

# Rent Setting, Review & Payment

## How do we calculate rent?

Centacare Evolve Housing manages two main types of community housing: Social Housing and Affordable Housing. The amount that tenants pay is calculated differently for each.

### Social Housing

Social Housing tenants either pay:

- **Tenant Contribution:** which is calculated as 25% of assessable household income entitlement, plus up to 100% of Commonwealth Rent Assistance eligibility; or
- **Rent:** which is the assessed market rent value for the property.

Tenants pay whichever is the **lowest** of these two amounts.

### Affordable Housing

Affordable Housing tenants pay **Rent** which is calculated as follows

- Assessed market rent, discounted by approximately 25%.
- We have adopted an internal process to limit the impact of rent increases by using household income data (where supplied) to assess affordability and allocation suitability.

We manage other housing programs that may differ from these two methods – in particular, the [Private Rental Incentive program](#) and [Rapid Rehousing](#). Fact Sheets about these programs and the way rent is calculated are available on the Department of Communities website.

## What is Market Rent Value?

Market rent value is the amount that a dwelling would be rented for in the private market, assessed by an independent external assessor, or by management review using market analysis.

## When do we review the amount that tenants pay?

Centacare Evolve Housing receives market rent valuations annually and makes sure they are correctly applied in accordance with contractual requirements, tenancy legislation and policy.

- **Rent** is reviewed annually in line with market rent valuations.
- **Tenant Contribution** is reviewed whenever we become aware of a household income change, or as part of our annual tenancy review.

These reviews help us to confirm that the amounts charged are correct and in line with our affordability process.

## How Do We Review Rent or Tenant Contribution?

Centacare Evolve Housing understands the impact that increases can have on our tenants. We follow a process that ensures reviews are fair and correct.

1. Market rent valuations are assessed by independent and accredited professionals. If an external valuation has not been conducted, a management review using market analysis is applied to assess valuations.
2. We ask tenants to provide information about their total assessable household income (which includes the income of all household members over the age of 16). This can be done by completing a Household Income Statement or by providing us with consent to confirm household income with Centrelink.
3. Once **Rent** or **Tenant Contribution** has been reviewed, we send a letter confirming any change.
4. Notification periods vary depending on the type of change involved.
  - a. If **Rent** has increased, we are required to provide tenants with 60 days' notice in accordance with the *Residential Tenancy Act 1997 (Tas)*.
  - b. If **Tenant Contribution** has increased, we are not required to provide a notice period because it is the amount of contribution paid towards the rent that has changed.
  - c. If either **Rent** or **Tenant Contribution** has decreased, we will action it immediately without a notice period.
5. If tenants do not provide household income data, we apply:
  - a. **Social Housing**: market rent.
  - b. **Affordable Housing**: 75% of market rent.

## Paying Rent or Tenant Contribution.

It is important that **Rent** or **Tenant Contribution** is paid correctly and on time. Centacare Evolve Housing requires tenancies to be either one or two weeks in advance (as set out in the Lease).

We offer four payment options.

1. Centrepay: This is a service which is free for eligible Centrelink customers. Tenants can use Centrepay to arrange regular deductions from their Centrelink payments. We can help set up a Centrepay process.
2. EFTPOS: This is an electronic payment system that is available in our office or over the phone.
3. BPAY: This allows for one-off or scheduled payments into our bank account using payment details provided.
4. Post Billpay; this allows payment via the Post Billpay app, online or in person at any Australia Post outlet using payment details provided.

## Failure to Pay Rent or Tenant Contribution

Failure to pay the correct amount on time leads to an arrear's debt. Debts then need to be managed by maintaining a repayment agreement which involves paying an extra amount until the debt is repaid. Debt that is not repaid through a repayment agreement can have negative tenancy consequences. We can refer tenants to internal and external support services if needed.

## **What happens if tenants want more information or do not agree with the process?**

The way that Centacare Evolve Housing calculates and notifies tenants about changes to **Rent** and **Tenant Contribution** is governed by contractual and legislative requirements, in particular the *Residential Tenancy Act 1997 (Tas)*.

However, we recognise that all tenants have the right to question a review outcome, or how it has been applied.

Our process for tenants who want more information about a review or who wish to appeal the outcome is:

1. Contact your Tenancy Officer.
2. If necessary, lodge a complaint or dispute in accordance with our Complaints & Appeals Policy and Procedure (available on our [website](#)).

### **To Find Out More**

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