COMMUNITY HOUSING
Industry Association Victoria

MEDIA RELEASE

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Vic budget should scrap level crossings to build social housing

Victoria's peak body for community housing is urging the state government to redirect infrastructure spending to ease the housing crisis in the upcoming budget, singling out level crossing removals as a key project to axe and reallocate funding.

Community Housing Industry Association Victoria (CHIA Vic's) 2025-26 budget submission calls on the government to increase the Social Housing Growth Fund by an additional $6 billion to build nearly 20,000 homes over the next decade.

The Victorian government could replenish this critical fund with the $5.4 billion that's earmarked for 25 level crossing removals.

CHIA Vic chief executive Sarah Toohey said it was time to prioritise social housing to fix the housing crisis.

"Over the past few years, rents have climbed making it even harder for people to find secure, affordable housing. Statewide there are 146,000 families and individuals who need social housing, but can't get it," Ms Toohey said.

"Despite Victoria's tight budget, we've identified billions that could be redirected to fund the social housing our state urgently needs to ease the housing crisis.

"The Victorian government has already removed 85 level crossings across Melbourne as part of its Level Crossing Removal Project. This has made a profound impact by easing bottlenecks in the rail system and creating new public spaces. But the rest of the project offers diminishing returns given the most dangerous and congested crossings are already gone.

"It's time to reprioritise this infrastructure spending to deliver more essential infrastructure that Victoria is desperately lacking: social housing.

"The funding that's earmarked to remove 25 level crossings could instead build almost 20,000 urgently needed social homes.

"An upfront $6 billion investment into the Social Housing Growth Fund today will give the government and Victorians more bang for buck; it will allow time for interest to accrue, meaning thousands of extra homes can be built compared to unpredictable and sporadic funding rounds.

"Setting a clear long-term goal and funding schedule is essential to provide the community housing sector and building industry with the confidence they need to plan a steady pipeline of new homes for Victorians who need housing that's affordable and secure."

CHIA Vic's budget asks:

Budget ask	Investment required	Saving source
Boost Social Housing Growth Fund to build nearly 20,000 social homes in a decade	$6 billion	$5.4 billion allocated to 25 level crossing removals
Establish a Homes Multiplier Program by transferring general lease stock to the community housing sector	~$600 million in asset value, $0 in output funding	Not applicable; revenue neutral
Review and improve lending requirements to community housing organisations	None	Not applicable; revenue neutral
Trial a Community Housing Sector Innovation Fund to support entrepreneurial activities that enable the delivery of more social housing	$40 million over four years	Estimated $10 million per annum in interest earnings on the Residential Tenancies Bond Authority redirected from the Residential Tenancies Fund

Quick facts on community housing:

- **Run by not-for-profits:** community housing organisations reinvest revenue to provide more homes and services to renters
- **Stretch the taxpayer dollar further:** community housing organisations can build homes cheaper due to their charitable status, asset bases and co-contributions
- **Form of rent capped housing:** community housing rent is set at below-market rates, capped at no more than 30% of household income, or 75% of the market rent, whichever is lowest
- **Transparent and accountable sector:** community housing organisations are monitored against strict performance standards to protect renters, overseen by an independent and dedicated regulator in the Housing Registrar
- **Happier tenants:** 75 percent of community housing renters are satisfied with their housing services compared to 67 percent of public housing renters.

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