



Contents

Overview1

Policy Statement2

 Calculation of Subsidised Rent2

 Income Based Rents2

 Changes in Household Circumstances3

 Rent Reviews3

 Hardship and Special Circumstances4

 Additional Property Costs for Some Properties4

 Appeals Over Rent Charge4

 Ineligibility for Rent Rebate.....4

 Discretion4

 Tenants Right to Review Decisions4

Related Documents and References5

Definitions5

Document Control Information.....6

Overview

Purpose	<p>This policy is to provide guidance about the rental calculation process and determination. This includes relevant meanings and understanding of the rental calculation process.</p> <p>SAH offers a full and transparent rental calculation process for all tenants. We seek to ensure that the rent payable is affordable for the tenants, dependent upon their needs.</p>
Who does this apply to?	<p>This policy applies to All Salvation Army Housing Employees (SAH) and all housing programs and properties owned or managed by SAH.</p> <p>This policy does not apply to properties managed by SAH on behalf of other property owners where the owner retains responsibility for determining rent.</p> <p>This policy does not apply to properties located in Victoria.</p>
Effective date	01/07/2018

Policy Statement

The level of rent set for properties managed by SAH will be determined according to the type of property, funding program, location, and household income, and is subject to regular review.

Calculation of Subsidised Rent

1. Rents will be calculated on either an:
 - Income Based Method, or
 - Discount to Market Rent Method
2. Where a property is owned by, or agreements exist that bind us to specific government policies, the rent that is charged will be based upon the requirements of the jurisdiction for that property.
3. As a general principle, transitional/community housing/social housing properties will be based upon an Income Based rent, whilst affordable housing properties will be based upon a 'discount-to-market-rent' basis.

Income Based Rents

1. The following classes of properties will have rents set according to Income Based rent rules. The properties include:
 - Supported Housing properties
 - Social Housing properties
 - Affordable Housing properties (where The Salvation Army is a support provider as part of Supported and/or Social Housing program)
2. When calculating the rent, the income-based rent will be calculated pursuant to respective State Housing Authority Rent Setting Policies as follows:
 - 25% of household's gross income (assessed income types are determined by the respective State Housing Authority, some income types are calculated at 15%), plus
 - 100% of tenant's entitlement to Commonwealth Rental Assistance
 - Rent payable will not exceed 30 % of Household Income.

Housing Type	% Income used for rent
Housing owned by State Government agencies (or otherwise limited by government agreements)	25% ¹
Other housing	30%

¹ Some components of income are excluded from the household's income and others are at an altered rate (e.g. Family Tax Benefit). Refer to the relevant State or Territory community housing rent policy for actual income components included and the percentage of rent that applies.

3. Maximum Rent Payable
 - Where the calculated rent is higher than market rent (or the applicable affordable housing rent), then the rent will be limited to market rent.
 - The market rent will be determined by using comparative figures for the relevant region.
 - In NSW, this will be determined using the relevant Rent and Sales Report published by Housing NSW.
4. Commonwealth Rent Assistance
 - SAH will calculate the rent based on the proof of the tenant's gross income which may include their understanding of whether or not the tenant is eligible to receive Commonwealth Rent Assistance (CRA).
 - The tenancy manager will explain and provide the tenant with a copy of their rental calculation as well as a copy of the CRA fact sheet. If the tenant is not eligible for CRA then it is expected the tenants rent be recalculated as soon as possible. (NB: If the tenant fails to apply for CRA, they are still required to pay the CRA rent component).
5. Market Rent

- Market rent will be determined by a market rent valuation provided by the State Housing Authority or the ATO benchmark market values.
 - In South Australia and Tasmania, if a household fails to supply income information when requested a household will be charged market rent in accordance with the State Housing Authority Rent setting policy.
- For properties operating under the Affordable Housing system (such as the National Rental Affordability Scheme), rents will be capped at a percentage of the market rent for the property.
- The maximum rent that will be charged is as follows (refer to the following table):

Property Owner	Maximum Rent Level
Properties owned by The Salvation Army	74.9% of Market Rent
Other property owners	80% of Market Rent (or less if by agreement of owner)

- In setting rents for individual properties, effort will be made to ensure that the level of rent is affordable for the household. This will generally mean that rents are targeted to be no more than 30% of the household income. Where this is not possible, consideration will be given to the circumstances of the household and alternative options available.

Changes in Household Circumstances

1. If a tenant's household income or family circumstances change at any time, the tenant must advise SAH and provide evidence of this change.
2. If a tenant's household income increases or decreases, the household income will be re-assessed, and the rent subsidy will be recalculated and made effective from the date the tenant advised SAH of the change to income occurred based on the documents provided.
3. If a tenant advised SAH of a change in household circumstance, SAH will:
 - re-assess the tenant's rent charges on this policy.
 - determine that a different approach to rent charge should apply to that tenancy, or
 - back-date an adjustment to the rent payable by the tenant to which the tenant is entitled in accordance with this policy.
4. If a tenant subsequently provides information about reduced household income after a rent review, changes will only take effect on and from the date the tenant contacted SAH and provided reasonable details of the household income. SAH may agree to back-date changes in rental subsidies in circumstances where SAH determines that the hardship provision of this policy applies.

