



**COMMUNITY HOUSING**  
Industry Association Victoria

Submission

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# **Cardinia Creek South Precinct Structure Plan**

April 2026



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## Acknowledgment of Country

CHIA Vic acknowledges the First Peoples of Victoria and their ongoing strength in practising the world's oldest living culture. We acknowledge the Traditional Owners of the lands and waters on which we live and work and pay our respects to their Elders past and present.

Victoria has been home to First Nations peoples for thousands of years but today too many Aboriginal Victorians don't have the homes they need to thrive. As the peak body for community housing in Victoria, CHIA Vic is committed to housing justice and self-determination for all First Nations Victorians.



# About CHIA Vic

The Community Housing Industry Association Victoria (CHIA Vic) is the peak body that represents the not-for-profit community housing sector in Victoria. We advocate for and support the community housing sector to grow and thrive as part of a housing system where all Victorians have the dignity of an appropriate, secure and affordable home.

CHIA Vic's member organisations include all Community Housing Organisations (CHOs) registered under the Victorian regulatory framework. Together, these CHOs provide more than 28,000 homes to Victorians poorly served by, or excluded from, the private rental and ownership market. We welcome the opportunity to make a submission on behalf of the community housing sector to the Cardinia Creek South Draft Precinct Structure Plan (PSP).

## About this submission

This submission to the Merrimu Draft PSP has been prepared by CHIA Vic and approved by CHIA Vic's Deputy CEO [REDACTED]. If additional information is required regarding this submission, please contact [REDACTED] [REDACTED] [@chiavic.com.au](mailto:[REDACTED]@chiavic.com.au).

## Summary of recommendations

All recommendations relate to both the PSP and any related planning scheme amendments.

1. Explicit targets for social and affordable housing
2. Social and affordable housing for Aboriginal Victorians
  - a. Set a target for a minimum of 10 per cent of the social housing and 10 per cent of the affordable housing be delivered for Aboriginal Victorians; and
  - b. Ensure that this housing be owned and managed by an Aboriginal Community Controlled Organisation.
3. A mandatory social and affordable housing contribution requirement is applied for all private development including residential, commercial and industrial land.
4. Require that social and affordable housing contributions are made direct to a registered CHO or to an Aboriginal Community Controlled Organisation.
5. Allow social and affordable housing contributions to be delivered through one or a combination of the mechanisms below, providing flexibility and enabling contributions to be tailored to the needs of different projects and parties:
  - Gifting completed dwellings;
  - Selling completed dwellings at a discount;
  - A cash contribution.



# Our vision: everyone has a safe and affordable home

A good home is a foundation for the most important things in life: freedom, connection, community, relationships. Housing is critical to the economic productivity, growth, liveability and wellbeing of Victoria.

- **Housing is essential infrastructure** – it is fundamental to how our towns and cities function. Along with transport networks, housing supports the effective functioning of our labour markets and allows people to live and work where they choose. Housing affects the life chances and choices of our population.
- **Housing is a human right** enshrined in international law.<sup>1</sup>

Unfortunately, there are many people in Victoria without a safe place they can afford to call home. Community housing can be part of the solution to this problem.

To ensure that everyone in the City of Casey local government area (LGA) has the dignity of a safe and affordable home, whatever their circumstances, we need to significantly increase the supply of social and affordable housing.

## Social and affordable housing is critical social infrastructure

Housing is both a human right and critical social infrastructure. Whilst market supply issues need to be addressed across Victoria, it is critical that social and affordable housing is a key part of the solution. The housing crisis cannot be fixed by purely focusing on increasing the supply of market housing.

### Many households don't have the home they need

In the City of Casey LGA, it is estimated that approximately 6,800 households did not have appropriate housing on Census night in 2021 - that's approximately 5.8% of all households in City of Casey. These households were either experiencing homelessness, living in overcrowded housing, or were on low incomes and spending more than 30 per cent of their income on rent in the private rental market. These households would struggle to meet the other daily costs of living. If nothing is done, it is estimated that in 2041 approximately 10,500 households in the Casey City LGA will not have appropriate housing<sup>2</sup>.

