

## Debt Management

### Policy

Date effective: 1 October 2018

#### 1. Policy statement

This policy outlines how debts are accumulated by clients, the impact of any such debts, and the methods by which debts are repaid.

#### 2. Purpose

This policy is intended to make repayment of debts fair and equitable.

#### 3. References

Allocation and Commencement of a Tenancy policy  
Inspections policy  
Rent policy  
Rental Rebate policy  
Termination of a Tenancy policy

#### 4. Scope

This policy applies to all tenants in Department of Housing and Community Development ('the department') premises, as well as some clients who have left public housing but have an outstanding debt.

This policy will also apply in instances where a refund or credit is owed to the tenant.

#### 5. Policy details

The department recognises that making one full repayment of a debt is not always possible; however tenants are expected to repay the debt. The department will make every attempt to assist a tenant to repay a debt. Consistent refusal to either repay a debt or meet debt obligations may lead to termination of the tenancy agreement.

##### 5.1. Prevention of debt

If a current public housing tenant is experiencing difficulty in meeting financial obligations, they are encouraged to inform the department so as to avoid a debt. The Housing Officer will assist tenants to avoid a debt, including structuring rental payments or referring them to a financial counsellor.

##### 5.2. Types of debt

Rent and bond are the most important obligations for the tenant, and non-payment of these is taken very seriously by the department. Non-payment of rent leads to an immediate debt.

A tenant has one month to pay any of the following before it becomes a debt:

- excess water charges;
- maintenance costs;
- damage to the dwelling; and/or
- tribunal/court ordered costs.

### 5.3. Agreement to Pay

An Agreement to Pay (ATP) is a financial agreement between a tenant and the department. The agreement commits the tenant to regular repayments until a debt is cleared.

The minimum amount of each repayment is ten dollars per week. The maximum amount of each repayment varies, but will not require the tenant to pay more than 30% of household income to the department (including rent). The actual amount for each repayment is at the discretion of the department.

The term of an ATP will not be longer than the period remaining on the tenancy agreement.

Tenants who default on an ATP for the first time will be offered referral to financial counselling, and a new ATP will be created. Tenants who default on an ATP for a second time may be pursued through the Northern Territory Civil and Administrative Tribunal for the debt, and the department may seek termination of the tenancy agreement if the debt is due to non-payment of rent.

An ATP may be amended only once by the Manager. Further amendments must be approved by the Director.

### 5.4. Clearing a debt

A debt is not cleared until the full amount is repaid, unless the client can prove bankruptcy. Failure to clear a debt will affect the eligibility of clients for public housing.

### 5.5. Refunds and credits

Bonds will be refunded at the end of a tenancy as per the conditions under section 29 of the *Residential Tenancies Act*. Tenants who are transferring between public housing dwellings may receive a credit for any leftover portion of the bond towards the new bond.

## 6. Discretionary decision making

Discretion can be applied to this policy using the Discretionary Decision Making policy.

## 7. Complaints and/or appeals

If a client is not satisfied with either a decision or action of the department, they can access the department's complaints and/or appeals processes. For further information, please refer to the Complaints and/or Appeals policies.

## 8. Review of the policy

If at any time the legislative, operating or funding environment is so altered that the policy is no longer appropriate in its current form, the policy shall be reviewed and amended accordingly. This policy will be reviewed within two years of release.

## 9. Document change control table

Release Date	Version Number	Approved by (position)	Section amended	Category
1/10/2018	2.00	Chief Executive Officer	all	Revised
30/01/2017	1.02	Director Policy	all	Editorial amendments
23/11/2015	1.01	Director Policy	all	Editorial amendments
2/09/2013	1.00	Executive Director, Housing Operational Client Support	all	New separate policy derived from Housing Services Operational Policy Manual, Chapter 9