

Affordable Housing Needs Assessment

MELTON EAST PSP

February 2025

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1 Introduction

1.1 Purpose of report

The purpose of this report is to inform key stakeholders – including Melton City Council, landowners, the development industry and community housing providers – on the local affordable housing needs or housing assistance demand within Melton East, including the expected types of housing required (e.g., dwelling size and depth of subsidy).

One way that affordable housing can be delivered is through voluntary agreements negotiated between a responsible authority (typically a council) and a landowner (this process is summarised below in **Figure 1** and expanded upon within Section 4 of the report).

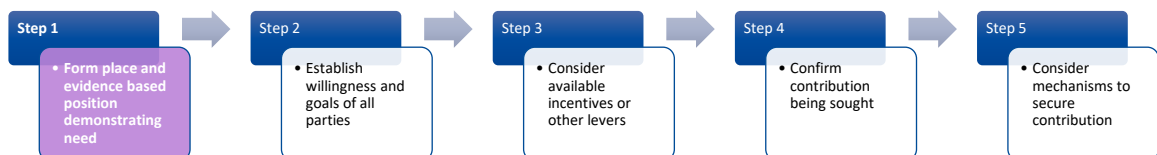
The total demand for housing assistance is identified within Section 3.2.

1.2 Structure of report

This report is structured as follows:

- **Section 1** describes the report’s purpose and defines affordable housing (including subsidised market housing and social housing).
- **Section 2** describes the current housing market situation and presents the need for secure and affordable housing.
- **Section 3** describes the process used to determine the total demand for housing assistance for the precinct.
- **Section 4** sets out next steps to secure an affordable housing commitment.
- **Appendix A** provides definitions (a glossary)
- **Appendix B** summarises the policy landscape, including cross-sector partnerships.

Figure 1: Summary of the negotiated affordable housing contribution process



1.3 Defining 'Affordable Housing'

The term 'affordable housing' is sometimes misused, as in Australia it does not have a common meaning across jurisdictions. 'Social housing', 'community housing' and 'public housing' are frequently, interchangeably and confusingly used to described terms which overlap on the housing supply continuum¹, whilst 'affordable housing' (a term indexed against identified income ranges²), is often mistaken for informal, vague descriptions of 'housing thought to be affordable'.

For determining total demand for local housing assistance, this report uses the definition of 'affordable housing' found in Victoria's *Planning and Environment Act 1987* (the Act): "...housing, including social housing, that is appropriate for the housing needs of very low, low and moderate income households".

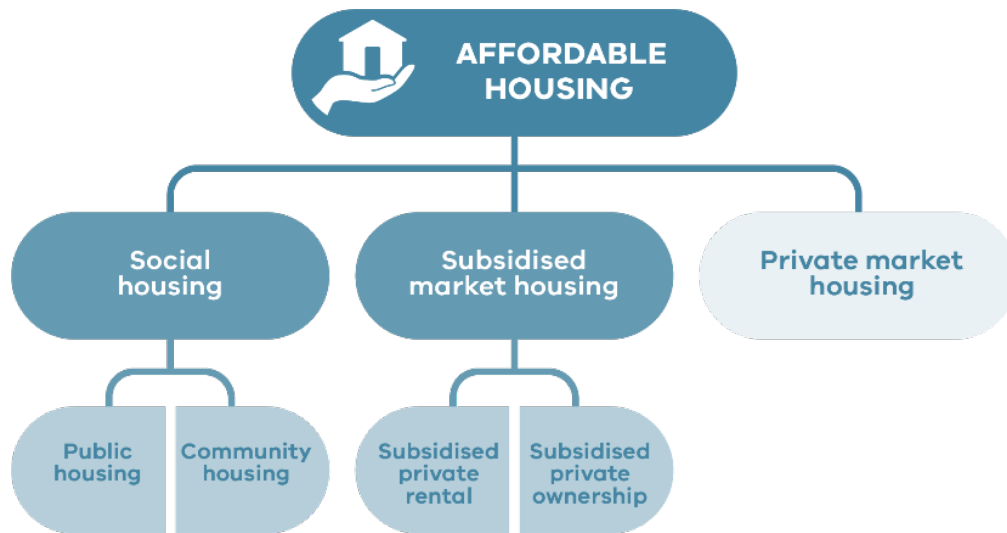
Under the broad legislative umbrella definition of affordable housing sits distinct definitions of subsidised market housing & social housing:

- **Subsidised market housing** refers to housing (rented or owned) which is made available to households at below market rates through subsidies according to eligibility criteria set out in the Act. Eligibility is based on income ranges for very low, low, and moderate income households. Households that require subsidised market housing are those on low and moderate incomes and experiencing severe or moderate rental stress.
- **Social housing** which falls under the broad legislative umbrella of 'affordable housing', is defined under the Housing Act 1983 as rental housing that is provided and/or managed by the government (public housing) or by a not-for-profit organisation (community housing). Social housing is an overarching term that covers both public housing and community housing.

¹ The Housing supply continuum is a concept to define the various types of housing and housing support required for people relative to income.

² The Act specifies the income range classification for very low to moderate income households. Income ranges are updated annually in the Victoria Government Gazette.

Figure 2: Affordable housing nesting diagram



1.4 PSP Context

Melton East is identified as a priority planning project for growing suburbs on the Victorian Government's Housing Statement. The site is approximately 35km northwest of the Melbourne CBD and 4.5km east of the Melton township.

Its strategic context within the northwest corridor is shown in Figure 3.

