



COMMUNITY HOUSING
Industry Association Victoria

Submission

Infrastructure Victoria's draft 30-year infrastructure strategy

April 2025



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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 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 registered under the Victorian regulatory framework. Together, they provide over 26,000 homes to Victorians poorly served by, or excluded from, the private rental and ownership market.

Contact details

CHIA Vic welcomes the opportunity to make a submission to Infrastructure Victoria's draft 30-year strategy. This submission has been prepared by CHIA Vic and approved by CHIA Vic's CEO Sarah Toohey. If additional information is required regarding this submission, please contact Sarah Toohey (sarah.toohey@chiavvic.com.au).



Executive summary

CHIA Vic welcomes the opportunity to provide feedback into Infrastructure Victoria's draft 30-year infrastructure Strategy. In particular, we are pleased to see an emphasis on delivering the essential social infrastructure that is social housing.

The recommendations to deliver 60,000 units over a 15-year timeframe is a welcome recognition of the need to invest in a long-term pipeline of social housing delivery. CHIA Vic has long advocated for an investment of 6,000 units a year for 10 years to bring the proportion of social housing in Victoria up to the 2021 national average of 4.5 per cent of all housing stock, up from 2.9 per cent.

Unfortunately, this target is slipping further behind as social housing investment has not keep pace with population growth, and ageing social housing is sold or redeveloped.

This target is also somewhat arbitrary. According to UNSW, there were 146,000 low-income households in Victoria in 2021 with an unmet housing need, either experiencing homelessness, severe overcrowding or paying more than 30 per cent of their income in rent.

Separate analysis by SGS Economics & Planning indicates approximately 10 per cent of all housing needs to be social housing to adequately meet the needs of the Victorian population.

The social and economic impacts of the prolonged underinvestment in social housing are now being seen in the broader rental housing market.

CHIA Vic recommends that Infrastructure Victoria consider an updated target in the final report, to bring the supply of social housing closer to meeting the housing needs of the population.

To do this will require a range of investment strategies, including: partnering with, and matching funding from, the Commonwealth Government; mandatory affordable housing contributions; changes to government land policy; new procurement models, and dedicated ongoing funding commitments from the Victorian Government.



Summary of recommendations

1. Set a long-term goal that social housing should make up 10 per cent of all housing by 2051.
2. Consistently invest in a program to build 7,990 homes a year for the next 10 years to reach the national average of 4.5 per cent of all housing as social housing by 2036.
3. Explore new models of procurement to deliver a long-term development pipeline.
4. Create an annual funding program where funding rounds open, close and are awarded at the same time every year to prevent project delays.
5. Review government land use policy to sell land for social housing at 'use value' and include community housing organisations in the first right of refusal process.
6. Use the community housing sector as the growth vehicle for social housing.
7. Boost and reform the Social Housing Growth Fund to provide a clear annual funding stream.
8. Invest in site amalgamation to secure more homes.
9. Advocate to the Commonwealth Government for a matched funding program
10. Amend recommendation 7 to rezone land near existing infrastructure and mandate the delivery of affordable housing for low-income households.
11. Recommend the introduction of a mandatory affordable housing contribution in parallel with value-adding changes to the Planning and Environment Act.



A vision for Victoria's housing system

A good home is a foundation for the most important things in life: freedom, connection, community, relationships. CHIA Vic believes that every Victorian deserves the dignity of a safe, affordable home.

This sentiment is expressed as one of the key aims of Infrastructure Victoria's 30-year infrastructure strategy:

Victorians can access housing, jobs, services, and opportunities to develop their capabilities, support their wellbeing, connect with other people, and take part in civic, community and cultural life. (p. 15)

A good home allows people to be a part of their community, maintain connections with family and participate in daily life. It should be accessible, to enable people with mobility limitations to be included in the community, and older people to age in place.

Social housing provides long-term homes to Victorians who would otherwise be unable to find one, whether due to low incomes, discrimination or needing additional help to maintain a home. As a submarket product, social housing is not profitable and cannot be delivered by the private market. It requires significant and ongoing government investment.

