NSW GOVERNMENT

Communities and Justice

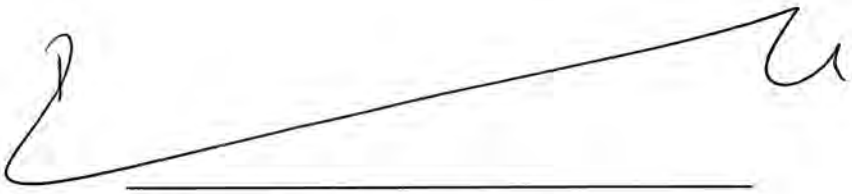
NSW Affordable Housing Ministerial Guidelines 2023/24

The NSW Affordable Housing Ministerial Guidelines set out the legislative and policy framework for delivering affordable housing that has been developed with financial assistance from the NSW Government or under state planning and is owned or managed by registered community housing providers.

These Guidelines are published by the Department of Communities and Justice and approved by the Minister for Families and Communities, and Minister for Disability Services under section 80 of t*he Environmental Planning and Assessment Amendment (Housing) Regulation 2021* (NSW).

Document approval

The NSW Affordable Housing Ministerial Guidelines have been endorsed and approved by:



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Minister for Housing and Homelessness

Approved: 1.8.23

Document version control

Document name:	NSW Affordable Housing Ministerial Guidelines 2023/24
This document replaces:	NSW Affordable Housing Ministerial Guidelines 2022/23
Document status:	Final
Authoring unit:	Community Housing Branch Housing, Homelessness & Disability DCJ Strategy, Policy and Commissioning
Date:	Jun 2023
Next review date:	June 2024

Table of contents

1. Introduction 5
2. Application of Guidelines 5
2.1 Properties covered by these Guidelines 5
2.2 Using the Guidelines to formulate policy 6
3. Definition of key terms 6
4. Difference between affordable and social housing 7
5. Relevant legislation 7
5.1 Community Housing Providers National Law 7
5.2 Residential Tenancies Act 2010 8
5.3 State Environmental Planning Policy (Housing) 2021 8

Tenancy management

6. Applications 8
7. Eligibility 8
7.1 General criteria 8
7.2 Income 9
7.3 Housing need 9
7.4 Assets 9
7.5 Other criteria 9
8. Allocations 10
8.1 General 10
8.2 Target groups for affordable housing 10
8.3 Selecting social housing eligible households 10
9. Setting rent 12
9.1 Ensure affordable outcomes 12
9.2 Maximise Commonwealth Rent Assistance and seek GST free status 12
9.3 Ensure financial viability 12
10. Rent review 13
11. Tenure 13
12. Ongoing eligibility 13
13. Eligibility assessments 14
13.1 Conducting eligibility assessments 14
13.2 Where an eligibility assessment finds a tenant is no longer eligible 14
13.3 Tenants right to request a review of a decision to terminate a lease 14
14. Terminating a tenancy for other reasons 15
15. Right of appeal 15

Portfolio management

16. Financial management 15
17. Developing or acquiring affordable housing 16
18. Trading affordable housing assets 16
19. Reporting 16
20. Evaluation 16

Appendix – Household income eligibility limits for affordable housing

1. How the household income eligibility limits for affordable housing are determined 17
2. Calculating household income eligibility limits by household size 18
3. Ongoing eligibility – income limits for existing tenants of affordable housing 20
4. Maximum income limits for National Rental Affordability Scheme (NRAS) properties 21

1 INTRODUCTION

The *NSW Affordable Housing Ministerial Guidelines* (the Guidelines) set out the legislative and policy framework for delivering affordable housing that has been developed with assistance from the NSW Government, and / or the State Environmental Planning Policy (Housing) 2021 and section 80 of the *Environmental Planning and Assessment Amendment (Housing) Regulation 2021* (NSW)[1].

Affordable housing properties developed in these ways must be managed by a registered community housing provider.

These Guidelines aim to ensure that affordable housing in NSW is delivered:

- to a range of income groups, including very low, low and moderate income households. (The NSW Government is seeking to increasingly benefit low and very low income households since they are the most vulnerable to housing stress. Low income households have less capacity to meet other costs such as transport, health and education after paying rent.)
- in a manner that generates sufficient income so that community housing providers can meet associated finance and other operating costs.

