

Rent Arrears and Hardship Policy

Purpose

Salvation Army Housing Victoria (SAHV) is a not-for-profit registered housing provider that provides housing to people from low to moderate income who are disadvantaged by the private rental market and / or unable to secure long term housing.

This policy establishes rent arrears and hardship approaches that are applied by SAHV.

The Residential Tenancies Act 1997 guides landlords to issue a notice to vacate a rented premise if the:

- tenant (occupant in a residential house) owes at least 14 days of rent; or
- resident (occupant in rooming house) owes at least 7 days of rent

Scope

This policy applies to all housing programs properties owned or managed by SAHV.

This policy does not apply to the following housing programs run by SAHV:

- properties managed by SAHV behalf of other property owners where the owner retains responsibility for determining rent; and
- temporary or crisis accommodation.

Policy Statement

Rental Charges and Payments Flexibility

1. SAHV calculates rent on a weekly basis and allows payment of rent to occur on weekly or fortnightly basis. For tenant/s who receive income on a monthly basis, rent collection is adjusted in line with payment ability.
2. A more frequent rent charge and collection enables early intervention, in instances where rent payments are unable to be made.

Early Intervention

1. To sustain tenancies within the housing programs, SAHV will take prompt and preventative action to ensure that incurred rent arrears are prevented, minimized or do not escalate.
2. SAHV will endeavour to identify challenges that impact on rental payments in a timely manner and provide tailored alternatives where possible. For example, if a tenant is receiving Centrelink Benefits, SAHV offers to deduct the rent payment from the tenants Income Benefits. This provides seamless mechanism for rent payment.

Communication and Hardship Assessment

3. SAHV will contact the tenant as soon as the rent arrears have been incurred.
4. SAHV will work with the tenant to determine the rental payment challenges and potential support to address these identified challenges. To help with this process, SAHV will review the:
 - payment history;
 - level of engagement with SAHV and / or support services;
 - rental debt amount; and / or
 - rent deduction method

5. SAHV will review if rent deductions methods, cycle or process needs to be amended to enable the tenant to make timely rental payments.
6. If the tenant has a Support Worker, SAHV will liaise with the Support Worker to ensure relevant referrals and / or support is assigned to support the tenant with the identified challenge. In instances where the tenant / resident does not have any support worker, SAHV will make appropriate referrals to support agencies.
7. SAHV will clearly outline the legal processes concerning rent arrears, that allows the tenant to make an informed decision on how to proceed with the rental arrears debt.

Rent Recovery: Early Method - Agreement

8. After the assessment, SAHV will try to offer alternatives to ensure rent arrears debt is contained and to prevent Victorian Civil and Administrative Tribunal (VCAT) proceedings, that could lead to eviction.
9. SAHV can offer a range of options, such as:
 - re-payment agreement plan; or
 - agreement of a lump sum payment;
 - if circumstances have changed, SAHV will seek evidence of household income to be able to adjust rent in line with received income (refer to Rent Setting Policy).
10. This allows the tenant to remedy the rent arrears debt and come to an agreement with SAHV to assist the repayment of rent arrears debt.

Rent Recovery: Pursuit of Legal Action

11. If the tenant complies with the re-payment agreement, then SAHV will not pursue legal action due to rent arrears.
12. Further legal action may be pursued in instances where the tenant does not comply with the re-payment agreement and / or does not engage with SAHV to address the rent arrears debt.

Rent Recovery: Notice to Vacate

13. If the tenant does not make an agreement with SAHV or make a payment of the outstanding rent payment within 14 days in residential properties or 7 days in rooming house occupancies, then SAHV will send a letter and a Notice to Vacate.
14. The tenant can contact SAHV to negotiate a review and assessment of rent arrears debt.

Rent Arrears Legal Process

15. Reasonable steps to enable the tenant to address rent arrears will be taken before the SAHV applies for a Notice to Vacate and / or seeks an order of possession or proceeds with eviction processes.
16. A Notice to Vacate in line with Residential Tenancies Act, Section 246 will be issued to tenant who have breached the section by not paying rent of more than 14 days for residential properties and 7 days for rooming house properties.
17. If no rent payments are made in line with the notice, then an application to Victorian Residential Tenancies Tribunal (VCAT) will be made by SAHV. At the VCAT hearing it will be determined whether an Order for Possession or an Order for Possession Agreement will be applied.
18. Through an Order of Possession, SAHV is able to obtain a Warrant of Possession during (which may lead to an eviction) the six month Order for Possession period as per the RTA.

Definitions

Notice to Vacate	A legal notice served on a tenant as per section 246 of the Residential Tenancies Act 1997, where rental arrears of 14 days or more have accrued on a tenant's rental account
Order for Possession	An order granted by VCAT giving the department the right to obtain a Warrant to evict the occupants and regain possession of the property. The order is valid for a six-month period
Rent Arrears	Part of rent which remains unpaid and is lawfully due
Tenancy	The agreement signed by the Tenant and Agency, outlining the rent periods (usually fortnights), rent amount due per rent period, and other conditions of tenancy
Tenant	The Residential Tenancies Act (RTA) refers to the individual/s as 'tenant', 'resident', 'occupant' or 'renter' that is dependent on the type of legal agreement in place between the individual, SAHV and the type of premises. For the purpose of this policy all individuals are referred to as a tenant.
Tenant Rent Record	Rent statements used to record rent on an ongoing basis
Vacant possession	Where the landlord requires possession of the property, so the tenant must vacate
Victorian Civil and Administrative Tribunal (VCAT)	Victorian Residential Tenancies Tribunal. A legal institution set up to administer a number of Acts. For residential tenancies, the Tribunal administers the Residential Tenancies Act 1997. The Residential Tenancies List of VCAT hears and determines residential tenancy matters.

Related Documents

Procedure:	Complaints Resolution Procedure
Policy:	Complaints and Appeals Policy Rent Policy

Legislation:	Housing Act 1983 (Vic) Residential Tenancies Act 1997 Residential Tenancies Regulations 2020 Victorian Charter of Human Rights and Responsibilities Act 2006
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