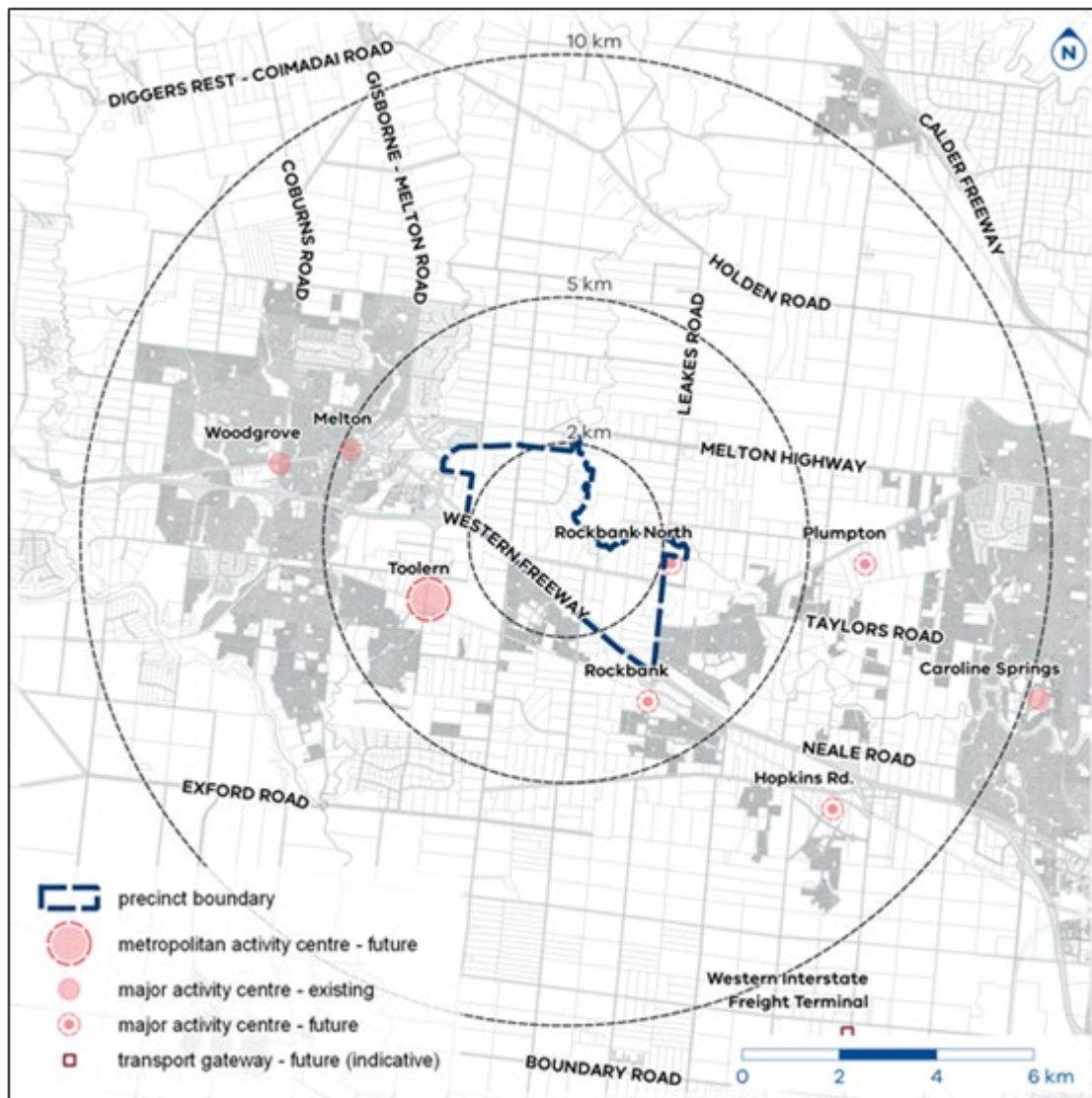
The site is located near a number of 'state significant employment areas', including the western interstate freight terminal and is in close proximity to existing and future employment areas. The future Rockbank Major Activity Centre within the Rockbank PSP borders the precinct area to the east.

Melton East is a predominantly residential PSP, with the exception of approximately 20 hectares of industrial land in the north-west corner of the precinct that adjoins an existing industrial precinct. Two neighbourhood activity centres and two local convenience centres are also planned for within the precinct.

Overall, the precinct is estimated to house approximately 12,929 dwellings and create 2,000 jobs. Planned social infrastructure includes:

- 4 Government primary schools;
- 1 Government secondary school;
- potential non-government schools;
- level 2 community centres;
- 2 level 1 community centres; and
- active open space facilities and 1 regional active open space facility.

Figure 3 : Melton East locational context



2 AFFORDABLE HOUSING CONTEXT

2.1 Understanding secure housing

Many households in Victoria are unable to access secure housing. Home ownership rates have been falling in Victoria, with the deposit requirements to obtain a mortgage being a significant barrier. There are barriers to accessing the private rental system, particularly for households without the financial means to afford market rents or who pay a high proportion of income on rental costs. There are also challenges for households with a lack of stable rental history. Households on a low income and without stable rental history compete with households on higher and more secure incomes and are more likely to be outbid or discriminated against in the private rental application process.

Affordable housing provides a viable solution for those who are unable to access or afford secure housing in the private market. It is especially beneficial for people who have experienced homelessness, family violence, or have other specific needs. By reducing rental costs (or ownership costs through shared equity schemes), affordable housing makes it easier for households to meet every-day living costs and essential needs. Access to secure housing is also important for the wider community, as it helps to maintain household and community links to employment, services, schools, friends, and family.

Affordable housing (including social housing) should be viewed as forms of essential social infrastructure akin to transport networks, water cycle management, open space systems, hospitals and clinics, schools and other fixed community facilities.

