

Affordable and Social Housing Policy

Date adopted	24 August 2026
Adopted by	Council
Review due	31 August 2030
Responsible officer	Manager City Strategy
Records reference	12563002

1. Purpose

The purpose of this policy is to establish Council's position on Affordable and Social Housing and present a framework to guide and facilitate the provision of affordable and social housing on private and public land and defines Council's strategic commitment to encouraging, facilitating and advocating for an increase of affordable and social housing, in alignment with *'Melton City 2041 – The City We Create'*.

2. Application and Scope

This policy applies to all Council decisions, actions and advocacy relating to affordable and social housing initiatives in Melton, including planning scheme amendments, development proposals, and land use decisions. It addresses several housing related challenges facing the Council and the community.

3. General Provisions

3.1. Policy

Council has developed this Policy in response to the growing need for affordable and social housing supply and demand identified in the City of Melton community.

Council acknowledges the Victorian Government's goal of significantly increasing the supply of affordable and social housing and will actively partner with the State Government and housing providers to facilitate local affordable and social housing delivery options.

Council's policy directions will focus on four key roles available to Council:

- Leadership – Council will continue to lead by example by setting the affordable and social housing agenda and strategic actions.
- Planning and development – Council will play a role in promoting the increase in supply of affordable and social housing through its planning processes and strategies.
- Inform and advocate – Council will promote and inform a common understanding of key characteristics and trends relating to affordable and social housing within its municipality and make representations on behalf of the community to parties that have a direct role or influence the matter.
- Facilitator / partner – Council will bring together various stakeholders to collectively pursue a shared interest or service.

Council supports the introduction of statewide inclusionary zoning and will advocate for the use of Council owned land as well as surplus government land for social and affordable housing in alignment with other Local Council policies and will seek to work with registered housing providers to collaborate on shared objectives across local government.

3.2. Policy Implementation

Council acknowledges funding of affordable and social housing; particularly social housing is primarily a Federal and State Government responsibility and as such is strictly limited in its capacity to initiate meaningful change. The Planning and Environment Act 1987 currently does not mandate specific affordable or social housing targets or requirements on new development.

Melton City Council acknowledges that it plays an important role and will lead by setting a strong local vision for housing equity. Council will:

- Advocate for greater funding for social housing and for existing social housing to be replaced or upgraded.
- Advocate for policy reform including the introduction of state-wide inclusionary zoning controls.
- Negotiate an affordable and social housing contribution when land is rezoned for residential use.
- Explore opportunities for affordable and social housing on suitable Council landholdings considered for redevelopment or disposal.
- Seek to negotiate voluntary affordable and social housing outcomes via planning permit processes.
- Develop partnerships with housing service providers to encourage expansion of offerings.
- Work in partnership with the State and Federal Governments to identify suitable underutilised land holdings that may be utilised for social and community housing.
- Build community awareness of the importance of housing affordability as a shared community issue.
- Collaborate with other growth area councils and the Municipal Association of Victoria (MAV) to present a united voice for reform.

3.2.1. Council as Leaders and Advocates

Council considers social and affordable housing to be essential social infrastructure and will actively promote its integration into new and existing communities. Council will:

- Advocate for mandatory statewide inclusionary zoning to ensure there is a future supply of affordable and social housing coming online.
- Advocate for the Victorian Planning Provisions to mandate affordable and social housing contributions in major developments.
- Ensure that affordable and social housing is central to Council policy, planning strategies and deliberations.

- Represent and advocate on behalf of the community for Federal and State investment for registered housing providers to deliver a future supply of affordable and social housing.
- Collaborate with State and Federal Government to support increased land supply, make submissions to provide council's advocacy position, negotiate the City of Melton's housing needs, provide an evidence base for policy formulation and make submissions to consultations about the importance of affordable and social housing within the City of Melton.
- Advocate for ongoing investment into affordable and social housing including dedicated funding streams for registered housing providers, similar to the 'Victorian Governments' Big Housing Build' to provide greater opportunities for affordable and social housing.
- Assist with brokering partnerships with housing agencies and between housing agencies and property developers.
- Advocate for the use of surplus State land in the City of Melton for affordable and social housing.

3.2.2. Council as Land Use Planner

Planning for the efficient, orderly and appropriate use of land now and in the future, with consideration to balancing social, economic and environmental needs.