CHIA Vic welcomes Infrastructure Victoria's draft 30-year infrastructure strategy, and the priority it places upon building more social housing. This submission offers suggestions for how the recommendations about social and affordable housing could be improved to have greater impact and delivery certainty. Only in this way will we be able to ensure that in time all Victorians have the homes they need, and along with it the opportunity to learn, grow, work, play and connect with their communities.



Meeting the housing needs of all Victorians

CHIA Vic strongly supports Infrastructure Victoria's first recommendation and commends them on specifying a target for new social housing:

Recommendation 1: Build more social housing.

Consistently invest in new social housing to provide more Victorians on low incomes with access to a secure and affordable home.

This draft strategy, and indeed previous strategies, have been significant in acknowledging the importance of social housing as essential infrastructure. With demand for social housing continuing to grow faster than the current pipeline of new social housing development it is essential to set up a long-term plan to address the housing needs of Victorians.

At just 2.9 per cent of all households, Victoria's proportion of social housing sits below the national average and trails all other states and territories.¹ Despite investments in recent years improving this number slightly, it is far below what is needed, and this is having material impacts on all Victorians. The rate of homelessness in Victoria has risen from 35 in 10,000 people in 2006 to 47 in 2021. In addition to the cost to the individuals, the costs to justice, health and other services continues to rise. In 2022 it was found that the cost of Victoria's affordable housing shortage was \$141.2 million per year, and this will grow to \$236.7 million per year by 2036 if things don't change.²

An estimated 146,100 low-income households, that is households who would be eligible for social housing, could not afford a suitable home in 2021.³ This means they were experiencing homelessness, living in overcrowded homes, or spending over 30 per cent of their income on rent in the private market.

Too many Victorians are missing out on the stability and security of an affordable home.

¹ Number of households in social housing from Productivity Commission, 'Report on Government Services 2025', Table 18.4A of Housing data tables, accessed at <https://www.pc.gov.au/ongoing/report-on-government-services/2025/housing-and-homelessness/housing> and number of overall households taken from ABS, 'Projected families, Australia, 2021 to 2046', accessed from

<https://www.abs.gov.au/statistics/people/population/household-and-family-projections-australia/latest-release>.
² Nygaard, A. (2022), 'Cost of inaction: social and economic losses due to the social and affordable housing shortage', <https://www.communityhousing.com.au/wp-content/uploads/2022/05/CHIA-Everyones-Home-Wider-Benefits-Analysis-31.3.2022.pdf?x55554>, 6.

³ UNSW, 'Quantifying Australia's unmet housing need', accessed from <https://cityfutures.adfa.unsw.edu.au/social-and-affordable-housing-needs-costs-and-subsidy-gaps-by-region/>.



There is no 'perfect' proportion of social housing that brings housing markets into balance. However, the current dysfunction in the Victorian rental market suggests that it is clearly higher than the current proportion of 2.9 per cent.

In previous strategies, Infrastructure Victoria has called for targets to bring Victoria's proportion of social housing up to the 2021 national average of 4.5 per cent of the housing market.⁴ Others have argued that an appropriate level of social housing is closer to 15 per cent of the housing market.⁵ The current OECD average proportion of social housing is 7 percent⁶.

Victoria is projected to have a population of 10.3 million by 2051,⁷ and the Victorian Government has recently released housing targets to deliver an additional 2.24 million homes over this time. However, there are no targets for social housing in this strategy.

CHIA Vic and other members of the Housing Peaks Alliance recently commissioned research by SGS Economics & Planning to determine demand for social housing in Victoria.

This research considered a number of housing growth and demand scenarios. The graph on the page below shows the social housing stock needed to meet the four targets measured. These all assume that the Victorian Government's overall housing targets are met.

⁴ Infrastructure Victoria (2021), 'Victoria's Infrastructure strategy 2021-2051', <https://www.infrastructurevictoria.com.au/infrastructure-strategy>.