There is a strong precedent, internationally and in Australia, for specifically viewing social housing as essential infrastructure. In Victoria, this is evidenced in:

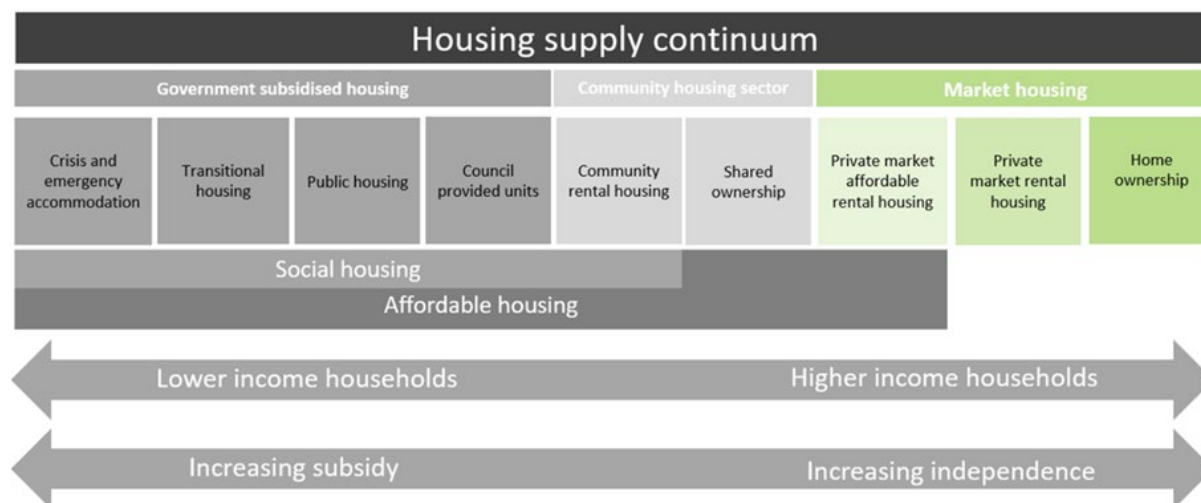
- Victoria's Infrastructure Strategy 2021–2051, where social housing is listed as a priority infrastructure sector.
- State Government policies on comprehensive development of other urban areas, for example, Fishermans Bend.

2.2 The housing supply continuum

Another way to understand affordable housing is by reference to what is known as the housing supply continuum (**Figure 4**). Affordable housing sits at the lower end of the continuum where higher levels of assistance or subsidy for residents are required.

Figure 4 illustrates the different types of housing available, and highlights that living circumstances are not static over time. The level of support an individual or household may require can change, along with the ability to access different types of housing. For example, social housing can offer a pathway out of homelessness or insecure accommodation. Therefore, providing housing suited to a full range of households and their varied financial capacities, at a range of affordable rates, is part of the solution.

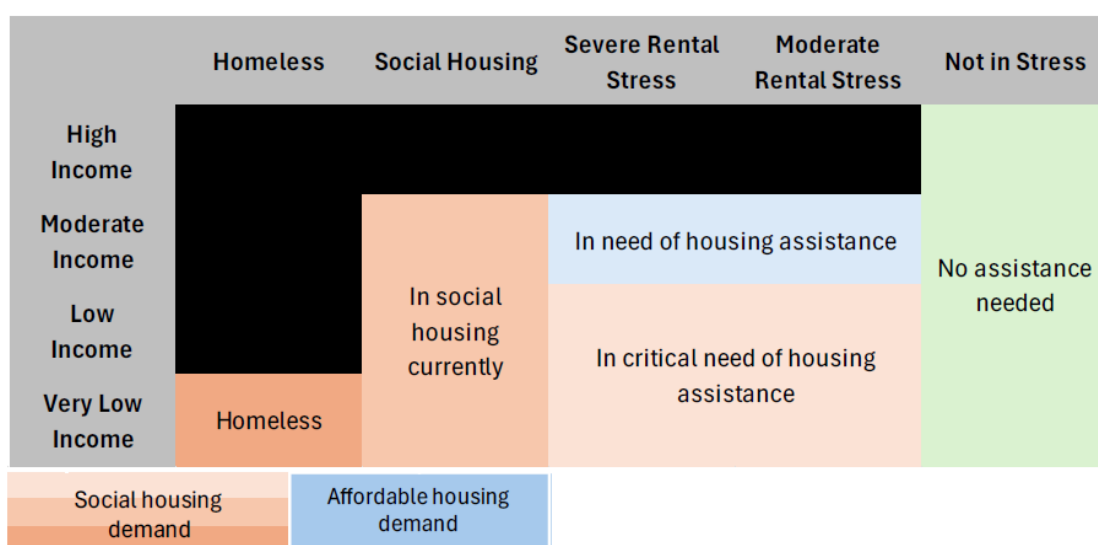
Figure 4: The housing supply continuum



Source: SGS Economics and Planning, 2024

As **Figure 4** demonstrates, households that are currently homeless or in social housing currently, need social housing to avoid being in rental stress. Households with low or very low incomes and in rental stress are also best suited to social housing, as in most cases current rental market conditions would see them remain in rental stress even at a discounted rent of 75% (common affordable housing definition). Finally, households with moderate incomes, yet experiencing rental stress, are best suited for subsidised market housing.

Figure 5: Different types of housing assistance based on income



3 TAILORING AFFORDABLE HOUSING DEMAND AT THE LOCAL LEVEL

3.1 Moderation of affordable housing demand

As outlined in **Figure 1**, there are five general steps involved in delivery of affordable housing through voluntary negotiation. The demand identified within this section of the report fulfills Step 1.

