

Rent Setting Policy (HCT)

Chief Operating Officer

Document Owner

1

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1 Purpose

To outline how HCT calculates rent for all social housing properties; pertaining to all tenants and their assessable household income.

2 Scope

This policy applies to social housing tenancies owned or managed by HCT and documents how tenant contributions to rent are calculated.

This policy does not include rent setting for specialist disability accommodation.

3 Scheduled Review

The Director of Housing Services is responsible for reviewing this policy.

4 Policy Statement

HCT is committed to providing housing that is affordable for our residents.

HCT charges its social housing residents a tenant contribution towards the rent. The tenant contribution is determined in line with our funding and contractual obligations and other legislative frameworks relating to maximum allowable rental charges.

In general, and for the purposes of this Policy, tenant contributions should not exceed 25% of income plus 100% of Commonwealth Rent Assistance (CRA) or 75% of Market Rent.

For specific Program information please contact Housing Choices Tasmania

4.1 Rent Setting

Rent setting is undertaken in line with individual programs and funding requirements, for example general social housing or the National Rental Assistance Scheme, (NRAS). This information will be provided to the Applicant upon making the housing offer. Housing Choices Tasmania staff will follow the detailed Rent Setting Procedure which accompanies this Policy.

HCT uses the existing market rent to determine the threshold for all properties. The market rent is the rent that would be charged for the property if it were to be leased in the private rental market. It is based on independent property valuations and/or benchmark data obtained from the Australian Tax Office.

The tenant contribution paid by residents is based on a calculation of the total assessable household income of all household members but cannot exceed 75% of the market rent for the property.

All applicants are asked to provide correct household income and composition information in order to determine the tenant contribution. Existing residents are also required to provide updated information when:

- The resident's income changes;
- The income of another member of the tenant's household changes;
- The household composition changes; and/ or
- HCT request that information.

Applicants will be provided with information on their tenant contribution prior to commencement of the tenancy.

If there is a change in the market rent for a property, existing residents will be given notice in writing in accordance with the Residential Tenancy Act (Tas) 1997.

Housing Choices Tasmania includes Commonwealth Rent Assistance (CRA) in all rent setting. Housing Choices Tasmania calculates the CRA based on the full entitlement for each household member regardless of whether they are in receipt of that income or not.

It is the resident's responsibility to ensure that all household members are in receipt of accurate and correct payments. HCT can support tenants via referral services to assist with this process

4.2 Definitions

Rent is set as the **market rent** for an individual property. This is the amount of rent charged should the property be in the private rental market. For HCT properties, rent is capped at 75% of the market rent.

Tenant contributions is a subsidised rent based on household income and composition.

Rental Subsidy is the difference between either 75% of the market rent or 25% of income plus CRA and the actual tenant contribution. This reflects the subsidy incurred by HCT.

Commonwealth Rent Assistance (CRA) This is the eligible dollar amount paid by Centrelink to eligible Centrelink recipients. Housing Choices Tasmania will apply this amount when setting the contribution to rent

4.3 Determining Rent

The amount of rental contribution charged is different for different rental programs.

4.3.1 HCT Owned and Managed

This method takes account of the income and assets of the tenant and their household members aged 16 or over. The tenant contribution is calculated as follows:

- 25% of an individual/household primary income and Centrelink Allowances dependent on the property program; plus
- 25% of Family Benefit Income (including maintenance payments); plus
- 100% Commonwealth Rent Assistance (if eligible).

If the tenant contribution is higher than 75% of the market rent the maximum of 75% of market rent will apply.

4.4 Residents that have transferred over from Housing Tasmania

If the resident's lease was converted from a Housing Tasmania lease to an HCT lease, the tenant contribution is capped at 75% of the market rent and is calculated as follows:

- 25% of the household primary income, maintenance payments and investments; plus
- 15% of Family Tax Benefit Part A
- 100% Commonwealth Rent Assistance (CRA)

Some residents who convert from a Housing Tasmania lease to an HCT lease will receive minimal or no CRA due to their circumstances. In these instances, the tenant contribution is capped at the Housing Tasmania determined market rent.

