



# Manningham Affordable Housing Policy

*A Home for Everyone - Improving access to Affordable Housing in Manningham*

*October 2023*



Interpreter service

**9840 9355**

普通话 | 廣東話 | Ελληνικά

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Manningham Council acknowledges the Wurundjeri Woi-wurrung people as the Traditional Owners of the land and waterways now known as Manningham.

Council pays respect to Elders past, present and emerging, and values the ongoing contribution to enrich and appreciate the cultural heritage of Manningham.

Council acknowledges and respects Australia’s First Peoples as Traditional Owners of lands and waterways across Country and encourages reconciliation between all.

# 1. Introduction

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Housing is a basic human need that influences a person's health and well-being and their ability to participate in everyday life.

The rising cost of living and surging house prices are continuing to place households under housing stress. Evidence shows that there's an increasing demand for Affordable Housing in Manningham, as well as many other councils across Australia.

Council is committed to increasing the supply of Affordable Housing for members of our community on very low, low to moderate incomes who can't afford housing in the mainstream property market. The provision of this 'subsidised', or non-market form of housing, is essential if Manningham is to continue to be a diverse and inclusive community and remain a strong economy.

It is acknowledged however that Manningham is a middle ring suburb with relatively few redevelopment sites, therefore Affordable Housing opportunities can realistically be pursued on in-fill sites. Other Affordable Housing opportunities potentially exist on State and Council-owned sites.

Manningham Council is a member of the Eastern Affordable Housing Alliance (EAHA) and is a member of the Regional Local Government Homelessness and Social Housing Charter. Council leverages the collective strengths of these regional partnerships to influence Federal and State governments to improve policies and increase funding to increase the supply of Affordable housing and reduce homelessness.

This Policy provides direction on how Council will facilitate 'Affordable Housing' outcomes, it does not address homelessness, however it is recognised that the lack of access to stable Affordable Housing is a main driver of homelessness. Council is currently developing a process to assist people experiencing homelessness in the municipality.

This Policy addresses:

- the definition of Affordable Housing and the eligibility requirements.
- the four areas where Council will address Affordable Housing, namely: Advocacy, Land Use Planning, Relationship Building and Investment.

An Action Plan with timeframes supports the implementation of the Policy.

## Principles

Manningham Council recognises that:

- Housing is essential infrastructure that strengthens our community and helps supports our local economy.
- The provision of Affordable Housing is necessary to have a diverse and inclusive community.
- The provision of stable and appropriate Affordable Housing helps minimise homelessness in our community.
- The Policy setting, legislation and funding opportunities for Affordable Housing, is largely the responsibility of State or Federal Governments, however Local Government, including Manningham Council can help facilitate the provision of Affordable Housing.

- Council has a responsibility and opportunity to reduce barriers currently experienced by people in our municipality based on their age, religion, disability, ethnicity, gender identity, sexual orientation and other attributes.

## 2. Purpose of this Policy

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The purpose of this Policy is to outline the directions and measures Council will undertake to facilitate an increase in the supply of Affordable Housing in the municipality. The focus is primarily on the facilitation of rental Affordable Housing which would be owned and / or managed by a registered housing agency or (or similar), but Affordable Home ownership would also be supported.

## 3. What is Affordable Housing

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Affordable Housing is non-market (subsidised) housing that is offered outside the mainstream housing market. It is aimed at people who cannot afford to rent in the private rental market. This form of housing has eligibility requirements (such as household income) and an allocation process to make sure that the housing goes to the people in need.

In Victoria, the benchmark for housing affordability is when a person pays no more than 30% of their income on housing, so money is left over to pay for other essentials including food, medical bills, utilities etc.

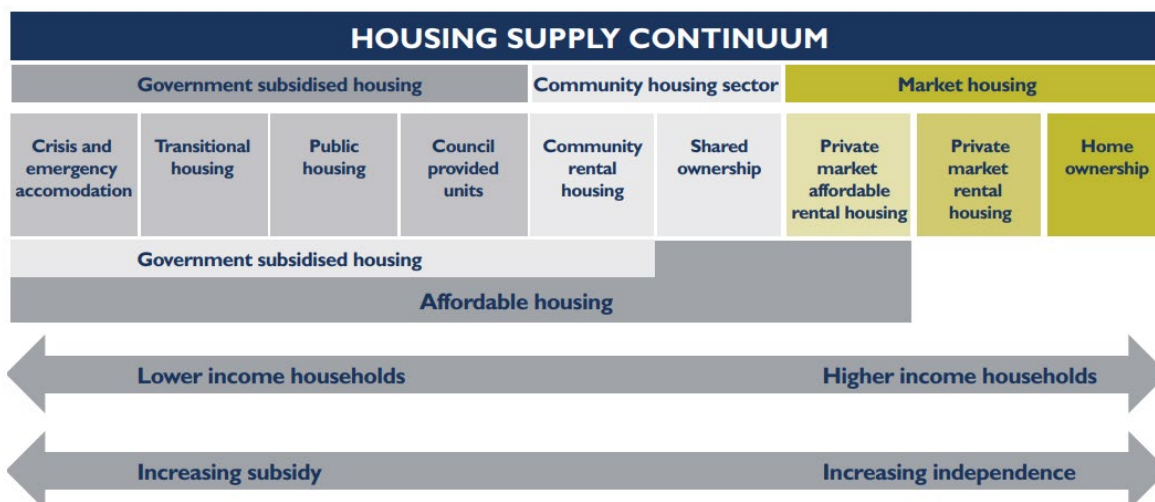
The *Planning and Environment Act 1987* (the Act) defines Affordable Housing as housing, including social housing, that is appropriate to the needs of very low, low and moderate income households.