The Affordable Housing Needs Assessment Model (the model) prepared by SGS Economics and Planning (SGS) for the VPA brings together a range of inputs relating to future statewide demand for affordable housing and makes recommendations as to how this demand could be distributed at a more localised level. The model takes as its starting point the statewide projected demand for affordable housing from *Victoria in Future*³ (VIF). The model distributes this projected demand at the statistical area 2⁴ (SA2) level. This distribution aims to ensure an equitable distribution of affordable housing based on the number of people projected in each SA2, and moderates this distribution further based on:

- A PSP area's relative entrenched disadvantage⁵ based on the Socio-Economic Index for Advantage⁶ (SEIFA), to avoid concentrating disadvantage.
- A PSP area's access to employment and essential services⁷, because travel costs (time and money) can have larger adverse impacts on vulnerable groups
- A PSP area's amenity and quality of life⁸, because locating affordable housing in areas with good access to open space and community infrastructure provides residents with improved health and recreation opportunities.

³ Victoria in Future or VIF is the State Governments estimate on the future size, distribution and composition of the population.

⁴ SA2's are functional areas that represent a community that interacts together social and economically.

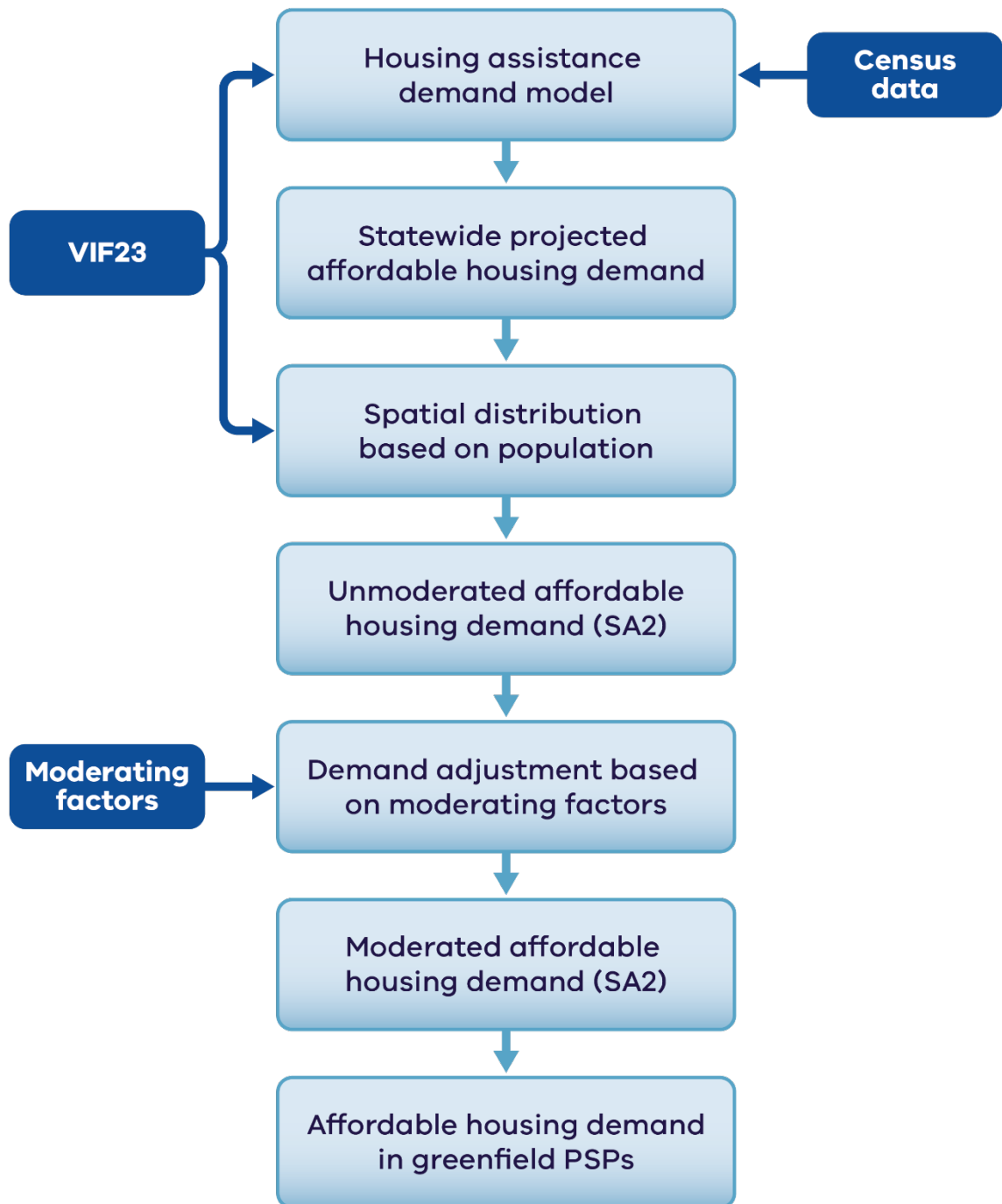
⁵ The model moderate's distribution of affordable housing based on the SEIFA index. Areas with significant and or concentrated disadvantage are apportioned lower levels of affordable housing.

⁶ Moderation based on relative disadvantage will not spatially account for 'growth areas' and is limited to established Melbourne. SEIFA's accuracy is highly contingent on an established population.

⁷ 30-minute public transport catchments were generated for every SA2. Public transport catchments were supplemented with small area employment forecasts to determine job access within each catchment.

⁸ Social infrastructure indexing draws from the Australian Urban Observatory's Community and Sport social infrastructure index. Open space considered all open spaces available within the catchment.