If the resident's lease remains with Housing Tasmania the tenant contribution is capped at the Housing Tasmania determined market rent and is calculated as follows:

- 25% of the household primary income, maintenance payments and investments; plus
- 15% of family payments (FTB A) and
- 5% of family payments (FTB B)
- 100% Commonwealth Rent Assistance

4.5 National Rental Affordability Scheme (NRAS) Properties

The tenant contribution is calculated based on the household income and the relevant market rent. Residents are on fixed term leases and can only have their tenant contribution adjusted in line with changes in the market rent. Tenant contributions are to be no more than 75% of the market rent. The tenant contribution is calculated as follows:

- 30% of the household primary income, Centrelink Allowances and investments; plus
- 30% of family payments and maintenance payments; plus
- 100% Commonwealth Rent Assistance

4.6 Income Information Required

A range of income information for each household member is required to determine the overall tenant contribution. Details of what needs to be provided will be discussed with the applicant or resident by HCT staff.

Tenants can provide authority for Housing Choices Tasmania to access their income details using the Income Confirmation Scheme for all household members in receipt of income support payments. Tenants and household members provide their authority to access their income details in line with the Centrelink eService Terms and Conditions Policy by completing the **Centrelink Authorisation Form**.

Tenants who have provided access to their income details via Centrelink eService may not need to send income documentation (unless otherwise advised) but are required to complete a Confirmation of Household Members Form and update these when there is a change in household composition

NOTE: Where the self-employed resident's income results below the standard rate of Newstart Allowance, then the income will be assessed at the current Newstart Allowance rate.

4.7 What happens when household members do not provide the required income documents?

If the resident fails to provide all required income related documentation by the requested date, the tenant contribution will be automatically set to 75% of the market rent. The resident will be notified in writing, with an effective date 60 days after the first notification letter is sent.

The 75% of market rent will continue to be charged until all the required documentation is provided.

4.8 What happens if the household income changes?

The Leaseholder must inform HCT when household income changes so that the correct tenant contribution can be assessed and applied. Your change in rent will be effective 14 days after your rent review has been completed.

NOTE; Household members with fluctuating incomes cannot have a new rent assessment undertaken more than once per quarter. A minimum of 12 weeks income evidence is required before a re-assessment can be undertaken.

If HCT is notified later than 14 days of the change in the individual/household income, the change in the subsidised rent will be effective from the date the application was completed and all required documentation received.

4.9 Residents with Nil or No Income

Residents with no or nil income will be deemed to be receiving the relevant Centrelink benefit.

If a resident has a preclusion period with Centrelink because they have been terminated from employment or are serving a “liquid assets waiting period”, HCT would deem their income to be the Centrelink income they would otherwise be entitled to, such as Job Seeker.

Residents in receipt of a compensation settlement may have a period of preclusion from receiving Centrelink benefits. In these instances, HCT will assess income to be the Centrelink income they would otherwise be entitled to had they not received the compensation settlement.

Residents in receipt of a statutory income benefit and travel overseas may have this income frozen while overseas. In these instances, HCT will assess income to be the Centrelink income they would otherwise be entitled to.

Clients may have a reduced income if they have ‘breached’ Centrelink requirements by not seeking work or they are repaying a Centrelink debt. In these instances, the tenant contribution is calculated by assessing all deemed eligible income and full entitlements, including CRA

4.10 Setting Special Rents

In exceptional circumstances (e.g. For those in short term incarceration), the rent setting policy may not apply for a determined period and the tenant contribution may be calculated using another policy such as the Temporary Absence from Property Policy.

Market rent

Valued by valuer and discounted to 75%

<p>25% of Primary Income of each individual sharer's primary income and/or 25% of related, and</p> <p>25% of Family Income</p> <p>Family payments A and B, maintenance payments</p> <p>Commonwealth Rent Assistance</p> <p>100% of the value of entitled Commonwealth Rent Assistance.</p>	<p>Rental contributions should not exceed 75% of the deemed market rent.</p>
<p>BHF Properties</p>	
<p>25% of Primary Income of household members primary income</p> <p>25% of Family Income – if were not previous tenants of Housing Tasmania Family payments A and B, maintenance payments</p> <p>15% of Family Income – if were previous tenants of Housing Tasmania Family payments A and B, maintenance payments</p> <p>Commonwealth Rent Assistance 100% of the value of entitled Commonwealth Rent Assistance</p>	<p>If income assessed rent equates to more than 74.99% of market rent, the rent will be capped at the discounted market rent</p>

5 References:

LEGISLATION & STANDARDS	RELATED INTERNAL DOCUMENTS
<ul style="list-style-type: none"> • Residential Tenancy Act, TAS 1997 • Rent Setting and Rent Review Procedure-TAS • ATO- Benchmarking rents 	<ul style="list-style-type: none"> • Household Composition Form • Centrelink Authority Forms • Temporary Absence From Property Policy



English:

If you need an interpreter, please call TIS National on 131 450 and ask them to call **Housing Choices Australia** on **1300 312 447**. Our business hours are **9am to 5pm, Monday to Friday**.

