

T 4.07 Rent and Debt Management Policy

1. Purpose

This policy outlines how Common Equity NSW (CENSW) manages rent arrears and debt. It aims to promote early intervention, maintain housing stability and support tenants to meet their obligations under *the Residential Tenancies Act 2010 (NSW)*.

2. Scope

This policy applies to all tenancies managed by CENSW.

3. Policy

CENSW is committed to supporting tenants to maintain successful and sustainable tenancies. Our approach is prompt, supportive and fair. We aim to prevent arrears from escalating and will always explore all reasonable options before taking legal action. Eviction due to rent arrears is a last resort.

This policy explains how we manage rent, arrears and other tenancy-related debts. It outlines the support available to tenants and the steps we take when payments fall behind.

3.1 Rent and Other Payments

Tenants must pay rent on time and maintain a minimum of two weeks' rent in-advance at all times, as required in the tenancy agreement. At the start of a tenancy, we provide clear information on:

- how rent is calculated (including rent subsidies where applicable)
- how and when to pay rent and other charges, including water usage if applicable
- tenant rights and responsibilities
- available payment methods
- what happens if a payment is late or missed.

3.2 Rent arrears and other tenancy-related debts

Rent arrears occur when rent is not paid in full by the due date. Tenancy-related debts may also include charges for:

- water usage
- damage to the property beyond fair wear and tear
- cleaning or rubbish removal at the end of a tenancy
- lock changes or security upgrades due to tenant action.

CENSW proactively monitors tenancy accounts. Where rent arrears or debt are identified, CENSW will:

- make early contact with the tenant to understand the cause
- provide an opportunity to discuss circumstances and develop a repayment plan
- assist with referrals to financial counsellors or support providers, where needed
- review and adjust repayment plans if circumstances change

Where rent arrears exceed 14 days and no repayment plan is in place, or where an existing plan has not been maintained or requires formalisation, CENSW may issue a Notice of Termination.

The purpose of issuing this notice is to enable CENSW to apply to the NSW Civil and Administrative Tribunal (NCAT) for a Specific Performance Order (SPO). It is not intended to end the tenancy immediately. A Notice of Termination will only be issued after the following steps have been taken:

- reasonable efforts have been made to contact the tenant, including by phone call and letter
- opportunities have been provided to discuss circumstances and negotiate a repayment plan
- a reasonable opportunity has been given for the tenant to respond
- all other resolution options have been explored

The objective is to preserve the tenancy by supporting the tenant to enter into or comply with a formal agreement. Eviction is not pursued as a first response.

3.3 Repayment Agreements

CENSW will offer repayment arrangements that are:

- based on individual financial circumstances
- reasonable and achievable
- documented in writing and reviewed as needed

Repayment arrangements may combine both rent arrears and non-rent debts where appropriate. Tenants are expected to maintain the agreed schedule.

3.4 Sustaining Tenancies

Where a tenant experiences ongoing or complex financial issues, CENSW will explore all reasonable options to sustain the tenancy. These may include:

- additional support or referrals
- rent reviews and subsidy reassessments
- revised payment arrangements
- temporary hardship options (see Hardship Policy)

- Termination of the tenancy due to arrears will only be considered after all other options have been exhausted and the tenant has had the opportunity to respond and rectify the situation but has not done so.

3.5 Ending a tenancy for rent arrears or debt

CENSW will only apply to NCAT to end a tenancy in cases where:

- the rent arrears or debt are significant and escalating
- engagement attempts have been unsuccessful
- the tenant has not complied with reasonable payment plans
- all alternative options to sustain the tenancy have been considered and documented

Before any legal action is taken, the tenant will be advised of their rights, the proposed course of action, and any available supports. The Chief Executive Officer must approve an application for an Order of Termination and Possession.

In accordance with the *Residential Tenancies Act 2010 (NSW)*, tenants who pay the arrears in full or comply with a tribunal order may remain in the property.

3.6 Former Tenant Debts

Where a tenancy has ended and a debt remains:

- a final account will be issued
- CENSW will attempt contact to discuss payment or dispute resolution
- A repayment plan may be offered
- CENSW can use the tenant bond to recover all or part of the debt

Formal recovery through NCAT may be considered as a last resort.

4 Appeals

Tenants have the right to appeal decisions made under this policy. The CENSW Appeals Policy has more information on how to make an appeal.

5 Related Legislation, Documents and Policies

- [Residential Tenancies Act 2010 \(NSW\)](#)
- Rent Charging Policy
- Starting a Tenancy Policy
- Ending a Tenancy Policy
- Appeals Policy
- Sustaining Tenancies Policy

6 Variations

Name and Designation of Approver	Head, Co-operative Services
Contact/Responsible Delegation	Cooperative Services Team Manager
Date approved	November 2025
Review Date	November 2028
Version	1