Figure 6: Affordable housing demand model



Source: Affordable Housing Needs Assessment Model Method Report – Greenfields, SGS Economics and Planning, 2024

3.2 Melton East PSP: Affordable housing demand overview

This section identifies current and future demand for affordable housing within Melton East PSP.

Table 1: PSP housing demand overview

	TOTAL HOUSING IN PSP	SUBSIDISED MARKET HOUSING DEMAND	SOCIAL HOUSING DEMAND	TOTAL AFFORDABLE HOUSING DEMAND
# of Dwellings	12,908	313	1,217	1,530
% of PSP	100%	2%	9%	12%

Table 2: PSP total housing demand by number of bedrooms

# OF BEDROOMS	HOUSING DEMAND	% OF HOUSING DEMAND
1	4,569	35%
2	2,388	18%
3	3,253	25%
4+	2,698	21%
Total	12,908	100%

Table 3: PSP subsidised market housing demand by number of bedrooms

# OF BEDROOMS	SUBSIDISED MARKET HOUSING DEMAND	% OF SUBSIDISED MARKET HOUSING DEMAND
1	143	46%
2	57	18%
3	57	18%
4+	57	18%
Total	313	100%

Table 4: PSP social housing demand by number of bedrooms

# OF BEDROOMS	SOCIAL HOUSING DEMAND	% OF SOCIAL HOUSING DEMAND
1	628	52%
2	196	16%
3	206	17%
4+	187	15%
Total	1,217	100%

Table 5: PSP subsidised market housing demand by Governor In Council income bands

INCOME BAND	SUBSIDISED MARKET HOUSING DEMAND	% OF SUBSIDISED MARKET HOUSING DEMAND
Very Low	0	0%
Low	0	0%
Moderate	313	100%
Total	313	100%

Table 6: PSP social housing Demand by Governor In Council income bands

INCOME BAND	SOCIAL HOUSING DEMAND	% OF SOCIAL HOUSING DEMAND
Very Low	839	69%
Low	342	28%
Moderate	36	3%
Total	1,217	100%

3.3 Key opportunities and challenges

This section summarises:

- The characteristics of Melton East PSP which present opportunities or challenges to the delivery of the demand estimates is presented in Section 3.2.
- Potential funding and delivery options (relevant to the local development process) which should be considered for inclusion in the PSP to facilitate the delivery of affordable housing.

Table 7 presents a scorecard of applicable opportunities and challenges.

Table 7: Delivery opportunities and challenges scorecard

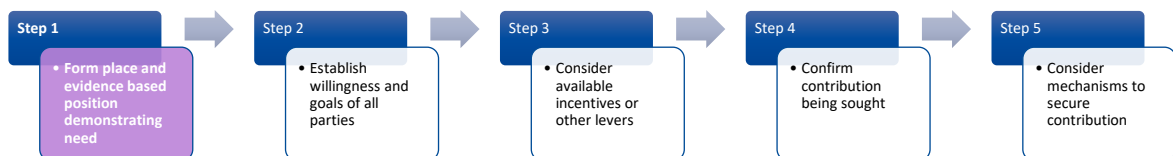
DELIVERY OPPORTUNITY/ISSUE	APPLICABLE?	DESCRIPTION
Land ownership and fragmentation	Yes	The precinct consists of 85 parcels within the ownership of 48 parties.
Government land ownership	No	There is limited government land in the precinct and this land is encumbered
Public transport provision	Yes	The precinct is at present serviced by two bus routes along the Western Freeway. The provision of public transport services will be subject to future planning by DTP/PTV. All arterial roads and connector streets are identified as bus capable roads, with Leakes Road and Tarletons Road identified as being part of the Principal Public Transport Network (PPTN).
Existing local policy supporting SAH delivery	Yes	Clause 16.01-3S supports affordable housing on large sites in proximity to activity centres, public transport and community services.
Presence of Community Housing Providers in LGA	Yes	Community Housing Providers with properties in Melton include: <ul style="list-style-type: none"> • Housing Choices Australia • Community Housing Limited • Catholic Care Housing Victoria • BaptCare Affordable • Housing Salvation Army Housing Victoria

4 NEXT STEPS

4.1 Securing a commitment for affordable housing provision

As shown in **Figure 7** (below), the process typically followed in securing voluntary agreements for affordable housing provision is described in five broad steps. Specific place based affordable housing demand / need identified within **Section 3.2** of this report fulfills a significant component of Step 1. The subsequent steps are outlined below.

Figure 7: Typical process of securing voluntary agreements for affordable housing



Step 2 - Establish willingness and goals of all parties

Negotiations are likely to be an iterative process and may require several meetings, discussions, and a review of the available demographic data or any background documents. Parties should be open and transparent about the goals they are trying to achieve. During the initial meetings parties should refer to evidence (including demand identified within the relevant Affordable Housing Needs Assessment Report) to support their positions.

The scope of negotiations should consider the Ministerial Notice of [matters specified under section 3AA\(2\) of the Act](#) that includes as a minimum:

- Form of the contribution (dwellings, land, cash)
- Ownership and management of the dwellings or land
- Longevity (how long a dwelling will remain as affordable housing)
- Whether a dwelling will be for rent or sale
- Integration of a dwelling into the development and neighbourhood

Step 3 - Consider incentives or other levers

In preparing its negotiating position, a responsible authority may consider incentives or other levers that could be introduced. To be effective, incentives need to be sufficiently beneficial to a landowner to appropriately offset the costs of the contribution. These may include:

- **Realisation of value created by the planning process (e.g., planning permit or rezoning)** - Occurs where land value increases as a result of development certainty being derived from a planning permit or land rezoning.
- **Floor area uplift** - This is a practice where a development is permitted to have increased building height while including a public benefit, such as affordable housing.
- **Streamlined planning assessments** - This could include having the proposal assessed by dedicated planning team.
- **Reduction of other planning requirements** - E.g., reduced car parking requirements where appropriate and supported by data
- **Council rate reductions or exemptions.**

While incentives can be considered, councils should seek an affordable housing contribution as a means to achieving State policy objectives, irrespective of any incentive offered to, or requested from, a landowner.