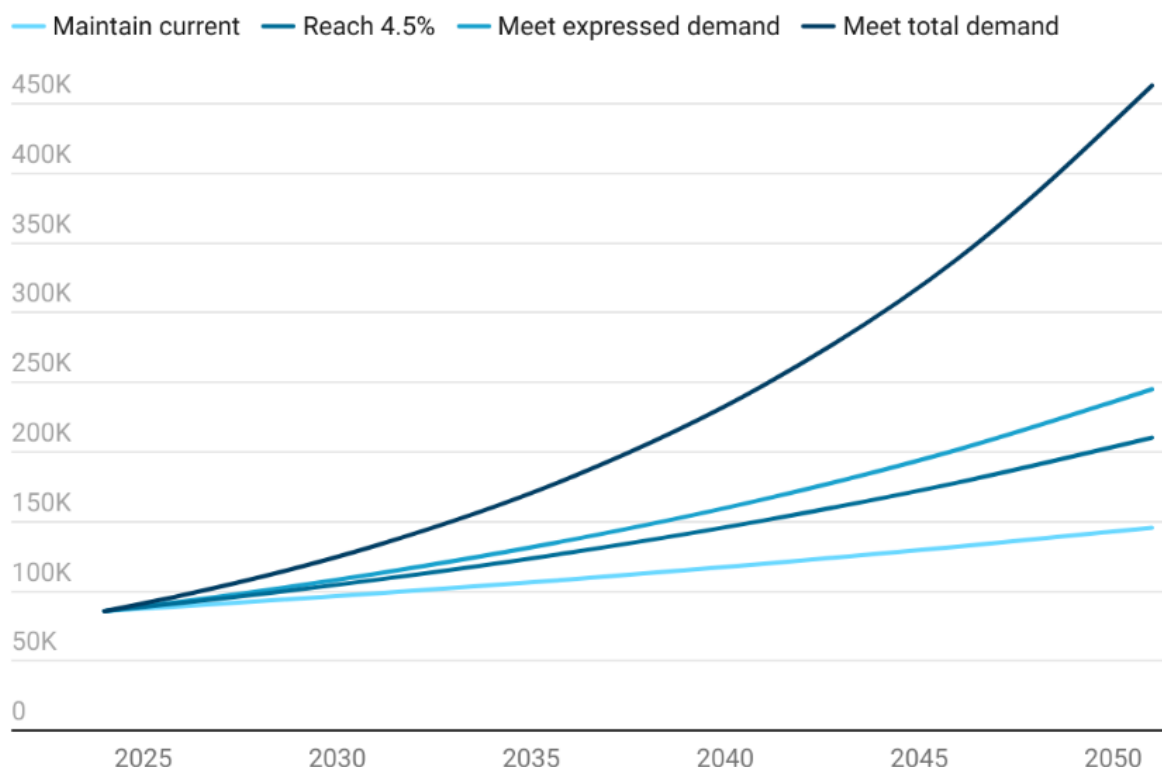
⁵ SGS (2023), 'National Housing Assistance Policy: Trends and Prospects', https://sgsep.com.au/assets/main/SGS-Economics-and-Planning_Commonwealth-housing-policy_occasional-paper.pdf.

⁶ OECD (2022), Social rental Housing Stock, <https://www.oecd.org/content/dam/oecd/en/data/datasets/affordable-housing-database/ph4-2-social-rental-housing-stock.pdf>.

⁷ DTP (2023), 'Victoria in Future 2023', https://www.planning.vic.gov.au/_data/assets/pdf_file/0022/703453/DTP0552-Victori-in-Future-2023-report.PDF, 9, and Engage Victoria, 'Help us shape the future for Victoria', <https://engage.vic.gov.au/project/shape-our-victoria/page/housing-targets-2051>.



Total social homes needed, four different scenarios



Created with Datawrapper

This research estimates that by 2051 Victoria will need 462,676 units of social housing to meet the total demand for social housing and the housing needs of Victoria's population – 372,231 in Metropolitan Melbourne and 90,455 in Regional Victoria.⁸

This represents 10 per cent of all households and almost 16 per cent of the Victorian Government's target for new homes. Meeting this target would require an average of almost 15,000 new social homes a year for the next 26 years. It should be the Government's goal to adequately house the entire population, and so CHIA Vic recommends that the Victorian Government set a long-term target for social housing to reach 10 per cent of all housing by 2051.