A secondary aim of the Guidelines is to ensure that retained earnings and assets from managing affordable housing are used by community housing providers to grow more affordable housing supply, wherever possible.

The Guidelines are endorsed by the NSW Minister for Housing and Homelessness.

2 APPLICATION OF GUIDELINES

2.1 Properties covered by these Guidelines

The *NSW Affordable Housing Ministerial Guidelines* apply to all designated affordable housing properties in a registered community housing provider's portfolio which:

- received capital funding from the NSW Government, and/or
- were acquired using finance secured against government-funded assets[2], and/or
- were developed under the NSW Government planning instrument *State Environmental Planning Policy (Housing) 2021)* and the *Environmental Planning and Assessment Amendment (Housing) Regulation 2021* (NSW), and/or
- were funded under NRAS B[3].

[1] The *Environmental Planning and Assessment Amendment (Housing) Regulation 2021* (NSW) commenced on 26 November 2021 and complements the *State Environmental Planning Policy (Housing) 2021*

[2] This includes, but is not limited to, affordable housing properties funded through: Debt Equity Rounds 1 and 2; Affordable Housing Innovations Fund; Social Housing Growth Fund; National Rental Affordability Scheme A (NRAS A); Social and Affordable Housing Fund; Communities Plus; borrowing against vested assets.

[3] The NSW Government operated NRAS A and NRAS B. NRAS A was only available to registered CHPs and the state contribution was provided as an upfront capital contribution to the project. NRAS B had a mix of CHPs, not for profits and private sector providers and regular State Government contributions were provided for ten years.

NSW Government contracts will usually confirm the application of these Guidelines. Where a NSW Government contract stipulates a specific requirement, regardless of whether it is more or less stringent than the Guidelines, the contractual requirement prevails.

In relation to NRAS properties, Australian Government requirements for NRAS properties apply for the duration of the NRAS incentive period, regardless of whether they are more or less stringent than the Guidelines. Where Australian Government NRAS requirements are silent, the Guidelines prevail.

2.2 Using the Guidelines to formulate policy

It is expected that registered community housing providers will use these Guidelines to inform their own policy for delivering affordable housing, which addresses applications; eligibility; allocations; rent setting and review; tenure; ongoing eligibility; eligibility review; and right of appeal.

Providers may need to include variations in their policy to allow for variations in funding program requirements.

Each community housing provider delivering affordable housing is to make this policy, or series of policies, publicly available.

3 DEFINITION OF KEY TERMS

In these Guidelines:

- **Affordable housing** is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs, such as food, clothing, transport, medical care and education[4]. As a rule of thumb, housing is usually considered affordable if it costs less than 30% of gross household income.[5]
- **Very low, low and moderate income households** defined as[6]:
  - a **very low income** household earns less than 50% of the relevant median household income for Sydney or rest of NSW, as applicable
  - a **low income** household earns between 50% and 80% of the relevant median household income for Sydney or rest of NSW, as applicable
  - a **moderate income** household earns between 80% and 120% of the relevant median household income for Sydney or rest of NSW, as applicable.
- **Relevant median income** – the median household income for the Sydney Statistical Division or the Balance of NSW Major Statistical Region (depending on where a household is located) as reported by the Australian Bureau of Statistics.[7]
- **Social housing eligible** – refers to households who have been assessed as eligible for social housing in NSW.

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[4] This is a national definition agreed by Australian housing, planning and local government ministers.

[5] While this figure provides a useful benchmark of housing affordability, the definition of affordability varies according to a household's individual circumstances. Demands on the same gross income may differ significantly.

[6] These definitions are in accordance with the *State Environmental Planning Policy (Housing) 2021*. Also refer to footnote 7.

[7] The definition of relevant median income used is as defined in the *State Environmental Planning Policy (Housing) 2021 except* that these Guidelines use the 'whole of NSW Statistical Region' instead of the 'Rest of NSW statistical Region'. This is to take account of differences between major regional areas vs remote areas.