Step 4 – Confirm details of the contribution being sought

A responsible authority should be clear about the detail of the contribution being sought, such as the preferred model and type of housing, and its size, configuration, and related matters. These details will provide certainty for landowners and help to manage the expectations of all parties.

The initial scope of issues set out under Step 2 can be progressed to a greater level of detail as the negotiations continue.

Step 5 - Consider mechanisms to secure contribution

At the conclusion of negotiations and where a voluntary agreement has been reached for a landowner to provide an affordable housing contribution, the parties should seek to agree on a mechanism to secure the contribution. There are options for how this can be done, with some agreements using a combination of mechanisms. Section 4.3 provides further details of some of the most commonly used methods.

4.2 Affordable housing delivery options

Once an agreement is reached in principle, further detail on the model for the contribution and the mechanism to be used to secure the contribution can be prepared. This is the final step in the process shown as Step 5 in **Figure 7** above. To lock in the specifics, the delivery mechanism will need to be decided by all parties.

Responsible authorities should form a view on the delivery model most appropriate to meet their affordable housing priorities.

The compatibility of the model to meet the community's needs, benefits, disadvantages, economic feasibility, legal and risk profile should be considered. It is also important to consider the views of Registered Housing Agency (RHAs), and any specific constraints and opportunities of the land or development site.

Options for delivery

There are a range of methods by which landowners can deliver an affordable housing contribution. In determining the most appropriate method, responsible authorities should consider the needs of the end users of the housing and what role a Registered Housing Association can play in owning or managing the housing. The models include:

- Gifting land or dwellings
- Selling land or dwellings at a discount
- Monetary contribution to an RHA, housing trust or similar entity
- Selling dwellings to individuals under an affordable home ownership arrangement

An overview of the contribution models and considerations for responsible authorities and landowners are outlined below.

Gifting land or dwellings

The title is transferred to an RHA or a housing trust or similar entity. This provides the RHA with control of the asset, removing the cost of property acquisition although still requiring ongoing maintenance and management costs.

The landowner agrees to forego all value and potential financial return for the land or dwellings. The legal process to transfer land or dwellings is regulated by the Transfer of Land Act 1958, managed by Land Use Victoria. The name of the receiving entity is registered on the title following the transfer.

Selling land or dwellings at a discount

The landowner sells the land or dwellings at a discount to an RHA, housing trust or similar entity. The discount needs to be agreed and be sufficient to enable the RHA or housing trust to purchase and realise an affordable housing outcome.

This option has the potential to provide a greater number of dwellings compared with gifting, but only where an RHA is able to secure finance to purchase.

Monetary contribution to an RHA, housing trust or similar entity

Council may establish a housing trust or limited company formed for the specific purpose of providing affordable housing. Council can then seek a landowner to direct an agreed monetary contribution to the trust.

This option enables a contribution where other models do not suit, or as a default option where other models are not able to be realised - for example where housing is not being developed or on smaller scale projects. It provides a funding source for an RHA to support acquisition or development.

Sell dwellings to individuals under an affordable home ownership arrangement - shared equity and rent-to-buy schemes.

Shared equity

Under this arrangement, a landowner sells the dwelling to an eligible household sourced

by an RHA. The RHA secures the contribution via a legal agreement and second mortgage. When the purchaser sells or refinances, the contribution is repaid to the RHA. The model provides for tenure diversity through an affordable home ownership arrangement. The model depends on the RHA establishing an appropriate shared equity home ownership model.

Rent-to-buy

This is an emerging model currently offered by the private finance market. Rent-to-buy is best suited to households who can afford to rent and save but still require a deposit to access a mortgage.

An affordable housing contribution that involves the sale of dwellings to eligible households without a shared ownership arrangement with an RHA is generally less favourable as a delivery model. It provides one-off assistance for the household but does not secure longevity of any public benefit.

4.3 Mechanisms to secure an affordable housing contribution

There are a range of mechanisms that can be used to secure a contribution, and responsible authorities should consider the benefits, risks, feasibility, and resourcing implications associated with different options. Key considerations are:

- How the delivery will be assured if land is sold in the future, and
- How the contribution will be secured to ensure use for an agreed and appropriate period

Some of the most commonly used methods are:

- Planning permit condition requiring a Section 173 agreement
- Planning provisions
- Transfer of ownership of the land or dwelling to a RHA
- Transfer of ownership to a Special Purpose Vehicle (SPV) such as a housing trust established for the purpose of delivering affordable housing.

Permit condition for a Section 173 agreement

Section 173 of the *Planning and Environment Act 1987* provides the power for a responsible authority to make an agreement with a landowner that sets out conditions or restrictions on the use or development of the land. This includes the power to enter into an agreement for the provision of affordable housing.

A Section 173 agreement is recorded on the title to the land so that the owner's obligations under the agreement bind future owners and occupiers of the land.

Securing a contribution by way of a permit condition for a Section 173 agreement is a recognised approach that conveys certainty that for a development to progress there will be an affordable housing contribution (noting the details will be subject to the specific agreement). It is a transparent method that is clear to the market.

A council can seek to have the Section 173 agreement actioned upfront while other details of the proposal are being resolved. If an agreement can be registered on title prior to the issue of a permit, this avoids the need for a permit condition and provides certainty that a contribution will be delivered on the site.