You can also visit the TIS National website for translated information about the service TIS National provides. Visit: www.tisnational.gov.au

Arabic:

إذا كنت بحاجة إلى مترجم، يرجى الاتصال بـ TIS الوطنية على الرقم 131 450 وأطلب منهم الاتصال بـ **Housing Choices Australia** على هاتف رقم **1300 312 447**. ساعات العمل الخاصة بنا **9am to 5pm, Monday to Friday**.

يمكنك أيضا زيارة موقع TIS الوطنية للحصول على معلومات حول الخدمات التي تقدمها TIS الوطنية. قم بزيارة: www.tisnational.gov.au

Farsi (alt Persian):

اگر به مترجم نیاز دارید، لطفاً با شماره تلفن تیس نشنال 131 450 تماس بگیرید و از آنها بخواهید با **Housing Choices Australia** به شماره **1300 312 447** تماس بگیرید. ساعت کاری ما **9am to 5pm, Monday to Friday** است.

www.tisnational.gov.au شما همچنین می توانید به وب سایت تیس نشنال برای اطلاعات در مورد خدماتی که تیس نشنال فراهم می کند مراجعه کنید. به

Vietnamese:

Nếu quý vị cần thông dịch viên, xin hãy gọi cho Dịch vụ Thông Phiên dịch Quốc gia (TIS Quốc gia) theo số 131 450 và yêu cầu họ gọi cho **Housing Choices Australia** theo số **1300 312 447**. Giờ làm việc của chúng tôi là **9am to 5pm, Monday to Friday**. Quý vị cũng có thể vào thăm trang mạng của TIS Quốc gia để có thông tin về các dịch vụ mà TIS Quốc gia cung cấp. Hãy vào thăm www.tisnational.gov.au

Somali:

Haddii aad u baahan tahay turjumaan, fadlan ka wac TIS National taleefanka 131 450 waxaad ka codsataa inay kuu wacaan **Housing Choices Australia** iyo **1300 312 447**. Saacadaha Shaqadu waa **9am to 5pm, Monday to Friday**.

Waxaad kaloo booqan kartaa website-ka TIS National ee macluumaadka turjuman oo ku saabsan adeegga TIS National ay bixiso. Ka eeg: www.tisnational.gov.au

Simplified Chinese:

如果您需要口译员，请拨打TIS National 的电话131 450，请他们打电话给**Housing Choices Australia**。电话号码：**1300 312 447**。我们的营业时间是**9am to 5pm, Monday to Friday**。

你也可以访问TIS National 的网站，了解TIS National提供的服务。网址：www.tisnational.gov.au

Traditional Chinese:

若你需要口譯員，請撥打TIS National電話131 450並請他們轉接 **Housing Choices Australia** 的電話 **1300 312 447**。我們的工作時間是 **9am to 5pm, Monday to Friday**。

你也可以瀏覽TIS National 網站瞭解TIS National 的服務資訊，網址：www.tisnational.gov.au

Spanish:

Si necesita un intérprete, por favor llame a TIS National en el 131 450 y pida que lo comuniquen con **Housing Choices Australia** en el **1300 312 447**. Nuestro horario de oficina es **9am to 5pm, Monday to Friday**.

También puede visitar el sitio web de TIS National para obtener información acerca de los servicios que provee TIS National. Visite www.tisnational.gov.au

Italian:

Se hai bisogno di un interprete, telefona a TIS National al numero 131 450 e chiedi di chiamare **Housing Choices Australia** al **1300 312 447**. I nostri orari d'ufficio sono **9am to 5pm, Monday to Friday**.

Puoi visitare anche il sito web TIS National per informazioni tradotte sul servizio che TIS National fornisce. Visita il sito: www.tisnational.gov.au

For other languages, access to an interpreter is available by contacting Housing Choices Australia on 1300 312 447.