4 DIFFERENCE BETWEEN AFFORDABLE AND SOCIAL HOUSING

While affordable housing has many goals that are similar to social housing, there are also some key differences, including:

- Affordable housing is open to a broader range of household incomes than social housing, so households can earn higher levels of income and still be eligible (Refer section 7.2 of these Guidelines)
- Applications for affordable housing properties are made to, and assessed by, the property manager. Applications for affordable housing cannot be made through Housing Pathways[8]
- Households do not have to be eligible for social housing to apply for affordable housing, although social housing eligible households may also be eligible for affordable housing
- Allocations policy for affordable housing is different to social housing and may prioritise different target groups
- From time to time, community housing providers may invite social housing eligible households on the NSW Housing Register to apply for affordable housing properties. However, this does not constitute an offer of social housing and the household can refuse this invitation, or an offer of an affordable housing tenancy, without penalty to their status on the Register (Refer section 8.3 of these Guidelines)
- If a household on the NSW Housing Register accepts a tenancy in an affordable housing property, they will be regarded as suitably housed and removed from the Register, and
- Rents for affordable housing may be calculated differently to social housing and there are different tenancy arrangements.

5 RELEVANT LEGISLATION

5.1 Community Housing Providers National Law

The Community Housing Providers National Law (National Law) is an Appendix to the *Community Housing Providers (Adoption of National Law) Act 2012* (NSW). It is the legislative basis for the National Regulatory System for Community Housing.

The National Law prescribes the National Regulatory Code which sets out the requirements that registered community housing providers must meet when operating and providing community housing. These requirements also apply to the way providers deliver affordable housing.

[8] Housing Pathways is the multi-provider access system for housing assistance in NSW. It is a partnership between DCJ, the Aboriginal Housing Office (AHO) and participating community housing providers and Aboriginal community housing providers. Under Housing Pathways, all applicants eligible for social housing are listed on the NSW Housing Register. See https://www.facs.nsw.gov.au/housing/help/applying-assistance/housing-pathways

5.2 Residential Tenancies Act 2010

Community housing providers and tenants of affordable housing properties will enter into residential tenancy agreements and must comply with the requirements of the *NSW Residential Tenancies Act 2010*.

The *Residential Tenancies Act 2010* includes provisions which specifically cover social housing tenancies (Part 7). Under the Act, all tenancies in which a social housing provider (including registered community housing providers) is the landlord are considered social housing tenancies. This includes tenancy agreements for affordable housing properties where the community housing provider is the landlord.

Where a community housing provider is managing an affordable housing property on behalf of another landlord, through a management agreement for example, tenancies will only be considered social housing tenancies if the other landlord is a registered community housing provider.

5.3 State Environmental Planning Policy (Housing) 2021

The State Environmental Planning Policy (Housing) 2021 (Housing SEPP) began on 26 November 2021. It gives incentives to supply affordable and diverse housing in the right places and for every stage of life.

The Housing SEPP is supported by the *Environmental Planning and Assessment Amendment (Housing) Regulation 2021* (NSW) (Housing Regulation) which also commenced on 26 November 2021.

The Regulation broadens the application of these Guidelines to all affordable housing and boarding houses which are developed under the Housing SEPP.

More information about the Housing SEPP and the Housing Regulation are available here.

Tenancy management

6 APPLICATIONS

Applications for affordable housing are made directly to the community housing provider managing the property.

Applicants cannot apply for affordable housing through Housing Pathways. An application through Housing Pathways is not an application for affordable housing.

7 ELIGIBILITY

To be assessed as eligible for affordable housing, applicants must meet the following criteria:

7.1 General criteria

Affordable housing applicants must[9]:

- Establish their identity

[9] More information about applying this criteria can be found in DCJ Social Housing Eligibility and Allocations Policy Supplement at: https://www.facs.nsw.gov.au/housing/policies/social-housing-eligibility-allocations-policy-supplement

- Be a resident in New South Wales (NSW)
- Be a citizen or have permanent residency in Australia
- Be able to sustain a successful tenancy, without support or with appropriate support in place
- If applicable, make repayments of any former debts to a social housing provider
- In general, be 18 years of age or older.