The details of the affordable housing contribution may then be set out in the agreement and approved by the parties.

A template agreement is available at '[Affordable Housing Agreement under Section 173 of the Planning and Environment Act 1987](#)', Department of Transport and Planning

Planning provisions

A contribution can be secured through a planning provision, such as within a zone or overlay schedule that refers to a requirement for a Section 173 agreement for the provision of affordable housing.

Including the provision can be negotiated as part of a proposal to rezone land or develop specific overlay controls. The provision can be included in the relevant clause as part of the planning scheme amendment documentation.

Including a provision in the planning scheme sets future expectations for negotiations between responsible authorities and landowners.

A template agreement is available '[Affordable Housing Agreement under Section 173 of the Planning and Environment Act 1987](#)', Department of Transport and Planning

Where an RHA is party to the negotiations, it is important that responsible authorities provide flexibility within the agreement so that an RHA may further leverage an outcome with a landowner if the parties elect to do so. Further, councils should ensure agreements are viable for the community housing sector and enable more than one organisation to take up the opportunity to deliver the affordable housing.

Transfer ownership of the land or dwelling to a Registered Housing Agency (RHA)

Where agreed through the negotiation process, a landowner can transfer the title of the contributed land or dwelling to a RHA. This can be by gifting or nominal sale. This results in the asset being owned directly by a RHA without requiring any ongoing agreement or requirement for use on title.

Planning and responsible authorities are encouraged to safeguard the contribution by seeking to formalise the transfer in a Section 173 agreement and having this registered on title. This could be done prior to the approval of a planning scheme amendment or approval of a development plan. This would avoid the need for a permit condition at the end of the process.

Councils and landowners are encouraged to consult early with RHAs about prospective affordable housing contributions.

Transfer of ownership to a Special Purpose Vehicle (SPV) such as a housing trust

Under this mechanism, a responsible authority would first establish the SPV and then require the landowner to direct an agreed affordable housing contribution to the vehicle (i.e. gifted land or dwellings, discounted assets, or a monetary contribution).

The development and management of the dwellings would be overseen by the SPV's governing board, or trustee. It is generally expected that governance would involve an RHA.

Once established, the SPV may be able to receive monetary contributions from other development proposals when these are agreed by landowners.

Responsible authorities should be aware that there can be significant costs and processes to establish an SPV, with staff and resources required over time depending on the structure of the SPV.

4.4 Opportunities to promote affordable housing outcomes

In addition to pathways within the planning system, responsible authorities are encouraged to make use of their digital platforms, publications, or community engagement processes to promote their objectives for affordable housing. This may include:

- Council's planning webpage
- Fact sheets and supporting guidance for residential development applications
- Pre-application discussions with landowners and proponents

Appendix A: Definitions

Glossary

Affordable housing	Defined under the <i>Planning and Environment Act 1987</i> as housing, including social housing, that is appropriate for the needs of very low-, low- or moderate-income households.
Affordable housing contribution	A contribution made by a landowner or developer towards an affordable housing outcome.
Affordable Housing Needs Assessment Model (ANHAM)	The Affordable Housing Needs Assessment Model or “the model” as it is referred to in this report, is the model created to estimate affordable housing demand within greenfield PSPs
Community housing	Housing owned or managed by community housing agencies for low-income households, including those eligible for public housing. Community housing agencies are registered and regulated by the state government.
Public housing	Housing owned and managed by Homes Victoria. Public housing is provided to eligible Victorians including those unemployed, on low incomes, with a disability, with a mental illness or at risk of homelessness.
Registered Housing Agency (RHA)	Not-for-profit rental housing agencies that are registered under the <i>Housing Act 1983</i> as housing associations or housing providers. They provide affordable housing for very low to moderate income households and allocate tenants from the Victorian Housing Register.
Section 173 agreement	An agreement made under section 173 of the <i>Planning and Environment Act 1987</i> used to set out conditions or restrictions on the use or development of land, or to achieve other planning objectives in relation to land. The agreement is a legal contract and is recorded on the title to the land.
Social housing	Defined under the <i>Housing Act 1983</i> as rental housing that is provided and/or managed by the government (public housing) or by a not-for-profit organisation (community housing). Social housing is an overarching

term that covers both public housing and community housing.

Special Purpose Vehicle	A subsidiary company formed to undertake a specific business purpose or activity such as affordable housing.
Statistical Area 2/SA2	SA2s are a set of geographical boundaries used to define smaller areas of Greater Melbourne and are a part of the Australian Statistical Geography Standard developed to reflect the location of people and communities.
Subsidised Market Housing	Housing (rented or owned) which is made available to households at below market rates through subsidies (eligibility criteria set out in the Act).
Victorian Housing Register (VHR)	The register for households that apply for and are determined to be eligible for social housing in Victoria.
Victorian Housing Registrar	The regulator responsible for the oversight of the community housing sector in Victoria. The functions include registering, monitoring, and assessing registered agencies under the Housing Act 1983 (Vic)

Appendix B: Policy Summary

This section summarises relevant policies at the time of Melton East PSP development.

Federal policy summary

National Housing Accord (Accord)

The Accord established an aspirational target agreed by all parties to build 1.2 million new well-located homes over 5 years from mid-2024⁹.

The Accord is one component of the government's wider housing agenda which also includes significant funding (including an additional \$3.5 billion in direct payments to state, territory and local governments) for social and affordable housing and additional support for renters and homebuyers.

The Accord commits \$350 million in Commonwealth funding over 5 years from 2024-25 to support the delivery of 10,000 affordable homes. State and territory governments have agreed to build on this commitment to support delivery of up to an additional 10,000 affordable homes.

Victoria has agreed to build 2,546 affordable homes.