In order to reach this target, we will need interim targets, and consistent investment along the way.

To this end CHIA Vic strongly supports Infrastructure Victoria recommending a 15-year funding plan and pipeline for social housing. Given the urgency of the current need for social housing, the significant existing shortfall and the broad community benefits and savings, CHIA Vic recommends that Infrastructure Victoria increase this target, and shorten the delivery timeframe, to recommend the delivery of 7,990 units a year for the

⁸ SGS research – forthcoming



next 10 years, so that Victorian can reach the the 2021 national average proportion of social housing of 4.5 per cent by 2036.

To meet the 2021 average of 4.5 per cent over the longer 15 year timeframe would require 6311 units a year, delivering 94,655 social homes by 2041

More homes for First Nations renters

Self-determination requires that First Nations people have a choice of housing options across all tenure types. To deliver these options government must support the growth of Aboriginal Community Controlled Organisation housing. At the same time, mainstream community housing organisations must increase housing opportunities for First Nations people.

Victoria's self-determined housing and homelessness strategy for Aboriginal people, Mana-na woorn-tyeen maar-takoort (Every Aboriginal Person Has a Home) outlines the changes needed in the housing system to address this. CHIA Vic welcomes recommendation 22:

Invest in secure homes for Aboriginal Victorians

Fund a 10-year program to build social homes for Aboriginal Victorians and provide secure and sustainable tenancies. Work with Aboriginal housing providers and Traditional Owner corporations to develop capacity across the Aboriginal housing and homelessness sector.

We note that funding for this initiative is included in the cost estimates for recommendation 1 and that allowances have been made in those costings to develop the Aboriginal Community Controlled Housing sector. In line with the discussion below we recommend reviewing and updating these costing assumptions.

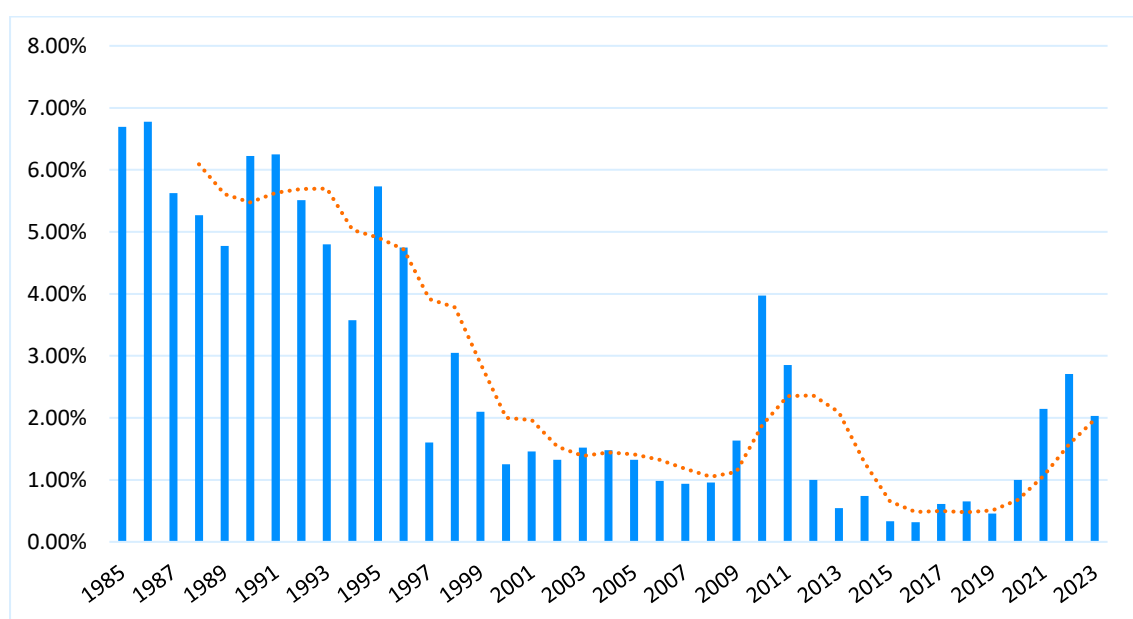
We would also note that while there is a significant opportunity for Aboriginal Community Controlled Organisations and Traditional Owner Groups to provide land on housing that they currently own, some of this land is not currently serviced, and so additional investment will be required to deliver essential infrastructure to these sites.