7.2 Income

Maximum income eligibility limits which apply under these Guidelines are derived from the relevant median income figures for Sydney and for NSW as a whole and are set at the top of the moderate income band level. (Note: The maximum income limits which apply to NRAS-funded properties are based on national median figures, so they are different.)

Income eligibility limits vary according to household size, with the maximum limit increasing with each additional person in a household.

The maximum income limits for eligibility into properties covered by these Guidelines are set out in Tables 2, 3 and 4 of the Appendix.[10] There is no minimum income eligibility limit.

Income limits are reviewed annually to reflect consumer price index (CPI) adjustments to social security pensions and benefits or movements in average weekly earnings[11] as applicable. Updates are published in these Guidelines annually.

Click here for definitions of assessable and non-assessable income and deductable and non-deductable business expenses for the self-employed. These are consistent with the definitions applied in *Social Housing Eligibility and Allocations Policy Supplement* and the *Community Housing Rent Policy.*

7.3 Housing need

Applicants must be in housing need and unable to resolve this need in the medium to long term without assistance. Factors demonstrating need may include currently living in unaffordable and/or unsuitable housing or needing to relocate for employment or family reasons.

7.4 Assets

Applicants should not have assets or property which could reasonably be expected to solve their housing situation.[12]

7.5 Other criteria

These Guidelines recognise that, from time to time, additional eligibility criteria may be applied to some affordable housing properties, such as a connection to the local area.

Any additional eligibility criteria must be included in the affordable housing eligibility policy relevant to the properties, including a brief statement of why there is a variation in criteria for some properties. For example, affordable housing properties managed

[10] For maximum income limits for NRAS properties, there is a link to the Commonwealth Government website in the Appendix.
[11] https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/average-weekly-earnings-australia/latest-release#data-download
[12] As explained in Section 3 of the Eligibility for Social Housing policy

for some Councils are targeted to households who live or work in the area, so this is included as one of the eligibility criteria for these properties.

8 ALLOCATIONS

8.1 General

Affordable housing should be allocated to a mix of very low, low and moderate income households. To assist providers in allocating across income bands, the maximum income limits for each band for different household configurations are set out in Tables 2, 3 and 4 in the Appendix.

From time to time, allocations may be targeted to a specific population group such as key workers or for older households in a housing development. Where possible, providers should still try to achieve a mix of income bands when allocating within a cohort population.

When making an allocation, a community housing provider should aim to balance the needs of households in housing stress with the requirement to generate sufficient income to meet finance and other operating costs.

8.2 Target groups for affordable housing

Generally, community housing providers are to give preference to the following groups:

- households in housing stress[13] whose housing need cannot be met in the short to medium term; or
- social housing applicants and tenants, including those exiting social housing, seeking another choice of housing which may be more suited to their needs and promote housing independence.

From time to time, providers may choose to allocate affordable housing properties to households with the potential to transition into home ownership in the medium term.

8.3 Selecting social housing eligible households

Where a Housing Pathways community housing provider is seeking, or is required, to house a social housing eligible household[14] in an affordable housing property, they are to invite households from the NSW Housing Register to apply, wherever possible.

Community housing providers can match clients according to their own allocation policies and can filter the NSW Housing Register to identify appropriate households. However, only households which have expressed interest in living in community housing as one of their options may be contacted about affordable housing.

An invitation to a household on the NSW Housing Register to apply for an affordable housing property does not constitute an offer of social housing. The household receiving this invitation can refuse to apply without changing the status of their social housing application.

Similarly, a household who is listed on the NSW Housing Register can still apply for an affordable housing property without impacting their position on the Register.

However, if a household on the NSW Housing Register accepts an offer of a tenancy in an affordable housing property, they will be regarded as suitably housed and will be

[13] Where housing stress is defined as spending over 30% of their gross household income, excl. CRA, in rent.

[14] Social housing eligible households would include households in the very low income band and may also include some households in the low income band.

removed from the NSW Housing Register. If, at some time in the future, they needed social housing again, they would have to reapply.[15]

In making an offer of affordable housing to households on the NSW Housing Register, community housing providers must clearly communicate to the person the differences between affordable housing and social housing. They must also let the person know that, if they accept the offer of affordable housing, they will be regarded as suitably housed and removed from the Register.

