

MEDIA RELEASE

26 February 2025

CHIA Vic backs activity centre update, calls for social housing targets next

Victoria's peak community housing body has backed the state government's changes to activity centres, but has emphasised that embedding social housing targets must be the next priority.

The Victorian Government has reduced maximum heights in the outer areas of activity centres, while maintaining density in the core.

Community Housing Industry Association Victoria (CHIA Vic) CEO Sarah Toohey described the tweaked activity centre plan as sensible, but said integrating social and affordable housing in these centres remains crucial to ease the housing crisis.

"The Victorian Government's revised activity centre plan strikes the right balance—it's essential to bring communities along with the needed changes to ensure the delivery of new housing for tens of thousands of Victorians," Ms Toohey said.

"We applaud the government's ambitious strategy to boost housing supply throughout Melbourne, including in neighbourhoods with access to public transport, essential services, and jobs.

"To maximise the impact of activity centres and ease the housing crisis, we must integrate social and affordable housing targets within the overall housing goals. While increasing housing supply is critical, affordability isn't automatic—we need deliberate planning to ensure these developments include social and genuinely affordable homes that meet growing demand.

"Our modelling shows that at least 16.5 percent of new homes built in Victoria's activity centres must be social and affordable to address existing needs and projected future demand.

"To achieve a social and affordable housing target, the government must implement a modest but mandatory contribution from property developers who would be benefitting from the sale of these new homes.

"We're calling for an Affordable Housing Contribution of 5.5 percent on all private developments within the activity centres, measured by market value of total floorspace. Developers could fulfill this through land donations, completed dwellings, or cash payments, all dedicated specifically to creating new social and affordable homes for the Victorians who need it most.

"The government is already implementing a new developer contribution pilot scheme from 2027 to fund local infrastructure, parks and services in activity centres - social housing is essential infrastructure and must not be forgotten.

"Victoria faces an unprecedented social housing crisis, with 146,000 households currently in desperate need of affordable homes. By establishing social and affordable housing targets, we can not only house more Victorians on low and moderate incomes but also improve the liveability of our communities."

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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