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<sup>1</sup> Amnesty International Australia, <https://www.amnesty.org.au/australias-housing-crisis-and-the-case-for-a-federal-human-rights-act/>

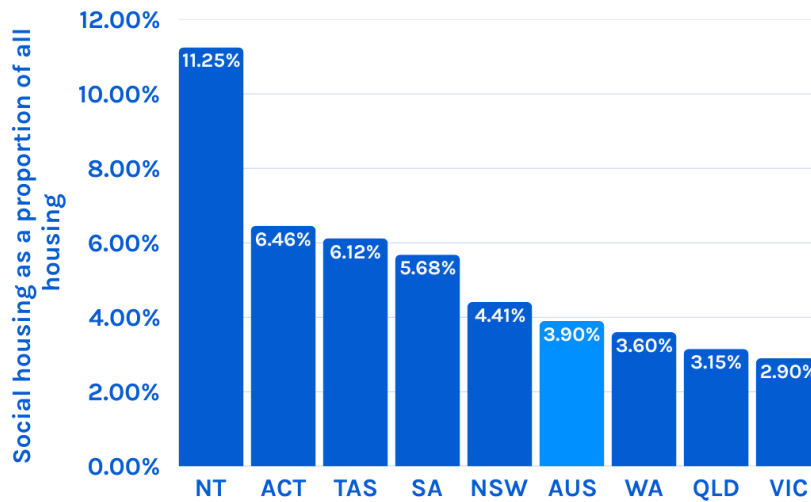
<sup>2</sup> University of New South Wales (UNSW), Quantifying Australia's unmet housing need: regional snapshot <https://cityfutures.adu.unsw.edu.au/documents/702/CHIA-housing-need-regional-snapshots-v1.3.pdf>



## There is a severe shortage of social housing

In December 2025, there were 56,420 households on the Victorian Housing Register (VHR).<sup>3</sup> Data from the Productivity Commission shows that Victoria still has the lowest proportion of social housing in Australia,<sup>4</sup> as shown in the graph below.

**Figure 1 – social housing as a proportion of all housing by state and territory (2025)**



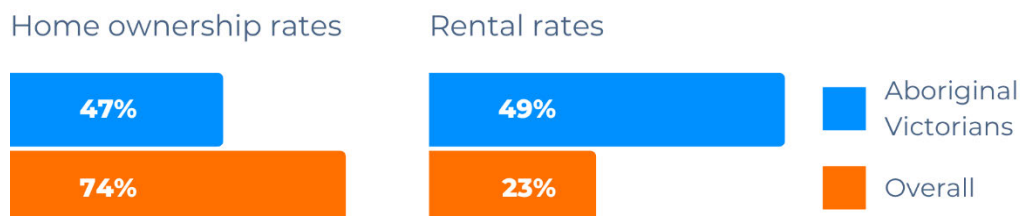
## Aboriginal Victorians are disproportionately impacted

Because of the ongoing impacts of colonisation, a disproportionate number of First Peoples in Victoria do not have a safe, secure and appropriate place to call home. First Peoples in Victoria are disproportionately exposed to dysfunction in the private rental market and shortage of social housing.

In Victoria, Aboriginal Victorians are:

- Experiencing homelessness at four times the rate of non-Aboriginal Victorians.<sup>5</sup>
- Less likely to own their own homes.
- More likely to rent.

**Figure 2 – home ownership rates and rental rates for Aboriginal Victorians in the City of Casey LGA<sup>6</sup>**



<sup>3</sup> Homes Victoria data on social housing applications on the VHR <https://www.homes.vic.gov.au/applications-victorian-housing-register-vhr>

<sup>4</sup> Productivity Commission, Report on Government Services 2025 – housing <https://www.pc.gov.au/ongoing/report-on-government-services/2025/housing-and-homelessness/housing>

<sup>5</sup> 2021 Census

<sup>6</sup> 2021 Census: <https://www.abs.gov.au/census/find-census-data/quickstats/2021/IQSLGA21610> and <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA21610>



# Feedback

## Social and affordable housing targets

As noted earlier, social and affordable housing is:

- A human right.
- Essential to address the housing crisis, and the housing crisis cannot be fixed purely by increasing the supply of market housing.
- Critical social infrastructure.

The Cardinia Creek South draft PSP should therefore include clear goals and mechanisms to include social and affordable housing as the area is developed.

### Recommendation 1:

Include explicit social and affordable housing targets, based on estimated demand, to provide clear and transparent goals to be achieved.

