



Government of **Western Australia**  
Department of **Housing and Works**

# **Targeted Affordable Rental Housing (TARH) Policy and Guidance Document 2025**

# 1 Terms used in this document

**Band A:** refers to households who meet the Social Housing eligibility criteria in the Community Housing Income and Asset Limits Policy.

**Band B:** refers to low to moderate income households who meet the Affordable Housing eligibility criteria in the Community Housing Income and Asset Limits Policy, and exceed the income and asset limits for Social Housing.

**Community Housing Organisation:** means any not-for-profit organisation incorporated under the Law of the Commonwealth of Australia or the State of Western Australia (WA), or a Local Government Authority, that provides Crisis Housing, Social Housing and/or Affordable Housing to Eligible Persons in WA. The term is sometimes used interchangeably with 'Community Housing Provider' and for the purpose of this document they have the same meaning.

**Community Housing Registration Office:** the Community Housing Registration Office, or 'CHRO', is responsible for administering the [Community Housing Regulatory Framework](#), including the registration of Community Housing Organisations in WA, and regulatory activities under the scope of the framework. The CHRO is part of the Department of Housing and Works.

**Disability:** an intellectual, psychiatric, cognitive, neurological, sensory or physical impairment or combination of those impairments, that is permanent or likely to be permanent, and for the purposes of this document has a functional impact on housing requirements.

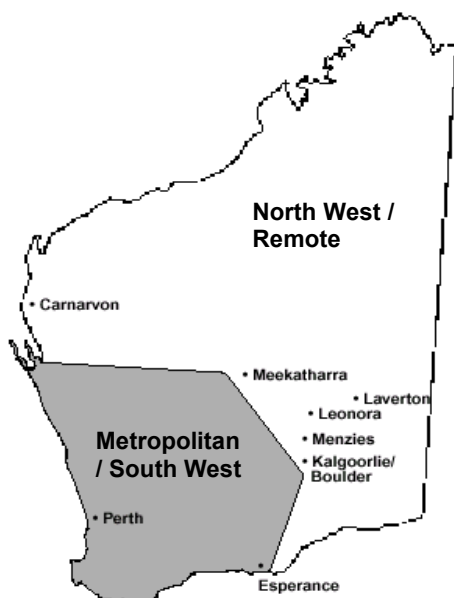
**Housing Authority:** means the Housing Authority established pursuant to the *Housing Act 1980 (WA)*. The Housing Authority operates from within the Department of Housing and Works.

**North West/Remote, Metropolitan/South West:** the areas depicted in Figure 1.

**Registered:** refers to being registered under the [Community Housing Regulatory Framework](#) as a Tier 1, 2 or 3 provider of community housing in WA.

**Social Housing:** refers to rental housing provided by the Housing Authority and Community Housing Organisations for Band A households.

**Targeted Affordable Rental Housing:** Targeted Affordable Rental Housing, or ‘TARH’, is Affordable Housing delivered by the State Government in partnership with a Community Housing Organisation, with the benefit of a State Government contribution of land or funding, and in compliance with the TARH Policy.



**Figure 1 – Broad geographic divisions for determining income limits**

## 2 Purpose

In 2024, the State Government introduced the Targeted Affordable Rental Housing (TARH) Policy. The Policy provides that State Government contributions to affordable rental housing in projects delivered by State Government entities and Community Housing Organisations (CHOs)<sup>1</sup> target households with the most acute need for support within the Band B income limits.

The WA households experiencing the most acute housing stress are concentrated within the ‘Band B’ income range set by the Housing Authority (or by the Department of Housing and Works acting on the Housing Authority’s behalf) to determine eligibility for affordable housing support.

To effectively target these households, the TARH Policy comprises:

1. the ‘Band B’ provisions in the [Community Housing Eligibility Policy \(CHEP\)](#) (formerly the Community Housing Income and Assets Limits Policy)
2. the rent setting approach in the [Community Housing Rent Setting Policy](#), and
3. the guidance published annually in this Document.

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<sup>1</sup> Including where a CHO is partnered with a developer in a consortium. To develop TARH in partnership with the State Government, CHOs must be registered in WA through the Community Housing Registration Office.