- Council will facilitate the supply of affordable and social housing through the planning process by supporting community housing development proposals and consider planning scheme amendments required.
- Council will seek to negotiate voluntary affordable and social housing with the private market through a voluntary planning process.
- Council will plan for the delivery of supporting infrastructure, housing diversity and affordable and social housing to meet the range of community needs.
- Council will take steps to undertake a cost benefit analysis of a range of affordable and social housing delivery options.
- Council will work with the Department of Transport and Planning (DTP) to advocate for including affordable and social housing as a component to new Precinct Structure Plans.

3.2.3. Council as Social Planner

Planning the development of social services and facilities based on evidence-based practice.

- Council will plan for social infrastructure to support all residents.
- Council will support vulnerable and lower income households with support services that increase social and economic capacity.
- Council will monitor local housing stress and vulnerability through local and State data collection.

4. Opportunities for Site Locations

Council recognises that the successful delivery of affordable and social housing requires a partnership between the three levels of government, developers, philanthropic funds and community housing providers.

4.1 Homes Victoria – Local Social and Affordable Housing Plan

Council officers continue to engage with Homes Victoria in relation to Affordable and Social Housing. There is a possible policy opportunity for Melton through the establishment of a Local Social and Affordable Housing Plan (LSAHP).

The LSAHP would seek to identify a pipeline of projects to deliver on social and affordable housing at a local level when funding opportunities arise. The plan would also assist with building capacity and relationships through the sharing of information and acknowledges the key role that Local Government plays in facilitating social and affordable housing.

5. Definitions

Word/term	Definition
Accredited Housing Agency (Association or Provider)	A not-for-profit organisation registered under the Victorian Housing Act as either a Housing Association or a Housing Provider. Agencies have a mission to support the delivery and/or management of affordable housing. Agencies are often referred to as a community housing organisation. Housing managed by an Agency may also be called Social Housing or community housing.
Affordable Housing	Housing (including social housing) is appropriate for the housing needs of very low, low and moderate-income households as defined under Section 3AA of the Planning and Environment Act 1987, where: • Very low-income households are those households earning less than 50 per cent of the gross median household income. • Low-income households are those earning less than 80 per cent of the gross median household income; and • Moderate income households are those earning less than 120 per cent of the gross median household income. Appropriateness of housing includes reference to affordability, dwelling type, size (bedroom numbers), location, accessibility, integration and length of affordability. Affordable housing should be priced (whether mortgage repayments or rent) so that households are able to meet their other essential basic living costs and allocated to households that meet program income and asset eligibility requirements.
Housing Affordability	‘Housing affordability’ refers to the relationship between expenditure on housing (cost of mortgage payments or rent) and household income. Housing affordability is particularly a concern for households earning in the bottom 40 per cent of incomes who have limited financial capacity to meet their housing costs.

Word/term	Definition
Housing Stress	A lower income household (in the lowest 40 per cent of incomes) is in 'housing stress' when it is paying more than 30 per cent of gross household income on rent (referred to as the '30/40 rule').
Section 173 Agreement	A legally binding agreement between Council and a landowner. The agreement remains with the land, regardless of change of ownership.
Social Housing	Social housing includes: - Public housing (owned and managed by the Director of Housing); and - Housing owned, controlled or managed by a participating registered agency declared by the Director under section 142F(2)(b) of the Housing Act 1983. 'Community Housing' is also used to refer to housing provided by Accredited Housing Associations or Providers.

6. Related Documents

Name	Location
<i>Local Government Act 2020</i>	https://www.legislation.vic.gov.au/in-force/acts/local-government-act-2020
<i>Melton City 2041 - The City We Create</i>	www.melton.vic.gov.au/Council/About-the-City/Community-vision
<i>Council and Wellbeing Plan 2025 - 2029</i>	www.melton.vic.gov.au/Council/About-Council/Council-Plans-and-Budget
<i>Plan for Victoria, 2025</i>	Final-Plan-for-Victoria-For-Web.pdf
<i>Planning and Environment Act 1987</i>	www.legislation.vic.gov.au
<i>Housing Act 1983</i>	www.legislation.vic.gov.au
<i>Planning Amendment (Better Decisions Made Faster) Act 2026</i>	Planning Amendment (Better Decisions Made Faster) Act 2026 legislation.vic.gov.au