



7.10 Arrears Management

Aim

- To ensure good relationships between tenants and SGCH through an appropriate and effective arrears management strategy.
- To ensure the rental arrears management strategy is in accordance with the *Residential Tenancies Act 2010*.
- To minimise arrears and the impact for both tenants and the organisation.
- To maintain a secure rental income stream for the organisation.
- To deal sensitively with arrears cases within the legal framework of the *Residential Tenancies Act 2010*.

The *Residential Tenancies Act 2010*

In accordance with the *Residential Tenancies Act 2010*, SGCH will not issue a termination notice for non-payment unless the rent has remained unpaid in breach of the residential tenancy agreement at least 14 days. A termination notice for non-payment will advise the tenant that if they pay the rental arrears in full or they enter into and comply fully with a repayment agreement that they do not have to vacate the property. However, the Consumer, Traders and Tenancies Tribunal (CTTT) may terminate a tenancy despite the tenant paying the rent arrears in full or making and complying with a repayment agreement if they are satisfied that the tenant has frequently failed to pay rent in accordance with the residential tenancy agreement. The landlord may apply for a termination order from the CTTT before the date specified on the notice however, the CTTT cannot consider the application until after the date specified in the termination notice.

Arrears management strategy

All new tenants are required to pay two weeks rebated rent on the day they sign their Residential Tenancy Agreement. Tenants are then required to make their next rent payment no later than two weeks after the tenancy starts.

Tenant Rent Incentive Scheme

To encourage tenants to pay their rent in advance there is a tenant rent incentive scheme. All tenants who pay on time are entered into the draw. Each month a name is drawn from the tenants paying on time and a \$200.00 prize is given to the winner.