CHIA Vic has elsewhere called on 13.5 and 3 per cent of all new Victorian housing to be provided as social and affordable respectively.<sup>7</sup> While there is no estimated demand for this housing provided for the PSP area, we therefore recommend setting these as the targets. With an intended 1,200 new homes to be delivered under the PSP, this would give targets of 162 social and 36 affordable homes.

As noted earlier, Aboriginal Victorians are experiencing the current housing crisis more acutely than the rest of the population. Victoria's Aboriginal Housing and Homelessness Framework (VAHFF) – Mana-na woorn-tyeen maar-takoort – recognises this impact and outlines a plan to address Aboriginal housing disadvantage over a 20-year timeframe. This includes calls for 10 per cent of all new social housing and funding to be dedicated to housing for Aboriginal Victorians. CHIA Vic echoes this call and recommends sub-targets for both social and affordable housing for Aboriginal Victorians in Victoria.

### Recommendation 2:

- a. Set a target for a minimum of 10 per cent of the social housing and 10 per cent of the affordable housing be delivered for Aboriginal Victorians; and
- b. Ensure that this housing be owned and managed by an Aboriginal Community Controlled Organisation.

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<sup>7</sup> [https://chiavvic.com.au/wp-content/uploads/2024/09/A-new-plan-for-Victoria\\_CHIA-Vic-FINAL-submission.pdf](https://chiavvic.com.au/wp-content/uploads/2024/09/A-new-plan-for-Victoria_CHIA-Vic-FINAL-submission.pdf) pp 9-12.



## A mandatory social and affordable housing contribution

Social and affordable housing is essential infrastructure that is necessary for sustainable development. Therefore, it is appropriate that part of the cost to provide it is met through the development process. Other types of essential infrastructure such as roads, open space and community facilities are similarly partly funded by development contributions, which are required at the planning permit application stage.

The external benefits generated by social and affordable housing as essential infrastructure fall within three broad categories, each of which align with responsibilities held by the Commonwealth Government, State Government and developers:<sup>8</sup>

### 1. Commonwealth Government – poverty alleviation

Mitigating risk of poverty experienced by low-income families after they have paid for their housing expenses.

### 2. State Government – regional economic development

Facilitating supply of key workers with relevant skills across key locations and regional economies.

### 3. Developers – placemaking

Creating better neighbourhoods by supporting diversity and inclusion in placemaking.

We agree with these arguments put forward by SGS Economics, that the cost of supplying this infrastructure should be shared equally between these parties.

We note that historically the planning framework made the application of mandatory contributions challenging. However, the recently passed *Planning Amendment (Better Decisions Made Faster) Act 2026* introduces an Affordable Housing head of power, enabling the responsible authority to require developers to provide an Affordable Housing contribution. Even though the practicalities of this are not yet known, and depend on the forthcoming regulations, we believe that these legislative changes present an opportunity that Victoria can't afford to miss.

Suggested targets for social housing can strengthen delivery within a voluntary scheme, however to date, voluntary regimes have proven ineffective in achieving significant or equitable contributions to social housing supply. The outcomes of negotiations undertaken within a voluntary framework are likely to vary considerably, leading to lack of delivery of housing and inconsistent treatment of developers.<sup>9</sup> In a recent policy paper,<sup>10</sup> CHIA Vic demonstrated this by comparing the outcomes achieved through schemes in the City of Sydney and the City of Melbourne.

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<sup>8</sup> SGS Economics & Planning (2023), 'National Housing Assistance Policy: Trends and Prospects', accessed from [https://sgsep.com.au/assets/main/SGS-Economics-and-Planning\\_Commonwealth-housing-policy\\_occasional-paper.pdf](https://sgsep.com.au/assets/main/SGS-Economics-and-Planning_Commonwealth-housing-policy_occasional-paper.pdf)

<sup>9</sup> For some discussion of the challenges of a negotiation-based model see Katrina Raynor, Matthew Palm, and Georgia Warren-Myers, "Ambiguous, Confusing, and Not Delivering Enough Housing," *Journal of the American Planning Association* 87, no. 4 (May 2021): 542–55.

