

# Rent Arrears Policy

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## Purpose

The purpose of this policy is to outline SCHs process for preventing and managing rental arrears and recovering debt.

## Scope

This policy applies to all residents in properties owned or managed by SCH.

## Policy Principles

SCH sets rents in accordance with **SCH's Rent (Setting) Policy** and will provide clear communication to renters about their rental obligations. Where rental payments are late or rental arrears accrue, SCH will contact residents as early as possible to address the arrears, offer access to support where needed, and ensure rent owed to SCH is collected.

In applying this policy SCH will ensure:

- Renters are provided with timely and accurate information about their rent and other debt accounts;
- Issues are addressed as early as possible to minimise rent arrears and support renters to sustain their tenancy;
- Eviction is a measure of last resort;
- Consistent, fair, and accountable processes are followed, and renters are provided with information about processes that impact their tenancy;
- Proper consideration is given to the human rights of renters that may be impacted by decisions around evictions, in accordance with the Charter of Human Rights and Responsibilities 2006 (Vic);
- Compliance with the Residential Tenancies Act 1997 (Vic) in relation to rent;
- All contractual, legal and regulatory duties are met.

## Managing rent arrears

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

At commencement of a tenancy, SCH provides renters with information on the weekly rent payment amount, including any rebate calculation, and service charges (see SCH's Rent Setting Policy). Renters are provided with information on how to make a rent payment and how to contact SCH if there are any issues with making a rent payment by the due date.

Rental accounts are monitored on a weekly basis to promptly identify rent arrears. In the first instance, and where there is 7 or more days in rent owing, renters are contacted as soon as possible to remind them about their missed rent payment. Contact methods may include by:

- Letter;
- SMS;
- Phone call;
- Email.

## Repayment agreements

Renters are provided with the option to pay the arrears in full, or to enter into a repayment agreement to pay the arrears at agreed instalments. Where a repayment agreement is made, renters are provided with a copy of the signed agreement, the repayment schedule, and the final payment due date.

If renters fail to comply with the terms of the repayment agreement, SCH will contact the renter/s and will consider options for escalating repayment actions.

## Notices to vacate

Where an agreement cannot be reached, or the renter refuses to communicate with SCH, and rent arrears exceeds 7 days, the Property manager in consultation with a Team Leader may decide to issue a Notice to Vacate for rent arrears.

## Applications to VCAT

At the expiry of the Notice to Vacate, if there is no agreement with the renter regarding repayment, SCH may begin the Victorian Civil and Administrative Tribunal (VCAT) process to apply for a Possession Order and Warrant of Possession in accordance with the **Ending a Tenancy Policy**.

Following the Notice to Vacate and application to VCAT, SCH will continue to attempt to contact the renter to seek entering into a repayment agreement. Repayment agreements may be lodged with VCAT, and a repayment amount may become the subject of a VCAT order.

## Financial hardship

SCH acknowledges 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 accordance with **SCH's Financial Hardship Policy**.

## Support services

When responding to arrears, staff will assess if appropriate support services may assist 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; or
- Disability support services.

## Disputed arrears

If a renter disputes that their rental account is in arrears, SCH will:

- Review the account, taking into consideration any information provided by the renter;
- Provide the renter with a rent account statement outlining rental charges and payments;
- Offer to meet with the renter to discuss the account.

## Definitions

In this policy:

|                                |                                                                                                                                                                                           |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Notice to vacate</b>        | A legal notice to a renter that the rental provider wants them to vacate the property by a certain date.                                                                                  |
| <b>Order of compensation</b>   | An order granted by VCAT giving the rental provider the right to seek reimbursement from the renter.                                                                                      |
| <b>Possession order</b>        | An order granted by VCAT giving the rental provider the right to obtain a warrant to regain possession of the property.                                                                   |
| <b>Rooming house agreement</b> | An agreement between a rooming house resident and rooming house operator setting out the resident's right to occupy a room and use the rooming house facilities.                          |
| <b>Rent arrears</b>            | Unpaid rent owed by the renter to the rental provider.                                                                                                                                    |
| <b>RTA</b>                     | The Residential Tenancies Act 1997 (Vic). The principal legislation governing rental housing in Victoria.                                                                                 |
| <b>VCAT</b>                    | Victorian Civil & Administrative Tribunal. A legal institution set up to administer several Acts. For residential tenancies, the Tribunal administers the Residential Tenancies Act 1997. |

|                              |                                                                                                                      |
|------------------------------|----------------------------------------------------------------------------------------------------------------------|
| <b>Warrant of possession</b> | A legal document issued by VCAT authorising police to evict renters from a property.                                 |
| <b>VCAT Compliance Order</b> | An order requiring the renter to pay ongoing rent and rent arrears in accordance with the payment terms set by VCAT. |

### Related policies

Financial Hardship & Temporary Absence Policy

Rent (Setting) Policy

Ending a Tenancy Policy

Complaints and Appeals Policy

### Legislation and standards

Residential Tenancies Act 1997 (Vic)

Housing Act 1983 (Vic)

Charter of Human Rights and Responsibilities Act 2006 (Vic)

Performance Standards for Registered Housing Agencies.

### Version Control

|                   |              |                         |              |
|-------------------|--------------|-------------------------|--------------|
| <b>Version No</b> | 7.0          | <b>Review frequency</b> | 3 years      |
| <b>Date</b>       | October 2026 | <b>Next review</b>      | October 2029 |