



## Bankruptcy Policy

### Policy Intent

Housing Tasmania will not exclude people who have declared bankrupt from applying for public housing assistance.

Housing Tasmania recognises that for some people bankruptcy is the only option available to resolve debt.

Housing Tasmania's position is that bankruptcy is not the solution for tenants to resolve rental debt. Housing Tasmania has in place flexible, affordable debt repayment agreements which clients should use as the preferred option for resolving debt. (See Outstanding Charges Policy).

### Exceptions

Where it is clear that the person has declared bankruptcy to avoid repaying a Housing Tasmania debt rather than enter into a debt repayment agreement, the application may be suspended for a period of up to six (6) months, depending upon a review of the persons circumstances by the Manager Access and Support. This period is to enable the applicant to demonstrate a regular rental payment pattern in their current accommodation.

In circumstances where this approach would lead to hardship/homelessness and significant negative impact on individual and household members' health and well being, the case will be reviewed. Each case will be assessed on an individual basis.

### Change in Circumstances

In addition, where there has been a change in circumstances which is impacting significantly on the household's health and well-being, the case will be reviewed

### Re-entry

Applicants who had a debt to Housing Tasmania and have declared bankruptcy will be required to pay rent by Direct Debit, if receiving a Centrelink benefit, and strongly encouraged to undertake financial counselling.

### What costs are recovered?

Housing Tasmania cannot take any action to recover a debt that is the subject of a bankruptcy. This includes ex gratia payments.

For further information relating to this policy please email the helpdesk [housing.policyhelpdesk@dhhs.tas.gov.au](mailto:housing.policyhelpdesk@dhhs.tas.gov.au)