NOTE: Refer to the Arrears Management Policy and Hardship Policy.

Rent Reviews

1. SAH aims to conduct an annual rent review in line with the tenancy lease renewal. The aim of this process is to capture all changes to the tenant's income and household composition. It is essential that all tenants participate in this process, or they may be charged the market rent as a result.
 - South Australia conducts rent reviews twice a year as per State Housing Authority directive across long-term tenancies.
 - Western Australia conducts rent reviews once a year for long term-tenancies. The aim of this process is to capture all changes to the tenant's income and household composition. It is essential that all tenants participate in this process, or they may be charged the market rent as a result.
 - Tasmania conducts rent reviews annually if there is a change in household income or circumstances. It is essential that all tenants participate in this process, or they may be charged the market rent as a result.
2. In the case of crisis and transitional accommodation, many tenancies will be of a short-term nature and therefore this rent revision will not apply.

Hardship and Special Circumstances

1. SAH has developed a range of policies including its 'Hardship Policy' and 'Sustainable Tenancies Policy', to assist tenants whose circumstances have changed or who have incurred additional costs associated with their health, disability, remote location, or other circumstances that impact on their cost of living.
2. SAH is committed to working with its tenants to assist and refer them to access appropriate supports to sustain their tenancy and maintain a stable and secure home. Tenants are encouraged to use the provisions of the supporting policies in the case of rent difficulties.

Additional Property Costs for Some Properties

1. Some SAH properties provide facilities and utilities to tenants that would normally be paid for by tenants in addition to rent.
2. Examples of these additional services include:
 - Electricity
 - Gas
 - Water
 - Gardening
 - other services or facilities made available to the resident or tenant
3. A charge in addition to rent is applicable where a property is either co-tenanted or is not separately metered and will be detailed as a separate charge or will be included in the rent amount. This amount will be reviewed annually to ensure tenants are being charged fairly.
 - In South Australia rent will include a flooring replacement levy charge for all properties under the State Housing Authority Master Agreement.

Appeals Over Rent Charge

1. Where a tenant believes that the rent charged is not fair or appropriate, they may appeal to the State Manager – either directly or via their case worker, who will then review the calculation of the rent and the special circumstances (if any) applying to the case.

Ineligibility for Rent Rebate

1. Where a tenant fails to meet the requirement of the program, their rent rebate may be revoked, and they will then be subject to market rent.
For example, an instance that this may apply is where a tenant fails to provide up-to-date income details to SAH.

Discretion

1. State Managers have discretion to approve or revoke approval at any time outside of this policy framework, not including legislative requirements. The reasons for discretion must be documented on the tenant's record.

Tenants Right to Review Decisions

1. Tenants have the right to appeal process if they are unhappy with a decision made by SAH; where a tenant believes that the rent charged is not fair or appropriate. If a client is not satisfied with a decision, they should be encouraged to lodge a written request of appeal to the relevant SAH office. The case worker will then review the calculation of the rent and the special circumstances (if any) applying to the case. For further information refer to the Appeals Policy.

Related Documents and References

Related Policy Documents

Rent Arrears and Hardship Policy
Arrears Management Policy
Eligibility Policy
Hardship Policy
Complaints, Feedback and Appeals Policy

Related Procedure Documents

Allocations Procedure
Arrears Management Procedure
Rent Collection Procedure
Market Rent Valuation Procedure
Rent Refunds Procedure
Rent Reviews Procedure
Rent Setting Procedure
Temporary Rent Suspension/Reduction (THM only) Procedure

Related Supporting Documents

Appeals Brochure
Tenant Handbook

Related Legislation

Privacy Act 1988 (Federal)
The Privacy and Personal Information Protection Act 1998 (NSW)
Information Privacy Act 2014 (ACT)
The Information Privacy Act 2009 (Qld)

Related Accreditation

PO 1 – Tenancy and Housing Services

Other Relevant Documents /Resources

WA State Government Community Housing Rent Policy
CRA fact sheet

Document Control Information

Document ID	SAH_Rent Setting Procedure (SAH)	
Theme	Business Support	
Category	Housing Operations	
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Approval Authority	General Manager Strategy, Compliance and Finance	
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Previous Documents	Rent Setting Policy SACHS Rent Setting Policy SAH	
Document History	Date	Summary of Changes
		Inaugural
	01/07/2018	Updated into Policy Manual
	05/08/2024	Updated onto new Policy Template Combined into new Rent Setting Policy SAH