

Rent Arrears Management Guide — ACT 2026

How to handle late rent legally and effectively

A step-by-step guide for ACT landlords and tenants on managing rent arrears. Covers the legal process under the Residential Tenancies Act 1997, notice requirements, breach notices, ACAT applications, and how Jaira Properties manages arrears to protect landlord income while treating tenants fairly.

Introduction

Rent arrears is one of the most stressful situations any landlord faces. Whether it is a one-off payment missed due to a banking error, or a pattern of late payments building toward a serious shortfall, the way arrears is managed in the first few days makes a significant difference to the outcome.

In the ACT, the process for managing arrears is clearly defined by legislation. Following the correct process — in the right order, with the right notices — is essential to protect your rights and maintain your ability to take action if required.

1. Prevention — the best arrears management

The most effective arrears management is arrears prevention. These practices reduce the likelihood of arrears arising:

- ✓ **Thorough tenant screening:** The single most effective prevention. Check rental history, employment stability, and affordability at application stage.
- ✓ **Direct debit rent collection:** Arrange for rent to be paid via direct debit or BPAY — not cash or manual bank transfer which rely on tenant initiative each pay cycle.
- ✓ **OurProperty rent tracking:** We monitor rent receipts daily. Any missed payment is flagged immediately — not discovered days later.
- ✓ **Clear lease documentation:** Ensure the tenancy agreement clearly states the rent amount, payment frequency, payment method, and due date.
- ✓ **Early communication:** If a tenant contacts us about a temporary financial difficulty before falling into arrears, we can often agree a short-term arrangement that avoids a formal breach process.

2. The ACT arrears process — step by step

Under the Residential Tenancies Act 1997 (ACT), there is a prescribed process for dealing with rent arrears. Landlords and property managers must follow this process precisely — taking action prematurely or skipping steps can invalidate notices and delay resolution.

Day	Action	Legal requirement
Day 1–2	Rent not received — internal flag	No formal requirement yet — monitor closely
Day 3–5	First contact with tenant	Phone call or message — check for banking issues
Day 8	Formal reminder issued	Written notice to tenant noting rent overdue
Day 8+	Breach notice issued if unpaid	Notice to Remedy Breach — 14 days to remedy
Day 22+	If not remedied — Notice to Vacate	Notice to Vacate may be issued after breach period expires

Day 36+	ACAT application if tenant has not vacated	Apply to ACAT for termination order
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Important: The above timeline is a general guide. Specific notice periods and requirements under the ACT Act must be followed precisely. If any step is done incorrectly — wrong form, insufficient notice period, improper service — you may need to restart the process. Using a licensed property manager ensures the process is managed correctly from day one.

3. The Notice to Remedy Breach

A Notice to Remedy Breach is the formal first step in the legal arrears process. It must be in writing and must state:

- ✓ The nature of the breach (rent arrears)
- ✓ The amount of rent outstanding at the date of the notice
- ✓ That the tenant has 14 days to remedy the breach (pay the outstanding rent)
- ✓ That if the breach is not remedied, a Notice to Vacate may be issued

The notice must be served on the tenant in a legally effective manner — in person, by post to the tenancy address, or electronically if the tenant has agreed to electronic service. Keep a copy and record the date and method of service.

4. Notice to Vacate for rent arrears

If the tenant does not remedy the breach within 14 days of the Notice to Remedy, you may issue a Notice to Vacate. For rent arrears, the notice period is a minimum of seven days. The notice must comply with ACT requirements in terms of content and service.

If the tenant pays all outstanding rent before the Notice to Vacate takes effect, they are entitled to remain in the property — the notice is nullified by payment. If arrears reoccur within 12 months and you have served a previous Notice to Remedy for arrears in that period, a shorter process may apply.

5. ACAT application for termination

If the tenant does not vacate after a valid Notice to Vacate, you must apply to ACAT for a termination order. ACAT will schedule a hearing, typically within two to four weeks. At the hearing, both parties can present their case. ACAT may make a termination order, a payment order, or adjourn the matter to allow the tenant to repay arrears.

Jaira Properties represents landlords at ACAT for arrears matters at our standard rate of \$95 per hour — charged only if a hearing is required. In most cases, arrears matters resolve before reaching ACAT when the process is managed promptly and professionally.

6. Landlord insurance for rent default

Specialist landlord insurance policies typically include rent default cover — providing up to six to twelve weeks of lost rent if a tenant vacates without notice, abandons the property, or is evicted following an ACAT order. This cover is generally affordable (often \$300 to \$600 per year) and provides significant protection against the financial impact of a serious arrears situation.

Jaira Properties recommends: All Canberra investment property owners should hold a current landlord insurance policy including rent default, malicious damage, and public liability cover. We can recommend reputable providers. Do not rely on standard home and contents insurance — it does not cover tenancy-related risks.

7. For tenants — if you are struggling to pay rent

If you are experiencing financial difficulty and are concerned about your ability to pay rent, contact your property manager as early as possible — before falling into arrears if you can. Early communication leads to better outcomes for everyone. Options that may be available include:

- ✓ A short-term repayment arrangement agreed in writing
- ✓ ACT financial hardship assistance — contact the ACT Community Services Directorate
- ✓ National Debt Helpline — free financial counselling: 1800 007 007
- ✓ Centrelink Rent Assistance if you are eligible
- ✓ Legal Aid ACT Tenancy Advice Service for free, confidential advice

Jaira Properties monitors rent receipts daily and manages arrears promptly, professionally, and in full compliance with ACT legislation — protecting your income and your investment.
jaira.com.au — jaira.com.au | Offices in Phillip and Gungahlin

Disclaimer: This guide is general information only and does not constitute financial, legal or tax advice. Always seek advice specific to your situation from a qualified professional. Information is current as at June 2026 and subject to change. Jaira Properties — ACT Licence No. 18404216.