Delivery matters and consistency in funding and procurement is key

CHIA Vic is particularly encouraged by the recommendation to **consistently** invest in new social housing. In recent decades social housing funding has been in a boom-and-bust cycle, with major investments in response to economic crises (such as the Global Financial Crisis in 2008 and COVID-19 in 2020), and little to no investment in between. This can be seen clearly in the graph of public sector building below. It also highlights the long-term decline in investment in social housing:

Public sector dwelling commencements as a proportion of total commencements, with rolling four-year average



Source: CHIA Vic analysis of ABS data, <https://www.abs.gov.au/statistics/industry/building-and-construction/building-activity-australia/latest-release>, Table 34

This sporadic funding is inefficient as with each cycle the community housing sector, and government departments, must quickly build capability and capacity, only to lose it again when the cycle ends and funding runs out.

When funding has become available, like under the Victorian Government's Big Housing Build and the Federal Government's Housing Australia Future Fund, funding rounds have been competitive and unpredictable, with funding parameters, target groups and timing changing with each funding round.

Competitive funding rounds waste resources

Under the Victorian Government's Social Housing Growth Fund, community housing organisations are required to bid in social housing projects for funding. To bid in projects with any degree of certainty requires organisations to develop project feasibility plans with an architect, have these costed by a quantity surveyor and engage planning



consultants. This results in not-for-profit organisations spending their limited surplus funds on funding bids for homes that may never be built.

A survey of CHIA Vic members after the first Rapid Round of the Big Housing Build found that community housing organisations had spent approximately \$6 million developing bids for funding. Of these projects, only half were successful. This means that in a single funding round, an estimated \$3 million dollars was lost without delivering a single home.

Competitive procurement of individual projects wastes valuable resources that could otherwise be spent on building more homes. It also sets up a number of perverse incentives that might encourage community housing organisations to:

- Reduce their risk margin to provide a lower cost to government, which potentially puts project delivery at risk.
- Increase the amount of their co-contribution, reducing the equity or financing capacity they could put towards future projects. Ultimately this reduces the amount of housing the sector can build.
- Drive up costs by inadvertently bidding against each other for sites.

To maximise the ability of community housing organisations to co-contribute to new housing, new models of procurement are needed.

Program-based procurement

Program-based procurement offers an alternative to the current project-based procurement model.

Under a program-based procurement process, government would identify regions and delivery targets, and community housing organisations would bid in a plan of how they would deliver those homes and at what price over a given timeframe.

This would reduce the time and money community housing organisations spend on preparing project-by-project submissions, whilst retaining competitive pressure to assure government value-for-money. They would only then have to invest in projects that are likely to be realised.

Program-based procurement would let community housing organisations more closely follow traditional development processes, with less reliance on having to speculate on potential sites and projects and then hope they obtain a grant to fund it. Instead, with guaranteed funding to deliver a program of works over a number of years, they could confidently assess sites for project opportunities, knowing that if they are feasible there are resources at hand to progress them.

It would speed up delivery by reducing the annual delays in processing funding rounds and reduce costs to government of assessing those rounds.

With guaranteed funding over a longer timeframe, community housing organisations could develop partnerships with councils, developers and other key stakeholders to bring



land online for development. There would also be more time to build community support for projects, rather than having to engage with local stakeholders at short notice only once a project has been funded and announced.