<sup>10</sup> A Tale of Two Cities: the case for mandatory affordable housing in the SRL precincts (August 2025), <https://chiavic.com.au/wp-content/uploads/2025/08/CHIA-Vic-SRL-mandatory-contributions.pdf>



**Table 1 – Comparison of affordable housing contribution schemes in Melbourne and Sydney**

Affordable housing contribution scheme	Mandatory/voluntary	Affordable housing delivery outcomes and projections
City of Sydney	Mandatory	1,534 homes since 1996, with a further 1,950 projected by 2036
Central City Planning Provisions Public Benefit Uplift (Melbourne CBD and Southbank)	Voluntary	0 homes since 2016, out of almost 31,000 new homes approved in that time

CHOs, councils, and developers across Victoria consistently note that negotiating affordable housing on a case-by-case basis under the existing voluntary framework is time consuming and costly.

Despite being in operation for over five years, the current voluntary mechanism has yet to deliver significant numbers of social and affordable homes. Reasons for this include:

- There is **little incentive for developers to enter into agreements**, and Councils have few powers to encourage negotiations.
- Most negotiated agreements have **relied on state government funding to be realised**. This is because the form of the contribution is most often the sale of dwellings at a discount to a community housing provider.

Affordable housing contribution mechanisms (also known as inclusionary zoning) are supported by housing economists, think tanks and local governments.<sup>11</sup> Recent AHURI research found that even developers have begun to recognise the need for a mandatory scheme as it would provide certainty around requirements, making it easier to assess project feasibility.<sup>12</sup>

<sup>11</sup>The Constellation Project (2023) *Mandatory Inclusionary Zoning National Framework*. [https://theconstellationproject.com.au/wp-content/uploads/2023/11/FRAMEWORK\\_MIZ-national-framework\\_2023.pptx-1.pdf](https://theconstellationproject.com.au/wp-content/uploads/2023/11/FRAMEWORK_MIZ-national-framework_2023.pptx-1.pdf)

<sup>12</sup> Benedict, R., Gurran, N., Gilbert, C., Hamilton, C., Rowley, S. and Liu, S. (2022) *Private sector involvement in social and affordable housing*, AHURI Final Report No. 388, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/finalreports/388>, doi: 10.18408/ahuri7326901.



## Case study: affordable housing contributions operate worldwide

Mandatory affordable housing contributions have been operating in Australian and international jurisdictions for many years, including:<sup>13</sup>

- In **NSW** the **Transport Oriented Development (TOD) Program** will establish inclusionary zoning for affordable housing.
  - In eight TOD accelerated precincts 15% of homes will be affordable housing held in perpetuity; and
  - In 31 transport hubs, a 2% affordable housing contribution will be required on all new developments. The contribution will gradually increase over time.
- In **New South Wales, specified zones in the City of Sydney** require developments to include a minimum amount of social housing. For residential developments, 0.8 per cent of total floor space is required, and non-residential developments require 1.1 per cent of total floor space.
- Across **South Australia**, in significant development projects, 15 per cent of dwellings must be affordable housing, including at least 5 per cent for high needs groups. Between 2005 to 2015, this resulted in 5,485 affordable homes which was approximately 17 per cent of new supply in major residential projects.
- In the **UK**, private developments have been required to include affordable housing since the 1990s. This provided 26,000 affordable homes in 2021-2022, ranging from social rental housing to affordable home ownership.
- Many jurisdictions in the **USA** have implemented mandatory affordable housing requirements, including New Jersey, California, Massachusetts, Baltimore, Denver, New York, Philadelphia, Sacramento and Santa Fe.

### Recommendation 3:

A mandatory social and affordable housing contribution requirement is applied for all private development including residential, commercial and industrial land.

This mandatory requirement could be set so that it delivers a third of the overall targets, as recommended earlier. This would accord with the arguments given above that social and affordable housing delivery is a shared responsibility of the Commonwealth, State Government, and developers.