[15] In this circumstance, the household's position on the Register would be determined by the date they reapplied, not by their previous position.

9 SETTING RENT

Affordable housing is to be let at a discount of at least 20% of market rent, as market rent is reported in the NSW Government Rent Report[16].[17]

Community housing providers may select different approaches to setting the rent for affordable housing including income-based rents, relating rents to the average income level of a target group or rent levels which are a discount to the local market rent.

Regardless of approach, rent setting policy must aim to:

9.1 Ensure affordable outcomes

In general, households on very low and low incomes should not pay more than 25-30% of their gross income in rent.[18]

Greater flexibility in pricing may be applied to moderate income households but, in all cases, the relevant circumstances of the applicant's household[19] and their capacity to pay will be guiding principles.

9.2 Maximise Commonwealth Rent Assistance and seek GST free status

Wherever possible, rent levels should be set to maximise Commonwealth Rent Assistance (CRA) *and* take advantage of the Australian Taxation Office (ATO) rulings on GST supply.[20]

The ATO has ruled that the non-commercial supply of accommodation by charities will not attract GST if the rent is less than 75% of market rent. The ATO has set benchmark market rents for NSW as a whole, which is what it uses to determine GST status. These figures are updated annually, so providers will need to check with the ATO regularly.

The rents at which Commonwealth Rent Assistance is maximised are outlined at: https://www.servicesaustralia.gov.au/individuals/services/centrelink/rent-assistance/how-much-you-can-get

In most locations, rent charged by community housing providers is at 74.9% of market rent or below, which will maximise CRA and achieve GST free tax status.[21]

9.3 Ensure financial viability

Providers should ensure that rent revenue overall is sufficient to cover the costs of the affordable housing portfolio, inclusive of debt repayments. (However, while revenue

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[16] Market rent is taken as the median weekly rent reported in the Rent Report.

[17] Where a property has NRAS funding, the discount to market rent must be at least 20%, regardless of the method used to set rent (to comply with the Commonwealth NRAS Policy Guidelines).

[18] Rent setting should not place a tenant in financial stress and should support their ability to sustain the tenancy. For the purposes of assessing affordability, the rent to (household) income ratio will be defined as rent net of CRA over gross income net of CRA.

[19] For example, relevant circumstances might include benefit to the client accessing housing closer to their work that reduces their outlays for travel.

[20] Determining the extent to which the GST rule will be of benefit to community housing providers would likely take account of:

- Whether a discount of 25% or more below market rents is financially sustainable, and
- The extent to which GST exempt status assists financial viability.

[21] In some high value locations in Sydney, particularly the northern and eastern suburbs, market rents are higher than the ATO rulings. In these locations, a CHP may choose to forgo attaining GST free status on the basis that it is not financially sustainable.

should be adequate to cover costs, rent setting should still be in accordance with section 9.1 to ensure that properties remain affordable for tenants).

10 RENT REVIEW

Pricing may be adjusted in line with market trends, subject to rent levels meeting affordability requirements set out in 9.1.

The process for implementing rent increases must be consistent with the *Residential Tenancies Act 2010* and, where relevant, with the Australian Government's NRAS Policy Guidelines. Where the Australian Government's NRAS Guidelines differ from these Guidelines, for example, in rent review frequency, the Australian Government's NRAS Guidelines prevail to the extent of the difference.

11 TENURE

Affordable housing can be provided for a fixed term[22] or on a continuous basis.

Leases may be renewed or continued indefinitely provided the tenant remains eligible and eligibility reviews are held on a regular basis.

These Guidelines set no limit on length of time a household can remain in an affordable housing property if they remain eligible. They do recognise that, from time to time and to achieve a particular objective and notwithstanding ongoing eligibility, providers may set a limit on how long one household can remain in affordable housing, for example, three years or five years. Where this occurs, providers must clearly communicate the time period and the objective to prospective tenants before a Tenancy Agreement is signed.

12 ONGOING ELIGIBILITY

To remain in affordable housing, households must continue to meet all criteria outlined in section 7 of these Guidelines, except income. That is, households still need to meet general eligibility criteria, demonstrate an ongoing housing need and not have assets which could reasonably be expected to meet their housing need.