Monitoring of governance and project delivery would be crucial to make sure successful bidders are able to acquit the program of works they get funded for. England, Scotland and Wales have all recently shifted away from project-based procurement approaches to program-based models and have procedures that manage this. For instance, Homes England runs a Compliance Audit of housing organisations that have received grant funding, including for their program-based 'Strategic Partnerships'. Recipients must also provide an annual Statement of Grant Usage which includes an external audit on a sample of projects.⁹

CHIA Vic would like to see Infrastructure Victoria recommend changes to the procurement model in order to increase the number of homes that can be delivered.

Unpredictable funding rounds miss opportunities

The Social Housing Growth Fund (SHGF) was established in 2018 and received a significant funding boost in 2020 under the Big Housing Build. Over the life of the program there have been nine funding rounds. Three rounds were dedicated to general social housing and six dedicated to specific cohorts, locations or housing types (e.g. affordable housing, subleasing models). There is no published plan of future rounds and thus no ability for organisations to plan or seek out projects appropriately. It also means that when a development opportunity arises, organisations have no line of sight to a possible funding source.

Introducing a consistent schedule for funding rounds would allow community housing organisations and their partners to develop a pipeline of projects that could be bid in over time. Certainty about future funding rounds would give boards the confidence to take on activities that require more lead time, such as rezoning of land, and site amalgamation. It would also ensure that CHOs could better plan their staffing requirements, working towards known deadlines.

Recommendations

In summary, CHIA Vic strongly supports the recommendation by Infrastructure Victoria for a funding commitment comprised of up-front capital, but calls for changes to maximise the impact of this:

CHIA Vic recommends that Infrastructure Victoria amend recommendation 1 to:

1. Set a long-term goal that social housing should make up 10 per cent of all housing by 2051.

⁹ UK Government, 'Capital Funding Guide – 14. Strategic Partnerships', <https://www.gov.uk/guidance/capital-funding-guide/14-strategic-partnerships>.



2. Consistently invest in a program to build 7,990 homes a year for the next 10 years to reach the national average of 4.5 per cent of all housing as social housing by 2036.
3. Explore new models of procurement to deliver a long-term development pipeline.
4. Create an annual funding program where funding rounds open, close and are awarded at the same time every year to prevent project delays.

Review cost assumptions and increase the funding for social housing growth

In the draft strategy, Infrastructure Victoria outlined the following cost assumptions which informed their recommended funding amount:

- A per-unit cost of between \$240,000 to \$580,000
- A Victorian Government contribution of 95 per cent of the costs, totalling \$18 billion to \$29 billion
- A possible reduction of between \$25,000 to \$300,000 per unit as a result of building on government land

Rapid cost escalations in the construction industry in recent years has made cost forecasting extremely challenging. CHIA Vic has provided some additional data points below and suggests that based on this data the funding assumptions should be reviewed.

Current construction and land costs

Data from the community housing sector indicates that construction costs range from \$310,000 for a unit outside major town centres in regional Victoria to over \$610,000 for a medium density development in inner Melbourne. Given this wide variation we have taken the midpoint of \$460,000 per unit, with an annual cost escalation of 3 per cent a year for 15 years (noting that currently the construction sector is facing over 5% cost increases per year, and these are not expected to fall until 2028)¹⁰.

These assumptions suggest a total construction cost of almost \$34 billion, based on a pipeline of 4,000 homes per year over 15 years (noting that CHIA Vic is urging a higher target), and excluding land costs.

Land costs vary significantly, however Greater Melbourne's average median lot price for 2024 was \$403,000,¹¹ suggesting that the total cost to deliver 60,000 homes is likely to be

¹⁰ WT (2024) Australian Construction Market Conditions Report, accessed at: <https://wtpartnership.com.au/australian-construction-market-conditions-report/>

¹¹ UDIA State of the Land (2025) <https://udia.com.au/wp-content/uploads/2025/03/State-Of-The-Land-Report-2025-Final-Report.pdf>



much higher than the \$19 billion to \$30 billion estimated. However, a range of procurement mechanisms and policy changes can reduce these costs. We have outlined some of these opportunities below.

Opportunities to generate cost savings

Create the policy framework for government land to be transferred at no cost, or at use value

Infrastructure Victoria has identified using existing government land as one way to reduce the cost to deliver the social housing Victoria needs.

