks in arrears

Regular reports on the Co-operative's arrears are given to the Board. The Board will decide if a Notice to Vacate is to be issued.

Where a NTV is issued a subsequent application for a VCAT hearing will be made if the tenant does not rectify their arrears and remains more than 3 weeks behind.

Notice to Vacate

- Where the Board has directed staff to issue a Notice to Vacate, such will be sent via the required VCAT form by registered post giving the tenant at least 14 days notice (plus allowance time for delivery).
- If the tenant who has been sent a Notice to Vacate contacts the co-op and makes some payments and also arranges a going forward payment plan further proceedings will be put on hold.

- If there has been no contact or payments made then an application for a VCAT Residential Tenancies List hearing will be made with a registered copy sent to the tenant. Such application will be made once the NTV date has lapsed.
- Where the tenant does not attend the VCAT hearing a Possession Order will be sought as a repayment order cannot be put in place without the tenant's attendance.
- If a Compliance Order is issued by VCAT and the tenant breaches such order then a subsequent application will be made to VCAT to obtain an Order of Possession.
- If the rent arrears are not rectified within 2 weeks further to an Order of Possession being granted then the Co-operative will purchase a Warrant of Possession. Staff will assist Rent Arrears Committee members to execute the eviction with the police if the tenant does not vacate the premises prior to the date arranged with the police.