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<sup>13</sup> AHURI (2023) *What is Inclusionary zoning, and how does it help deliver affordable housing*. <https://www.ahuri.edu.au/analysis/brief/what-inclusionary-zoning-and-how-does-it-help-deliver-affordable-housing>



## Social and affordable housing contribution delivery partners

The community housing sector can play a pivotal role in delivering social and affordable housing within the Cardinia Creek South PSP area. This is because of the sector's:

- **Purpose and mission** – CHOs are not-for-profit charities driven by a mission to provide safe, secure and affordable homes for people that can't afford another place to live.
- **Experience delivering and managing homes** – CHOs have a proven track record and are experienced in property and tenancy management; allocating homes to people who need it most; community development; supporting renters; and property development.
- **Regulation** – registered CHOs are regulated under the Victorian Housing Act 1983. The regulatory system is managed by the Housing Registrar, which sits within the Department of Treasury and Finance.
- **Cost efficiency** – CHOs are highly cost effective in non-market housing delivery because they don't rely on the development making a profit; are eligible for a GST refund on construction costs; and can access a range of capital grant funding opportunities.
- **Innovation** – CHOs are highly innovative and proficient at forging complex partnerships with diverse stakeholders and exploring non-traditional and unconventional housing solutions.

Social and affordable housing contributions should also be made to Aboriginal Community Controlled Organisations to:

- help address the disproportionate impact of the housing crisis on Aboriginal Victorians; and
- uphold the principles of self-determination.

### Recommendation 4:

Require that social and affordable housing contributions are made direct to a registered CHO or to an Aboriginal Community Controlled Organisation.



## Contribution delivery options to maximise the impact

To maximise the impact of a social and affordable housing contribution scheme, it is essential to establish a framework that simplifies developer participation, aligns with the needs of community housing partners, and enables flexibility for different contexts. This can be achieved by outlining options for how social and affordable housing contributions are to be provided.

The Victorian Government's Development Facilitation Pathway for affordable housing provides several options for how a contribution is provided.

### Case study: Development Facilitation Pathway for affordable housing

Residential development projects with a value of over \$15 million in Regional Victoria or \$50 million in Metropolitan Melbourne that deliver at least 10% of the development as affordable housing are eligible for the Development Facilitation Pathway. The Pathway specifies that the affordable housing is to be delivered in one of the following forms:

- 1) Discounted sale or gifting of homes to a registered community housing organisation or Homes Victoria where:
  - a) 10% of all dwellings are sold at a 30% discount to the market value or
  - b) Gifting of homes to a registered community housing organisation or Homes Victoria where 3% of all dwellings are gifted or
  - c) An alternate percentage of dwellings or discount rates that is equivalent in value to 3% of all dwellings.
- 2) A cash contribution equal to 3 per cent of the market value of the completed development to the Social Housing Growth Fund.

The dwelling mix of the affordable housing should generally reflect the total dwelling mix of the project.

The agreed affordable housing contribution will be set out in a section 173 agreement, which must be entered into prior to the issue of a permit for the development.

### Recommendation 5:

Allow social and affordable housing contributions to be delivered through one or a combination of the mechanisms below, providing flexibility and enabling contributions to be tailored to the needs of different projects and parties:

- Gifting completed dwellings;
- Selling completed dwellings at a discount;
- A cash contribution.



# Glossary

Affordable housing	<p>This submission uses the affordable housing terminology outlined in <a href="#">CHIA Vic's affordable housing policy paper</a> which argues that affordable housing should be:</p> <ul style="list-style-type: none"> <li>• Rental housing, not housing for sale. This retains the public benefit of these programs.</li> <li>• Targeted at households in the moderate-income range.</li> <li>• Rented at a fixed rate of 30 per cent of the lower limit of the moderate-income range. This would be relative to dwelling size and location (metro vs regional).</li> <li>• Owned by the community housing sector to support its permanent growth. Where ownership is not given, homes should be head leased to a CHO to ensure that they are rented in a fair and transparent way.</li> </ul>
Community housing	<p>Housing managed by a non-for-profit community housing organisation. Most community housing is social housing, however some CHOs also provide other housing programs including crisis accommodation, transitional housing, and affordable housing.</p>
Community housing organisation (CHO)	<p>Non-for-profit organisations that provide safe, secure and affordable homes for people that can't afford another place to live.</p>
Registered Housing Agency	<p>A Community Housing Organisation registered under the Housing Act 1983 and subject to regulation overseen by the Victorian Housing Registrar.</p>
Social housing	<p>Defined in the Housing Act as public housing (owned and managed by the State Government) and housing owned, controlled or managed by a participating registered agency (a Registered Housing Agency).</p>
Victorian Housing Register (VHR)	<p>The waiting list for social housing in Victoria.</p>