The exception is income, where existing tenants are permitted to earn up to 25% above the maximum eligibility income for moderate income before they become ineligible. This aligns with NRAS ongoing eligibility criteria for existing tenants.

Ongoing eligibility maximum income limits for tenants of affordable housing are outlined in Tables 5 and 6 of the Appendix.

[22] Where a tenant has a fixed term tenancy agreement, section 144 (6) of the *Residential Tenancies Act 2010* states that an eligibility assessment of a social housing tenant may not be carried out earlier than 6 months before the end of the fixed term. Providers should consider this provision when establishing the period of a fixed term lease.

13 ELIGIBILITY ASSESSMENTS

13.1 Conducting eligibility assessments

A review of eligibility must be conducted regularly. This review can be conducted as part of a rent review, or as part of an NRAS review if a property is NRAS-funded.

Where a tenant has signed a fixed-term tenancy agreement and the community housing provider is the landlord, section 144 (6) of the *Residential Tenancies Act 2010* states that an eligibility assessment may not be carried out earlier than six months before the end of the fixed term.

Eligibility assessments must ensure the tenant remains eligible according to the criteria in section 12 of these Guidelines.[23]

Leases for affordable housing may be renewed for a further term, or continued, as long as the tenant remains eligible.

13.2 Where an assessment finds a tenant is no longer eligible

Where a tenant is found to be not eligible after a review of eligibility, the community housing provider should assist the tenant to identify alternative housing options.

Community housing providers can use Section 143 of the *Residential Tenancies Act 2010* to terminate the tenancy, as long as they are the landlord on the tenancy agreement. This provision allows a community housing provider landlord to terminate a social housing tenancy on the grounds that the tenant is no longer eligible to reside in the class of social housing to which the agreement applies.[24]

A tenant can be given up to twelve months to move to alternative accommodation, depending on their circumstances.

13.3 Tenants' right to request a review of a decision to terminate on grounds of eligibility

Before giving a tenant a termination notice on grounds that they are no longer eligible (using Section 143 of the *Residential Tenancies Act 2010*), the community housing provider must notify the tenant in writing of its intention.

Under Section 145 of the *Residential Tenancies Act 2010*, tenants have the right to apply to the landlord for a review of this decision.

Where a tenant applies for a review, a landlord must review the decision against ongoing eligibility criteria and consider any representations made by the tenant before making a final decision.

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[23] Section 144 [1 and 2] of the *Residential Tenancies Act 2010* states that eligibility assessments be conducted against criteria approved by the appropriate Minister and that these criteria can vary from the criteria used to assess initial eligibility.

[24] Part 7 of the *Residential Tenancies Act 2010* defines all tenancies where the landlord is a social housing provider, including community housing providers, as social housing tenancies.

14 TERMINATING A TENANCY FOR OTHER REASONS

Under Section 148 of the *Residential Tenancies Act 2010,* a community housing provider landlord can terminate a social housing tenancy if they have offered the tenant a tenancy agreement for an alternative property to the one in which they currently reside but the tenant has failed to accept, or rejected, the offer.

Under Section 149 of the *Residential Tenancies Act 2010*, the tenant has the right to apply to the landlord for a review of this decision.

15 RIGHT OF APPEAL

Community housing providers must have an appropriate process in place to manage appeals from applicants and tenants in relation to decisions about their eligibility, housing allocation or a proposed housing allocation or rent setting. This must include a process to advise applicants and tenants about their right to appeal, what can be appealed and how to lodge an appeal.

If a community housing provider is subject to an independent review of its decisions about eligibility, allocation or rent-setting by the Housing Appeals Committee, they must advise tenants of their right to request an independent review.

Portfolio management

16 FINANCIAL MANAGEMENT

All public funds provided to achieve affordable housing supply will be directed to the procurement costs of affordable housing supply, including feasibility costs.

Affordable housing supply will make best use of government investment through using for example, partner contributions of land, fee concessions, and tax and planning benefits. Affordable housing supply will also make best use of assets by borrowing against them to deliver more housing.