### 3 Scope

The TARH Policy applies to all affordable rental housing in residential housing developments delivered with the benefit of a State Government contribution (of funding, land, or other in-kind contributions) in partnership between:

1. any WA Government entity, including but not limited to:
  - Department of Housing and Works,
  - Department of Planning, Lands and Heritage,
  - DevelopmentWA; and
2. any CHO registered in WA, or any Special Purpose Vehicle or legal entity in partnership with a CHO registered in WA (including where a CHO is partnered with a private developer), engaged in affordable housing development activities with the WA Government.

The TARH Policy does not apply to affordable housing delivered by CHOs without the benefit of a State Government contribution.

The Policy applies to in-scope projects commencing procurement activity from 1 October 2024. The Policy does not apply retroactively, or to projects where procurement activity was already underway on this date.

The Policy is not intended to limit State Government agencies' ability to target affordable housing to specific groups (such as Aboriginal households, people living with disability, or people with crisis housing needs) where there is project-specific funding.

Affordable Housing dwellings delivered under the scope of this Policy will be referred to as Targeted Affordable Rental Housing or 'TARH'.

### 4 Tenant eligibility criteria

To be eligible for TARH, the household must meet the following eligibility criteria:

1. The applicant is an Australian citizen or permanent resident currently residing and receiving income in Western Australia.
2. Gross annual household income is within the 'Affordable Housing (Band B) Income Eligibility Limits' in the [Community Housing Eligibility Policy \(CHEP\)](#)
3. The value of the household's assessable assets does not exceed the Band B Asset Eligibility Limits in the CHEP.
4. The household does not own or partly own property or land that constitutes a viable housing option, as per the CHEP.

### 5 Rent setting

- Rents must be set in accordance with the [Community Housing Rent Setting Policy](#).

- Providers must charge an affordable rent of no less than 25% and no higher than 30% of a household's net (after tax) income plus Commonwealth Rent Assistance.
- No rent can exceed the current Market Rent for any property.
- Charitable organisations must not exceed the maximum amount allowed so as to constitute a Goods and Services Tax-free supply (i.e. 74.9% of market rent) as provided for in *A New Tax System (Goods and Services Tax) Act 1999*.

## 6 Target cohorts

- CHOs should ensure priority is given to Band B eligible households in the order they appear in the Target Cohort List and be able to demonstrate this when requested by the applicable Government entity.
- The Department of Housing and Works will set the Target Cohort List and review it on an annual basis. This includes updating the income limits for the Category 3 and Category 4 cohorts each year. The Category 5 limit is the Band B income limit.
- To recognise the additional costs of living in the North West and remote parts of Western Australia, a loading is added to income limits.
- A 25% loading is also added to recognise the additional costs faced by people living with disability where there is a functional impact on housing requirements.
- The Target Cohort List below is effective June 2025 (continued on next page).

Target Cohort List			
<b>Category 1</b>	Band B eligible households who are experiencing urgent need for housing support and are at risk of acute housing stress or homelessness, such as women and children affected by family and domestic violence, older single women and First Nations peoples.		
<b>Category 2</b>	Over income 'Band A' housing tenants who meet the Band B eligibility criteria, sourced from the Department of Housing and Works' transfer list for the applicable zone (metropolitan) or town (country), or Band B applicants from CHOs own waitlists.		
<b>Category 3</b>	Band B eligible households with a combined annual household income not exceeding the following amounts:		
	<b>Household size</b>	<b>Metropolitan / South West</b>	<b>North West / Remote</b>
	<b>1 person</b>	\$40,000	\$55,000
	<b>2 people</b>	\$55,000	\$65,000
	<b>3 people</b>	\$60,000	\$75,000
	<b>4 people</b>	\$70,000	\$90,000
	<b>5 people</b>	\$85,000	\$105,000
	Apply a 25% loading to the above amounts for households including a person living with a disability that is permanent, or likely to be		

	permanent, and impacting housing requirements.		
<b>Category 4</b>	Band B eligible households with a combined annual household income not exceeding the following amounts:		
	<b>Household size</b>	<b>Metropolitan / South West</b>	<b>North West / Remote</b>
	<b>1 person</b>	\$55,000	\$70,000
	<b>2 people</b>	\$65,000	\$80,000
	<b>3 people</b>	\$80,000	\$95,000
	<b>4 people</b>	\$95,000	\$115,000
	<b>5 people</b>	\$105,000	\$125,000
	Apply a 25% loading to the above amounts for households including a person living with a disability that is permanent, or likely to be permanent, and impacting housing requirements.		
<b>Category 5</b>	Band B eligible households with a combined household income that exceeds the amounts in Category 4 but does not exceed the Band B income eligibility limit as per the <a href="#">CHEP</a> (including any applicable loadings).		

