

## Social and affordable housing – Fact sheet

The Victorian Government's [Housing Statement 2024-2034](#) includes a number of social and affordable housing initiatives, including:

- 769 new social housing homes built with \$496.5 million provided by the Commonwealth through its Social Housing Accelerator program over the next five years, including new sites utilising state-owned land and redevelopment of public high-rise housing towers in inner Melbourne
- \$1 billion for an Affordable Housing Investment Partnership Program (AHIP) providing low interest loans and government guarantees to finance social and affordable housing, including affordable housing of essential and key workers
- \$1 billion for the Regional Housing Fund to deliver 1,300 new homes in regional Victoria (previously announced)
- Dedicated funding to Homes Victoria for social housing from a new short-term accommodation levy (expected to yield \$70 million per year)
- Exploration of opportunities to buy pre-sale off-the-plan apartments in medium and high density developments
- Head-leasing leftover apartments in new developments
- “Ground lease models” promoted so that community housing providers manage and maintain sites for 40 years, before handing the land and all dwellings back to Homes Victoria. Current projects are expected to generate 2,500 new homes
- \$150 million Regional Worker Accommodation Fund for regional communities where key workers are struggling to find affordable houses.

### MAV comments:

#### Affordable housing initiatives are welcome, but more detail is required

Affordability is a key theme of the [Affordability Partnership](#) between the Victorian Government and the property development sector in the recent Housing Statement. It is not clear what sort of affordable housing is being envisaged however, with housing which is affordable for workers wanting to live near their places of work being in scope alongside the [current income bands](#) for affordable housing [defined](#) in statutory planning.

Definitions are important to understand, as they will guide the criteria developers need to comply with when affordable housing dwellings are being incorporated into planning permits issued under the broad new powers available to the Minister for Planning.

Questions to be interrogated in further detail include:

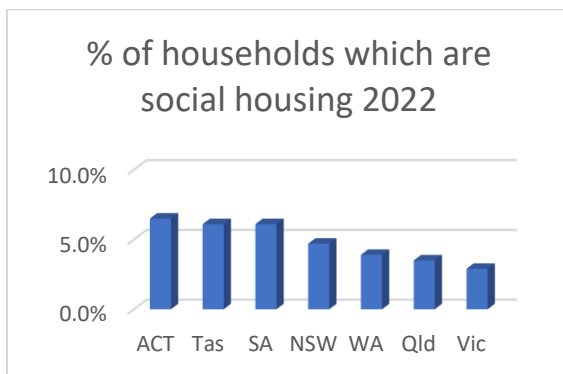
- The criteria for what is considered “affordable” in dwellings approved by the Minister for Planning
- Contractual obligations on developers and property owners regarding status and longevity of affordable housing in approved developments.

## Social housing uplift is unlikely to meet demand

Victoria has a significant catch-up program ahead over the next decade in order to meet demand for more social and affordable housing.

Over 65,000 applications are currently waiting for social housing, with 9,373 needing priority attention ([Victorian Housing Register](#), June 2023). Victoria’s provision of social housing as a percentage of the total population is also the lowest in Australia, at 2.9% in 2022, down from 3.6% ten years ago. Even after the Big Housing Build, [CHIA Victoria](#) estimates that at least 6,000 new dwellings need to be built each year for the next 10 years – 60,000 dwellings.

### Victoria’s current state of social housing provision:



(national average was 4.1% in 2022)



Source: Australian Institute of Health and Welfare [Housing Assistance in Australia](#)

Greater interrogation of the net increases in social housing stock intended to be generated through the Housing Statement’s initiatives is required. The Statement only identifies 769 social housing homes being built through the Commonwealth Social Housing Accelerator program, and “more than 4,000 social housing homes through other programs”. The additional \$70 million anticipated to be collected through the short-term accommodation levy will produce just over 200 additional new social housing dwellings each year, which is well below what is required. Short-term rentals moving to long-term rentals are also unlikely.

The implications of displacing thousands of people currently living in the public high-rise towers in Melbourne will also generate higher demand and uncertainty regarding social housing availability in the short to medium term. It is also unclear whether the same number of social housing tenants will be housed in the redeveloped public housing tower sites, or whether these well-located sites will be taken up with affordable and market-driven dwellings.

## Dedicated funding sources for social housing continue to be required

The Introduction of a 7.5% short-stay levy on the revenue of accommodation platforms to provide additional funding to Homes Victoria for social and affordable housing is very modest and well below the level of funding that could have been generated from mandatory developer contributions.

Inclusionary zoning and mandatory developer contributions continue to be a must-do initiative to ensure an ongoing supply of social and affordable housing.

## Long-term social and affordable housing strategy needed to underpin the new Plan Victoria

Substantial shifts to community housing providers owning and maintaining social housing on behalf of the Victorian Government has been underway for some time. These are supported, alongside Homes Victoria continuing to invest and maintain its funding levels for social housing.

The additional uplift in affordable housing options developed by the private sector that will flow from the Housing Statement mean there is now an urgent need for a medium-term housing strategy to be developed which brings together all aspects of the housing and homelessness support sectors.

There continue to be many opportunities for local effort and initiative to align with other tiers of government if there is a willingness to do so.

The Australian Local Government Association is represented on the [National Housing Accord](#) which brings together government, investors and development sector representatives. Recent legislation passed by the Federal Parliament will also hopefully generate more financing options for local projects into Victoria through the [National Housing Finance and Investment Corporation](#)

### MAV advocacy

Social and affordable housing has been a significant issue of concern to councils in recent years. In response, MAV developed a [Local Government Social and Affordable Housing Position Statement](#) in consultation with councils through 2021 and 2022. This will be reviewed in light of the recent Housing Statement announced by the Victorian Government on 20 September 2023.

MAV's policy regarding social and affordable housing policy is also guided by MAV State Council [resolutions](#).

A formal partnership (compact) between the Victorian Government and councils continues to be necessary if continued affordable and social housing dwellings are to be built at pace. We have reached out to the new CEO of Homes Victoria to progress discussions.

### Information links:

#### Premier media releases:

- [Australia's biggest every urban renewal project](#) (24 September 2023)
- [More homes closer where you want to live and work](#) (22 September)
- [Good decisions made faster](#) (21 September)
- [Affordability partnership to build 800,000 Victorian homes](#) (20 September)
- [Affordability partnership to build 152,000 regional homes](#) (20 September)

#### Community Housing Industry Association (CHIA Vic):

- [Submission to the Victorian Parliamentary rental and housing affordability inquiry](#) (July 2023)

#### Council to Homeless Persons:

- [Housing statement fails on social housing commitments](#) (20 September 2023)