Rent and allocations policy needs to achieve a balance between meeting housing need across the range of income bands and the sustainable operation of the affordable housing portfolio, including meeting the cost of private finance. Retained earnings from the operation of affordable housing programs will be reinvested in affordable housing supply. Retained earnings are funds that are in excess of all operational costs and provision for contingent risks.

17 DEVELOPING OR ACQUIRING AFFORDABLE HOUSING

Affordable housing acquired through affordable housing programs must be well located, meet a range of household needs and meet environmental/energy efficient standards.

18 TRADING AFFORDABLE HOUSING ASSETS

Community housing providers may dispose of affordable housing stock they own to better meet demand, realise capital growth or redevelop to a higher density. The net proceeds of sales are to be reinvested in affordable housing supply and there is to be no net loss of housing units in NSW, following reinvestment.

When preparing a proposal for redevelopment or reinvestment, CHPs should consider:

- How the new proposal meets housing need in the local area
- Number of bedrooms
- Ability to improve housing outcomes through design or overall yield

If the proposal is to reinvest in a new area, the proposal should consider the difference in housing need in the original and reinvestment locations and assess the proposal's overall impact on meeting housing need.

Where the NSW Government has a direct interest in the properties, community housing providers must adhere to the conditions of interest placed on such properties.

If a tenant has to be relocated because of the upgrading, redevelopment or sale of an affordable housing property, the owner of the affordable housing property must meet the costs of re-housing these tenants.

19 REPORTING

Reporting requirements will be set out in the contract between the relevant NSW Government agency and the provider, where applicable. Specific reporting requirements may be set out for particular affordable housing programs.

20 EVALUATION

Community housing providers will be expected to fully participate in independent evaluations of affordable housing programs initiated by the NSW Government from time to time. Community housing providers are also encouraged to evaluate a selection of their own affordable housing projects.

APPENDIX – Household income eligibility limits for affordable housing

The following information is to be used by tenancy managers to determine appropriate household income eligibility limits for affordable housing. Income limits are updated annually.

1. How household income eligibility limits for affordable housing are determined

Affordable housing is available to households within very low, low and moderate income bands.

Definitions of income bands are in accordance with the *State Environmental Planning Policy (Housing) 2021*.

Income bands are based on median incomes in the proportions as per Table 1.

***Table 1**: Income bands by % of median income -2023/24*

Income bands	% of median income	Annual income limits (Sydney) 2023-24	Annual income limits (remainder of NSW) 2023-24
Very low	50% median	$55,400	$48,800
Low	50% - 80% median	$88,600	$78,000
Moderate	80% - 120% median	$132,900	$117,000

In the planning legislation sited above, two median income measures are used:

- The first is based on the ABS Greater Capital City Statistical Area boundaries, including Central Coast LGA to the north, Blue Mountains LGA to the west and Wollondilly to the south.
- The second is based on the ABS Remainder of NSW Statistical Area. However, these Guidelines use the 'whole of NSW Statistical Region' instead of the 'Rest of NSW statistical Region'. This is to take account of differences between major regional areas vs remote areas.

These median income measures are generalised and do not take account of household type – single person, couple, couple with two children, single parent with one child, etc. Before the household income limits for affordable housing can be set, they need to be equivalised.

Equivalised income is a measure of household income that takes account of the differences in a household's size and composition, thus enabling comparison of income levels between households of differing size and composition, and reflecting the requirement of a larger household to have a higher level of income to achieve the same standard of living as a smaller household. Equivalised household income eligibility limits for affordable housing are at Table 2.

In general, the household income eligibility limit for the moderate income band sets the maximum income allowable for a household to be eligible for affordable housing. However, affordable housing managers are encouraged to allocate affordable housing to households from all three income bands, and some affordable housing programs require this. To better facilitate this, income limits for all three income bands are included in Tables 2, 3 and 4.

2. Calculating household income eligibility limits by household size

To determine the household income eligibility limits by household size, take the following steps:

Step 1: Add up the number of adults (18 years old or over) in the household.
Step 2: Add up the number of children (under 18 years old) in the household.
Step 3: For each adult and child add up the income allowance using Table 2.