Housing Australia

Housing Australia is the independent national housing authority. Housing Australia collaborates with private sector, community housing providers and all levels of Government to facilitate and deliver programs that help Australians to access social and affordable housing or to purchase a home.

Housing Australia's strategic objectives are to:

- Facilitate the sustainable growth of the community housing sector across Australia
- Facilitate investment to increase the supply of social and affordable housing
- Strengthen stakeholder relationships that support better housing outcomes
- Deliver high-performance organisation practices and outcomes
- Establish a best-practice governance regime.

Social housing accelerator

⁹ The Accord initially established a target to build one million homes over 5 years from mid-2024. National Cabinet in agreement with the states and territories agreed to update this to 1.2 million new homes.

In 2023, the Australian Government announced a new \$2 billion Social Housing Accelerator to deliver thousands of new and refurbished social homes across the country.

The Social Housing Accelerator payment was delivered to the states and territories in June 2023 enable investing in building new homes straight away.

This investment aims to:

- Create around 4,000 homes for Australians on social housing waiting lists
- Permanently increase the stock of social housing.

State policy summary

Victorian Planning Policy Framework

Planning schemes contain policies and provisions that control land use and development. Planning for affordable housing (and housing generally) is consistent with, and supported by, the following clauses of the Victorian Planning Provisions:

Clause 16 Housing

- Planning for housing should include the provision of land for affordable housing.

Clause 16.01-1S Housing supply

- Ensure that an appropriate quantity, quality and type of housing is provided, including aged care facilities and other housing suitable for older people, supported accommodation for people with disability, rooming houses, student accommodation and social housing.

Clause 16.01-2S Housing affordability

- Encouraging a significant proportion of new development to be affordable for households on very low to moderate incomes.
- Facilitating a mix of private, affordable and social housing in suburbs, activity centres and urban renewal precincts.
- Facilitate the delivery of social housing by identifying surplus government land suitable for housing.

Plan Melbourne 2017–2050

Strong and healthy communities is one of the nine principles of the *Plan Melbourne 2017–2050 Strategy* (Plan Melbourne). Strong communities need affordable, accessible housing. Growth areas play an important role in managing Melbourne’s growth and facilitating affordable housing outcomes for residents. Provision of social and affordable housing cannot be delivered by the planning system alone, but it is important that delivery is made easier by planning systems, rather than harder.

Plan Melbourne supports planning for affordable housing in growth areas through the following principles, outcomes and directions:

<p>Principle 7</p> <p>Strong and healthy communities</p> <p>To remain a city of diverse, healthy and inclusive communities, Melbourne needs to ensure its neighbourhoods and suburbs are safe and walkable.</p> <p>Strong communities need affordable, accessible housing; local health, education and community services; access to recreation spaces; and healthy food.</p>	<p>Outcome 5</p> <p>Melbourne is a city of inclusive, vibrant and healthy neighbourhoods</p>	
	<p>Direction 2.3</p> <p>Increase the supply of social and affordable housing</p>	<p>Direction 2.4</p> <p>Facilitate decision-making processes for housing in the right locations</p>

Victoria’s Big Housing Build investment in social and affordable housing

The Victorian government is committed to building more social housing where it is needed most. Victoria’s Big Housing Build program is an \$5 billion investment in social and affordable housing, to deliver 12,000 new homes. The program aims to boost total social housing supply by 10%.

To support the Big Housing Build and other social housing programs, streamlined planning processes have been implemented into Victoria’s planning system. Proceeding consultation with councils and communities, the Minister for Planning will be able to:

- Issue a planning permit exemption under Clause 52.20 Big Housing Build of the planning scheme.
- Issue a planning permit for 10 or more social housing dwellings under Clause 53.20 Housing by or on behalf of the Director of Housing.

Victorian *Planning and Environment Act* (Voluntary Affordable Housing Framework)

From 1 June 2018, the *Planning and Environment Act 1987* (the Act) included an objective ‘to facilitate the provision of affordable housing in Victoria.’ Since this time, state and local legislative reforms, policy initiatives and new investments have been adapted to address housing need.

Homes for Victorians

Homes for Victorians is mechanism the whole of Victorian Government to collaborate with the Australian Government and local councils, the community social housing sector, and the development and construction industries.

The strategy:

- provides more than \$2 billion in support for social and affordable housing
- shifts support from investors to first home buyers through tax changes and grants
- improves housing outcomes for Victorians with \$770 million in funding.

Victoria’s Housing Statement 2023

The Housing Statement is the Victorian Government’s current policy to address the need for more housing. In the next decade, there is a bold target to build 800,000 new homes.

Key objectives of the housing statement are to:

- Reform Victoria’s planning system to boost housing supply across the state – clearing the backlog and giving builders, buyers and renovators certainty about how long approvals will take
- Deliver cheaper housing, closer to where people work – building more homes with high standards designs
- Close loopholes that drive up the cost of living for renters, providing more certainty on leases, living standards and finances and resolving tenancy disputes faster
- Deliver more social housing – launching Australia’s biggest urban renewal project on top of our Big Housing Build
- Facilitate long-term housing plans
- Build more homes in rural and regional Victoria.

Local Policy Summary

Clause 16.01-2L of the Melton Planning Scheme includes a strategy to support a proportion of housing to be affordable, such as by providing affordable housing, on large development sites proximate to activity centres, public transport and community centres.

Clause 02.03-6 Housing of the Melton Planning Scheme notes:

- Affordability is an important issue for socio-economically disadvantaged sections of the City.
- Opportunities have been identified for specialised residential markets, including social and affordable housing, aged-care and retirement housing.
- Planning for housing seeks to facilitate housing diversity and affordability that reflects community needs.