

Policy name	Arrears Management
Policy date	February 2026
Authorisation	Executive Housing & Property
Policy owner	Executive General Manager, Housing Operations
Policy type	Mission Australia Housing Operational Policy
Policy setting	Housing – Tenancy Management

1 Purpose

1.1 Overview

1.1.1 This policy outlines the principles to be followed in managing and minimising rental arrears and non-rent debts for Mission Australia Housing (MAH) tenancies, to the mutual benefit of both tenants and MAH.

1.2 Coverage

1.2.1 This document is a national policy and covers Mission Australia Housing (MAH), and its entities. All references to Mission Australia Housing, MAH and Housing means MAH and its entities unless specifically stated otherwise.

1.2.2 This policy applies to all forms of housing provided by MAH including social, affordable and transitional housing.

1.2.3 This policy covers both rent arrears and non-rent debts, with a focus on rectification.

1.2.4 This policy applies to housing provided by MAH in the jurisdictions of New South Wales (NSW), Tasmania (TAS), Victoria (VIC), Queensland (QLD) Western Australia (WA) and the Northern Territory (NT). Where jurisdiction-based variations exist in policies and procedures, these will be identified in the document.

1.3 Information on procedures and other related policies

1.3.1 This policy focuses on why certain things need to be done. It is supported by procedures that provide more detail on the what to do.

1.3.2 Other MAH policies also need to be considered in managing arrears and non-rent debts. To assist you, these are identified where relevant in this policy and supporting procedures.

2 Scope

2.1 Parts of Mission Australia that this policy covers

2.1.1 This policy applies to MAH staff responsible for working with MAH clients, tenants, and properties.

2.2 Definitions

2.2.1 Key terms used in this policy are defined in the following table.

Term	Definition
Non-rent debt	Unpaid non-rent expenses incurred during a tenancy that the tenant is required to meet. These include costs for property damage and/or cleaning; replacing keys, swipe cards or remote controls; and water usage charges.
Payment plans	An agreement between MAH and a tenant that allows the tenant to pay rental arrears and non-rent debts over an agreed period. Payment plans include information about amounts owing, frequency of repayments and the time allowed for repayment. Where appropriate, they may include special conditions to address any identified root causes of the tenant debt.
Rent arrears	Debt resulting from non-payment of an agreed rental amount.

3 Policy

3.1 Guiding principles

3.1.1 MAH is focused on the needs of tenants and their families:

- Early intervention assists tenants to manage arrears and non-rent debt, and to mitigate associated risks to their tenancy.
- Tenants are provided with the necessary support and tools in order to assist them to manage their tenancy and their financial obligations to MAH

3.1.2 The MAH process for managing arrears and non-rent debt is fair and transparent:

- Tenants are informed of their responsibility to pay rent in advance and are supported to avoid arrears wherever possible.
- Tenants are informed of their responsibility in areas that may give rise to non-rent debt and are supported to avoid or minimise such costs.
- MAH communicates directly and clearly with tenants should arrears or non-rent debt arise.
- Tenants are given the opportunity to appeal organisational decisions in order to ensure fair and transparent outcomes.

3.1.3 MAH provides effective tenancy management:

- MAH takes an early intervention approach to reduce rent arrears and non-rent debt and support sustaining tenancies.
- Effective management of rental arrears and non-rent debt protects the value of the assets under management, and helps MAH fund the provision of housing services.
- Accurate records of rental arrears and non-rent debt matters are maintained in the tenancy management system.

3.1.4 The MAH process complies with relevant laws and procedures.

3.2 Introduction

3.2.1 This policy and associated procedures cover both rental arrears and non-rent debts.

3.2.2 Rental arrears arise where tenants fail to maintain their agreed rental payments. Tenants are informed of their responsibility to pay rent in advance at the start of all new tenancies. Tenants who fail to pay that rent, breach their agreement with MAH.

3.2.3 Non-rent debts can arise in a variety of ways across a tenancy. Examples include failure to pay water usage charges, the cost of replacement keys or locks, the cost of repairing property damage, and cleaning costs. Tenants are informed of their general responsibilities at the start of all new tenancies. Tenants who fail to pay their non-rent debt breach their agreement with MAH.