## 7 Income Limit Indexation

- The Band B income limits in the [CHEP](#) are indexed and published by the Department of Housing and Works in May each year.
- CHOs should take this into account when modelling need for funding.
- The Category 3 and Category 4 income limits above will also be indexed each year to effectively maintain the same target cohorts.

## 8 Surplus funds from TARH developments

- CHOs are required to use surpluses generated from TARH to contribute to the development of further TARH in Western Australia.
- When requested, CHOs must show the surplus generated from TARH and demonstrate how it has been, or will be, used to fund further TARH.

## 9 Exemptions to the Policy

- State Government entities may seek approval from the Residential Lands and Housing Delivery Ministerial Oversight Committee for an exemption or variation to the TARH Policy for individual projects, with consideration given to:
  - Potential to increase the overall supply of housing (including social, affordable, and private market housing) on the site.

- Site specific viability circumstances that cannot be addressed with greater upfront capital funds for the construction of new TARH.
- Region specific affordable housing needs, for example to support regional socioeconomic development priorities.
- Exemptions or variations to the TARH Policy can only be approved by the Residential Lands and Housing Delivery Ministerial Oversight Committee.
- Where an exemption or variation is granted, agencies must notify the Department of Housing and Works to ensure the Community Housing Registration Office is duly notified.

## 10 Requirements for State Government entities

- State Government entities should use this Policy and Guidance Document in developing procurement specifications for Affordable Housing and provide it to CHOs as part of the tender documentation for relevant projects.
- State Government entities must ensure that TARH is only used to house eligible tenants (per Section 4) except where an exemption has been granted. This is a condition of partnership on in-scope projects and should be reflected in procurement and project documentation.
- State Government entities should design contracts such that CHOs provide reporting information on TARH on an annual basis to the Department of Housing and Works for analysis and reporting.
- The Department of Housing and Works will assess allocations compliance with the TARH Policy and Guidance Document and report non-compliance to the Community Housing Registration Office to enable regulatory oversight of CHOs that are Registered in WA.
- Compliance activities undertaken by the Department of Housing and Works do not remove the obligation of other State Government entities to monitor compliance with the TARH Policy and Guidance Document from project commencement.
- The Department of Housing and Works will review this guidance on an annual basis.

## 11 Reporting requirements

- CHOs will need to report on TARH allocations as per contractual requirements.
- The Department of Housing and Works will monitor CHO reporting to understand any challenges in allocating to priority cohorts and will review this guidance to ensure optimum implementation of the Policy requirements.

## 12 Related documents

- [Community Housing Eligibility Policy \(CHEP\)](#)
- [Community Housing Rent Setting Policy](#)

## 13 Document control

<b>Publication date</b>	August 2025
<b>Review date</b>	May 2026
<b>Owner</b>	Executive Director Strategic Planning and Asset Policy, Planning and Business Development
<b>Custodian</b>	Manager Affordable Housing Supply and Community Housing

## 14 Amendments

Version	Date	Author	Description
2	July 2025	Senior Policy Officer, Affordable Housing Supply and Community Housing	<ul style="list-style-type: none"> <li>Replaced 'Department of Communities' with 'Department of Housing and Works' to reflect 2025 Public Sector Reform.</li> <li>Updated references to the Community Housing Eligibility Policy – formerly the Community Housing Income and Assets Limits Policy.</li> <li>Minor amendments for clarity throughout.</li> <li>Added requirement for State Government agencies to notify Department of Housing and Works where an exemption or variation to the Policy is granted.</li> <li>'In-Need Cohort List' renamed to 'Target Cohort List'.</li> <li>Included information regarding 25% loading for disability in Section 11.</li> <li>Category 5 added to Target Cohort List for clarity and updated Category 3 and 4 income bands.</li> </ul>
1	October 2024	Senior Policy Officer, Affordable Housing Supply and Community Housing	