Developing new social housing on vacant or underutilised government land is currently constrained by government land transaction policy which requires that government seek market value for land being sold. This includes sale to other government departments. Finding ways to incentivise or otherwise prioritise the use of surplus government land for social housing over other market uses requires an explicit aim in government land disposal policy.

Rather than requiring departments to acquire sites at market value, CHIA Vic recommends that these sites be sold at 'use value' in the recognition of societal benefits provided by social housing,¹² similar to land sold to councils for parks. This recognises that while the land may have a significant market value, the use value will not allow this to be realised, and as such the land should be sold at a lower rate.

Government departments and agencies and local government all have first right of refusal for surplus government land prior to it going on sale in the private market. To facilitate the delivery of more social housing this process should be expanded to include community housing organisations. This would ensure that community housing organisations have equal access to surplus government land and can leverage Commonwealth and philanthropic support to grow the supply of social housing.

Use the community housing sector

Community housing organisations can build homes more cost effectively than traditional public housing delivery, meaning more homes can be built for the same public investment.

As registered charities, community housing organisations have GST and other tax concessions available to them that lowers the cost of delivering new homes.

Community housing organisations can also contribute their own land, capital and finance towards housing projects, typically 15 to 30 per cent of a total project cost. This means that the same value of government investment builds more homes than it could itself deliver as public housing. Any revenues that community housing organisations generate

¹² SGS Economics & Planning (2017), 'The case for investing in last resort housing', <https://sgsep.com.au/assets/main/SGS-Economics-and-Planning-Last-Resort-Housing.pdf>.



through their housing delivery get invested directly back into maintaining, improving or growing social housing.

Expand the Social Housing Growth Fund

The Victorian Government established the SHGF in 2018 to fund social housing projects using the interest from an initial \$1 billion investment of seed funding using availability payment funding models. It was subsequently bolstered with a further \$1.38 billion through the Big Housing Build and offered capital grants to build 4,000 homes. In 2024, an affordable housing program of 1,500 homes was added to the targets. The majority of these funds have now been contracted, but the vehicle remains available to leverage funding contributions and grow them over time.

CHIA Vic has been calling on the Victorian Government to boost the SHGF with additional funding, and to use both the interest and the principal of this investment to build social housing. If payments were made as capital grants, an investment of \$6 billion would be able to fund the construction of around 20,000 homes over the next 10 years. A sizeable upfront investment into the fund achieves more homes than annual funding allocations by the State Government, as it allows time for interest to accrue which adds to the initial seed funding. The additional interest would support an estimated 7,500 extra homes over 10 years compared with an annual funding allocation of \$600 million per year over the same time.

Increasing the upfront capital investment will of course yield a higher number of homes, and under more sustainable funding conditions, due to the greater interest returns. For example, we have modelled that were the Victorian Government to make an upfront investment of \$20 billion in the Social Housing Growth Fund, the capital and interest could deliver over 52,000 units in 10 years.

Make the most of the properties already in the social housing system

CHIA Vic has recently partnered with Swinburne University and Ys Housing to explore the potential impact of amalgamating sites next to existing community housing properties that are in well-located existing neighbourhoods and are suited to redevelopment.¹³

The community housing sector owns around 5,000 homes that are detached and sit on large, well-located blocks in Melbourne and regional centres of Victoria. Of the sample that this research examined, over 60 per cent of these properties were well-suited to infill redevelopment – typically the conversion of a single home into three townhouses.

When the project modelled the potential yield from developing two amalgamated sites, it increased the number of homes that could be delivered, relative to developing each block individually, by up to 50 per cent. It also demonstrated the potential to reduce the cost per unit by up to \$250,000.

¹³ Research available upon request.



To capitalise on all sites identified would require \$80 million a year in grant funding for site acquisition, however a modest \$10 million a year (\$40 million over 4 years) could pilot the initiative, supporting both increased social housing supply and land assembly for medium density infill development near infrastructure.