***Table 2**: Household income eligibility limits for affordable housing: 2023/24*

Household members	Gross annual household income		
	Very low	Low	Moderate
Sydney			
Single adult	$32,300	$51,700	$77,600
Each additional adult (18 years or over)	Add $16,200 to the income limit	Add $25,900 to the income limit	Add $38,800 to the income limit
Each additional child (under 18 years)	Add $9,700	Add $15,500	Add $23,300
New South Wales			
Single adult	$29,200	$46,700	$70,100
Each additional adult (18 years or over)	Add $14,600 to the income limit	Add $23,400 to the income limit	Add $35,100 to the income limit
Each additional child (under 18 years)	Add $8,800	Add $14,000	Add $21,000

For convenience, this has already been extrapolated for you in tables 3 and 4. These tables provide a quick reference guide to maximum income levels for a range of different household sizes and combinations. Table 3 is for households in the Sydney statistical district (as defined by ABS) while Table 4 is for the rest of NSW.

***Table 3**: Household income eligibility limits for Sydney region: 2023/24*

Household Type	Very Low	Low	Moderate
Single	$32,300	$51,700	$77,600
Single + 1	$42,000	$67,200	$100,900
Single + 2	$51,700	$82,700	$124,200
Single + 3	$61,400	$98,200	$147,500
Single + 4	$71,100	$113,700	$170,800
Couple	$48,500	$77,600	$116,400
Couple + 1	$58,200	$93,100	$139,700
Couple + 2	$67,900	$108,600	$163,000
Couple + 3	$77,600	$124,100	$186,300
Couple + 4	$87,300	$139,600	$209,600

***Table 4**: Household income eligibility limits for rest of NSW: 2023/24*

Household Type	Very Low	Low	Moderate
Single	$29,200	$46,700	$70,100
Single + 1	$38,000	$60,700	$91,100
Single + 2	$46,800	$74,700	$112,100
Single + 3	$55,600	$88,700	$133,100
Single + 4	$64,400	$102,700	$154,100
Couple	$43,800	$70,100	$105,200
Couple + 1	$52,600	$84,100	$126,200
Couple + 2	$61,400	$98,100	$147,200
Couple + 3	$70,200	$112,100	$168,200
Couple + 4	$79,000	$126,100	$189,200

3. Ongoing eligibility - income limits for existing tenants of affordable housing

Affordable housing tenants are able to earn 25% over the maximum access income limit and still remain eligible. Table 5 shows the ongoing eligibility maximum income limits for Sydney tenants, while Table 6 shows ongoing eligibility maximum income limits for NSW.

***Table 5**: Ongoing eligibility income limits for Sydney affordable housing tenants: 2023/24*

Household Type	Ongoing eligibility maximum income limit
Single	$97,000
Single + 1	$126,125
Single + 2	$155,250
Single + 3	$184,375
Single + 4	$213,500
Couple	$145,500
Couple + 1	$174,625
Couple + 2	$203,875
Couple + 3	$232,875
Couple + 4	$262,000

***Table 6:** Ongoing eligibility income limits for affordable housing tenants in the rest of NSW: 2023/24*

Household Type	Ongoing eligibility maximum income limit
Single	$87,625
Single + 1	$113,875
Single + 2	$140,125
Single + 3	$166,375
Single + 4	$192,625
Couple	$131,500
Couple + 1	$157,750
Couple + 2	$184,000
Couple + 3	$210,250
Couple + 4	$236,500

4. Maximum income eligibility limits for National Rental Affordability Scheme (NRAS) properties

Where dwellings receive Government financial assistance under the National Rental Affordability Scheme, the eligibility of tenants will be determined against the set income limits applied by the Australian Government's Department of Social Services (DSS).

Household income limits are indexed annually on 1 May in accordance with the NRAS tenant income index. Eligible tenants' income must be equal to or less than the initial income limit when they become a tenant of an NRAS dwelling. The initial and ongoing maximum income limits for NRAS properties can be located on DSS' NRAS website:

https://www.dss.gov.au/housing-support-programs-services-housing-national-rental-affordability-scheme-living-in-an-nras-property/nras-household-income-indexation

More information about NRAS can be found on the DSS website at: https://www.dss.gov.au/our-responsibilities/housing-support/programmes-services/national-rental-affordability-scheme