Rental Debt Policy

1. PURPOSE

The purpose of this policy is to provide a clear, consistent and transparent framework for ensuring that the local government principles are reflected in the Rental Debt Policy.

2. SCOPE

This policy applies to all tenants, Council Officers, contractors, agents and assigns of Council.

3. LINK TO CORPORATE PLAN 2025-2030

TSIRC Corporate Plan 2025-2030

Outcome 1: Strengthening Our Communities
1.1 Provide Suitable Public Housing

- Work with the State and Federal Governments and community to ensure that all Torres Strait Island communities have access to safe, secure and culturally appropriate housing.

Outcome 2: A Proactive and Responsible Council
3.1 Provide Good Governance and Leadership

- Ensure responsible financial management and sustainability.
- Ensure compliance with legislative requirements and regulations, uphold the Council's legal obligations, and make ethical decisions in the best interest of the community.

4. POLICY STATEMENT

This Policy is to be applied in conjunction with Debt Recovery Procedure and Rental Debt Management Procedure.

4.1 Debts from a former tenancy cannot be transferred to a tenant's current or pending rental agreement as the debt has no bearing on the current tenancy. Council shall deal with the debts separately.

4.2 Council shall not allocate new housing to a tenant in debt until the tenant repays the whole of the debt.

4.3 If an applicant for new housing is assessed as being of a very high or high level of need, Council shall not delay the allocation because of the debt. The new tenant must sign a rent and arrears payment plan as part of their new general tenancy agreement. If the new tenant declines to sign a rent and arrears payment plan, applications may be approved but the allocation will be deferred until tenant has paid the debt in full.

4.4 If the applicant is assessed as being of a moderate to low level of need, Council

will not proceed with the new allocation of housing until the new tenant has paid off the debt in full. Council will not proceed with the new allocation of housing for that tenant.

4.5 Council's Chief Executive Officer may waive statute-barred debts relating to housing, in accordance with financial delegation under the Fiscal Governance Policy.

4.6 Multiple tenants who signed a general tenancy agreement are jointly and severally responsible for debts incurred under that agreement.

4.7 Tenants who are deemed by the delegated officer to have an implied tenancy will be responsible for any debt accrued while they have resided in a Council housing property.

5. REPORTING

Nil.

6. DEFINITIONS

- **Arrears payment plan**: A formal agreement between Council and a tenant/former tenant outlining scheduled repayments to reduce outstanding rental debt over time.
- **Council:** Torres Strait Island Regional Council (TSIRC)
- **Former tenant:** An individual who previously held a tenancy agreement with Council and no longer resides in a Council-managed property.
- **General Tenancy Agreement:** A legal agreement under the Residential Tenancies and Rooming Accommodation Act 2008 (Qld) that outlines the responsibilities of both tenant and Council in a rental arrangement.
- **Implied tenancy:** A situation where a person resides in a Council property and assumes the rights and responsibilities of a tenant, even without a formal signed agreement, as determined by a delegated Council officer.
- **Joint and several liability:** A legal principle where all tenants who sign a tenancy agreement are equally responsible for the full amount of any debt incurred under that agreement, regardless of individual contribution.
- **Level of need:** A housing assessment category (e.g. very high, high, moderate, or low) used to prioritise housing allocations based on the applicant's circumstances and urgency of need.
- **Rental debt:** Any outstanding rent or related charges owed to Council by a current or former tenant as a result of a tenancy agreement.
- **Statute-barred debt:** A debt that can no longer be legally recovered through court due to the expiration of a legally defined time period under the *Limitations of Actions Act 1974* (Qld).
- **Tenant:** A person who holds or has held a tenancy agreement with Council for a

social housing property, including those assessed for housing or in debt due to past agreements.

7. RELATED DOCUMENTS AND REFERENCES

- *Local Government Act 2009*
- *Residential Tenancies and Rooming Accommodation Act 2008*
- *RTA Regulations 2024*
- *Housing Act 2003*
- *Department of Housing and Public Works Community Housing Rent Policy for Indigenous Councils*
- *Social Housing Policy*

8. REVIEW

Policy type:	☒ Council ☐ Administrative
Directorate:	Community Services
Responsible Officer:	Manager, Housing
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