3.2.4 In the case of both rental arrears and non-rent debt, staff must take early action to rectify the situation in the interests of both tenants and MAH. Early identification of possible problems, followed by quick corrective action:

- Benefits tenants because it stops problems that may threaten the tenancy itself and adversely affect tenants and their households from worsening;
- Protects the properties that MAH has under management; and
- Minimises or avoids later problems that may arise where tenants are vacating properties.

3.2.5 The actions taken will depend upon the individual case, recognising the variety in individual tenant circumstances. Most non-rent debts are relatively small, however can be substantial where property damage is involved

3.2.6 The **Arrears Management Procedure** provides further guidance on the steps to be followed in responding to rental arrears and non-rent debts, including variations in legal requirements between jurisdictions

3.3 Rental arrears

3.3.1 As soon as evidence of arrears emerges, staff should:

- Contact the tenant and work with them in order to set up repayment plans and to ensure that repayments do not become unmanageable for the tenant;
- Assist tenants to connect with services that may help them to manage their financial obligations to MAH (where appropriate); and
- Allow tenants who are experiencing difficulties in rectifying their arrears to enter

into a payment plan (where appropriate).

3.4 Non-rent debts

3.4.1 As soon as evidence of non-payment emerges, staff should:

- Contact the tenant to establish the reason for the non-payment;
- Establish arrangements for payment; and
- Assist tenants to connect with services that may help them to manage their financial obligations to MAH (where appropriate).

3.4.2 Most non-rent debts are relatively small in absolute terms but may still to be difficult for tenants to meet in a single payment. In such cases, a payment plan with additional smaller payments made at the same time as rent may be the best option in paying off the debt.

3.4.3 Where property damage occurs that requires MAH expenditure to rectify, staff will seek to enter into an agreement with the tenant to reimburse MAH as per the **Managing Tenant Damage Charges and Payments**. This may require the creation of a payment plan.

3.5 Payment plans

3.5.1 A payment plan is an agreement between MAH and the tenant. Payment plans:

- Include agreement on the debt owing, the amount and frequency of payment, the method of payment and the total length of the arrangement;
- May include special conditions to address any identified causes of the tenant's debt;
- Are expressed in writing, usually in the form of a confirming letter; and
- May subsequently be varied to take into account tenant circumstances, including the capacity to make payments.

3.5.2 Payment plans are normally voluntary and are developed as part of the arrears management process. However, under certain conditions they may be given legal force. See the **Bad Debt Management Procedure** for further details.

3.6 Refusal to pay

3.6.1 MAH seeks to support and work with its tenants to overcome problems and to ensure the success of their tenancies. However, in some cases tenants may:

- Refuse to rectify arrears or non-rent debts;
- Establish a persistent pattern of arrears;
- Ignore agreed payment plans despite repeated requests; and/or
- Vacate their property without paying their arrears.

3.6.2 In these cases, MAH may be forced to:

- Take formal action to enforce payment under the **Bad Debt Management Procedure**; and/or

- Take action to end a tenancy and secure vacant possession as per the **Ending Tenancies Policy**.

3.7 Appeals

- 3.7.1 Staff will inform tenants of their right to complain about the services of MAH and/or appeal organisational decisions as per the **Appeals and Complaints Policy**.

3.8 Record keeping

- 3.8.1 Staff will ensure that records are kept to support this policy and associated procedures.

4 Responsibilities

4.1 Housing staff including Housing Officers and Client Service Officers are responsible for:

- Informing tenants or their guardian of their responsibility to pay rent and other tenant charges such as water usage.
- Informing tenants of rental arrears or non-rent debts owing.
- Working with tenants to rectify rental arrears or other debts, including the development of payment plans.
- Applying for orders where required.
- Keeping records of the process in the relevant systems.
- Recommending improvements to this policy and associated procedures.

4.2 Team Leaders/Regional Managers are responsible for:

- Assisting housing staff to implement this policy.
- Reviewing arrears data and identifying key performance areas for improvement.
- Ensuring different approaches are trialled to rectify arrears and non-rent debt prior to terminating a tenancy.
- Ensuring good management of evidence in the tenancy management system.
- Incorporating this policy and associated procedures into staff induction and training.
- Ensuring staff are aware of and have access to this policy and associated procedures.
- Escalating feedback about this policy to the policy owner and/or policy writer.

4.3 The State Manager is responsible for:

- Ensuring that MAH complies with this policy and associated procedures.
- Recommending any changes to this policy and associated procedures.