

Arrears & Debt Management Policy

1. Purpose

To define Compass Housing Services Co Ltd (Compass) approach to the management of debt incurred by tenants and former tenants.

2. Scope

This policy applies to tenant and former tenants of property owned or managed by Compass.

3. Policy Statement

Compass is committed to providing social and affordable housing. Compass is able to apply and recover tenancy related charges in accordance with the provisions of the Residential Tenancies Act 2010 and the Housing Act 2001. Compass understand there are competing demands upon families to meet their commitments, however, the payment of rent and non-rent charges should be considered a priority. Compass will manage the recovery of rent and non-rent arrears with privacy and sensitivity.

By implementing this policy Compass can:

- Have an effective arrears and debt management process;
- Minimise the risk to terminations of tenancies resulting from arrears and debts;
- Assist tenant to sustain their tenancy and prevent homelessness.

4. Guiding Principles

Compass will:

- Adopt an early intervention approach to mitigate the risks of arrears and debt;
- Inform tenants of their legal obligations to pay rent, rent arrears and debt;
- Make referrals to our Tenancy Engagement Officers and other support services to assist tenants that are experiencing financial difficulties;
- Comply with the requirements of the Residential Tenancies Act 2010 (NSW).

5. Managing arrears & debt

Tenants have a legal obligation to pay their tenancy charges. Former tenants have an obligation to pay all debt outstanding at the end of their tenancy.

5.1. Advising current tenants of arrears on their tenancy accounts

Compass may contact tenant in writing, by phone, SMS or by visiting them at their property if their accounts fall into arrears. Compass will respond quickly to inform tenants of arrears to prevent the debt from escalating.

5.2. Managing current accounts in arrears

Compass expects all outstanding debts to be repaid and will, in the first instance, ask that all outstanding monies be paid in full.

If a tenant is experiencing difficulties that affects their ability to pay in full, Compass may accept a repayment arrangement by entering into a payment plan with the tenant, tenants will be asked to provide information on their financial situation prior to entering into a repayment plan. Compass may also refer a tenant to financial or other support services that can assist them to manage their arrears.

If a reasonable repayment arrangement cannot be negotiated, or a tenant fails to meet the agreement, Compass may take action in the NSW Civil & Administrative Tribunal (NACT) and seek a Specific Performance Order to repay the debt or an order to terminate the tenancy. Where arrears remain unpaid for 14 days or more, a Notice of Termination will be issued.

5.3. Managing arrears and debt of former tenants

When a tenant vacates a Compass property, the rent and non-rent accounts will be reconciled, and tenants will be advised of any credits or debits on their accounts. To ensure tenants receive any credits, it is important they provide a forwarding address and telephone number to Compass.

Tenants are expected to pay all outstanding debts, Compass will work with tenants to ensure that debts are repaid. If debts remain unpaid Compass reserves its right to make application to the NCAT for a Money Order and take enforcement proceedings in the Local Court or take any further legal and commercial actions not specified herein to collect outstanding debts due and payable.

Tenant will be made aware that a debt with a social housing provider can impact on any future applications for housing assistance.

When the accounts have been reconciled and the accounts are in credit, Compass will refund the money to the tenant. Tenants will be asked to complete a refund form and provide details of how they want the credits refunded, for example, direct deposit into a nominated bank account or by check.

6. Review of Decisions

If a tenant disputes the arrears or debt claims by Compass, they should first discuss this with a Tenancy Relations Officer. If a tenant is still dissatisfied, they can ask for a review of the claim. The NCAT also hears matters relating to arrears and debt.

7. Legislation and Compliance

- Residential Tenancies Act 2010 (NSW)
- Residential Tenancies Regulations 2010 (NSW)

8. Policy Implementation and Review

This Policy will be implemented and published on Compass intranet once approved. Workers receive communications and training on new and reviewed policies and procedures.

Compass will review this policy on a regular basis. Refer to Compass Policy and Procedure Development Approval and Review (PROC-011) for information on the document review process.

Confirmation of internal compliance with this policy will be undertaken regularly.

9. Related documents and resources

- Ending Tenancy Policy
- Tenant Charges Policy
- Refund of Credits Form

10. Definitions

Term	Definition
Arrears	Unpaid and overdue monies that a tenant has failed to pay in accordance with their Residential Tenancy Agreement
Compass	Compass Housing Services Co. Ltd
Compass Group	The corporate structure that includes Compass (as the Parent Company) and the boards of Subsidiary Companies, Governance Committees and advisory groups as created from time to time.
Debt	Any amount that has remained unpaid from rent; water; end of tenancy charges; tenant charges from a former tenancy
Director	Has the same meaning as defined in the Corporations Act 2001 Part 1.2 Division 1 Section 9 Dictionary in Australia and as defined in the Companies Act 1992 Part 1 Section 2 Interpretation in New Zealand
Landlord	The person who grants the right to occupy a property under a Residential Tenancy Agreement
NSW Civil & Administrative Tribunal (NCAT)	An independent statutory body that resolves disputes between landlords and tenants. Orders of the NCAT are enforceable
Officer	Has the same meaning as defined in the Corporations Act 2001 Part 1.2 Division 1 Section 9 Dictionary in Australia and as defined in the Companies Act 1992 Part 1 Section 2 Interpretation in New Zealand
Parent Board	The current directors of Compass.
Parent Company	Compass Housing Services Co Ltd (Compass)
Residential Tenancy Agreement	A legal agreement between a tenant and landlord
Subsidiary Boards	The appointed board of directors of a Subsidiary Company.
Subsidiary Company	A company in which Compass owns all or at least a majority of the shares.
Tenant	A person who signs the Residential Tenancy Agreement with Compass
Worker (Compass)	has the same meaning as defined in the NSW Work Health and Safety Act 2011 No 10 Subdivision 2 Part 7 Meaning of ‘worker’ (1) A person is a worker if the person carries out work in any capacity for a person conducting a business or undertaking, including work as: <ul style="list-style-type: none"> a) an employee, or b) a contractor or subcontractor, or c) an employee of a contractor or subcontractor, or

Term	Definition
	<ul style="list-style-type: none"> d) an employee of a labour hire company who has been assigned to work in the person's business or undertaking, or e) an outworker, or f) an apprentice or trainee, or g) a student gaining work experience, or h) a volunteer, or i) a person of a prescribed class.
Worker (Compass QLD)	is 'a person who works under a contract and, in relation to the work, is an employee for the purpose of assessment for PAYG withholding under the Taxation Administration Act 1953 (Cwlth), schedule 1, part 2-5'. This applies to a person for whom PAYG tax instalments are required or would be required to be withheld by their employer.

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