Maximise Commonwealth investment

The current draft Strategy proposes that the Victorian Government fund 95 per cent of the cost to deliver 60,000 homes over 15 years. CHIA Vic strongly supports the proposal for state government investment in the delivery of social housing. We also believe that this should be significantly supplemented by federal government funding.

Historically (from 1945 to 2009), the states and Commonwealth have shared responsibility for funding social housing under the Commonwealth State Housing Agreement, with delivery the responsibility of the states.

If the Commonwealth returned to their historical practice of offering a 2-to-1 funding match for social housing, a Victorian Government commitment to a \$30 billion funding pipeline for social housing over 15 years could result in a \$90 billion program. This will have a much better chance of meeting the housing needs of Victorians.

The Victorian Government should seek to restore this funding partnership with the Commonwealth Government as a matter of priority.

However, in the absence of a shared funding commitment, a clear funding pipeline from the Victorian Government will ensure that Victoria is in the best position to make use of ad hoc federal funding commitments.

CHIA Vic recommends that infrastructure Victoria include additional recommendations to secure cost savings in the delivery of social housing including:

5. Review government land use policy to sell land for social housing at 'use value' and include community housing organisations in the first right of refusal process.
6. Use the community housing sector as the growth vehicle for social housing.
7. Boost and reform the Social Housing Growth Fund to provide a clear annual funding stream.
8. Invest in site amalgamation to secure more homes.
9. Advocate to the Commonwealth Government for a matched funding program.



Bring forward mandatory affordable housing requirements

CHIA Vic supports recommendation 7:

Rezone locations near existing infrastructure for more home choices

However, this should be coupled with the ‘future option’ that the Victorian Government:

Mandate more affordable homes near existing infrastructure.

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.

Changes to Victoria’s planning system, particularly rezoning in desirable locations and other value-creation activities by government, can generate significant value for private landholders.

In the absence of a mandatory contribution scheme, it is highly likely that developers will price in the increased density being proposed for activity centres and other areas with good access to existing infrastructure. Once these higher yields are factored into land prices, the value will be captured by existing private landholders. If a mandatory affordable housing contribution were introduced at the time of rezoning, some of this value uplift could be captured in the delivery of social housing.

The experience in Fisherman’s Bend, and other council initiatives suggests it is very hard to get developers to pay for an affordable housing contribution after a rezoning has taken place.

For Victoria to set up an effective mandatory affordable housing contribution scheme it needs to be implemented in tandem with changes to the planning system that create value through allowing additional density.

We strongly support both recommendation 7 and the future option, however, believe these should be implemented in tandem.



CHIA Vic recommends that Infrastructure Victoria:

10. Amend recommendation 7 to rezone land near existing infrastructure and mandate the delivery of affordable housing for low-income households.
11. Recommend the introduction of a mandatory affordable housing contribution in parallel with value-adding changes to the Planning and Environment Act.



A plan for essential infrastructure

CHIA Vic strongly supports Recommendation 35:

Prepare and publish infrastructure sector plans to shape Victoria's cities

Agree a set of assumptions for future population, jobs and land use for more compact cities. Require each department that owns infrastructure to develop an infrastructure sector plan as soon as possible, based on these assumptions, and publish strategic-level plans. Use the finished sector plans to decide infrastructure project funding.

This recommendation is particularly important in the case of social housing where there are multiple agencies and organisations delivering homes in a largely uncoordinated fashion.

CHIA Vic has long been calling for Homes Victoria to develop and publish a long-term growth and maintenance strategy for social and affordable housing. This could then be used to coordinate and guide funding and investment decisions in new social housing. This clarity would promote efficiency in delivering more social housing where it's needed most.



Conclusion

CHIA Vic commends Infrastructure Victoria on the draft 30-year infrastructure strategy. Infrastructure Victoria has long recognised the essential role that social housing plays in functioning, cohesive and prosperous communities and has clearly articulated the role of this essential infrastructure.

CHIA Vic's recommendations in response to the strategy are intended to enhance the delivery of social housing to ensure that all Victorians have the dignity of a safe, secure and affordable home.