Social Housing is either:

- Public housing – owned and managed by the State Government; and
- Community housing – managed and/or owned by not-for-profit community housing organisation

The diagram below shows the progression of subsidy relative to housing types. At the start of the continuum are the very low income households, who are generally in need of social housing or – at the worst of times – crisis housing. As incomes progress the level of subsidy required decreases. Community housing agencies offer subsidised rental housing and some may be able to look to home ownership where appropriately priced stock is available or through supported ownership programs.

Housing affordability is different to Affordable Housing. The term ‘housing affordability’ refers to the relationship between expenditure on housing (prices, mortgage payments or rents) and household income.



Source: SGS Economics and Planning Pty Ltd, 2019.

## 4. Manningham's Demand for Affordable Housing

The following statistics show that Manningham has a significant demand for Affordable Housing.

- **Rental Affordability for Low Income Households:** In the year to June 2022 only 1.7% of new rental lettings were affordable for low-income households.<sup>i</sup>
- **Rental Stress:** 3,171 households were in rental stress in 2021 (35% of renting households) compared with 30.9% in Greater Melbourne.<sup>ii</sup>
- **Social Housing:** The rate of social housing provision in Manningham is far lower than the average for Greater Melbourne (0.6% of total dwellings compared with 2.6% in Greater Melbourne). Manningham also has the lowest supply of social housing in the Eastern region.<sup>iii</sup>
- **Homelessness:** In 2021 – 2022 1099 people accessed specialist homelessness services.<sup>iv</sup>

<sup>i</sup> Homes Victoria, 2023, Local Government Housing Data Dashboard for City of Manningham

<sup>ii</sup> Atlas.id 2023, citing ABS Census 2021, Rental Costs Over 30% of Income for City of Manningham, <https://atlas.id.com.au/manningham>

<sup>iii</sup> Profile.id., 2023, citing ABS Census 2021, Community Profile for City of Manningham, Housing Tenure Overview, <https://profile.id.com.au/manningham/tenure>

<sup>iv</sup> Australian Institute of Health and Welfare, Clients of Specialist Homelessness Services in Manningham, <https://www.aihw.gov.au/reports-data/health-welfare-services/homelessness-services/data>.

## 5. Policy Context – Policy Drivers

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Whilst the legislative and policy setting to encourage or deliver Affordable Housing is largely the responsibility of Federal or State governments, Local Government still has a role to play.

There are three pieces of legislation most relevant to Local Government when it comes to addressing the need for Affordable Housing. The *Planning and Environment Act 1987* provides scope for Councils to facilitate Affordable Housing through the planning system. The *Public Health and Wellbeing Act 2008* sets out how councils can ensure safe and healthy communities - a key issue for people at risk of or experiencing homelessness. The *Local Government Act 2020* sets out that councils should provide for community wellbeing and also the requirements for the use of council-owned land.

The *Planning and Environment Act 1987* has a specific objective that identifies the need to facilitate the provision of Affordable Housing in Victoria.

Whilst Clause 16 of the Planning Policy Framework (PPF) of the Manningham Planning Scheme states: ‘*Planning for housing should include the provision of land for affordable housing*’, the Victorian planning system does not have a statutory mechanism to mandate for an Affordable Housing contribution. However, the *Planning and Environment Act 1987* enables the opportunity for Council officers to negotiate for a voluntary Affordable Housing contribution that is secured by a legal agreement (Section 173 of the Planning and Environment Act 1987).

Figure 1 summarises key legislation and State planning policies relating to Affordable Housing.

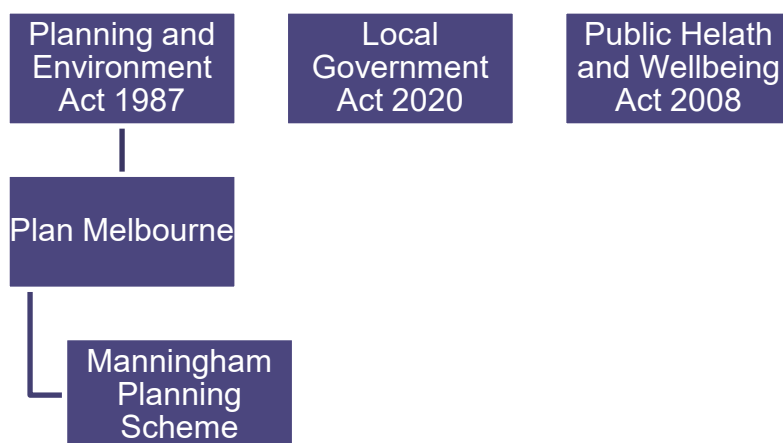


Figure 1: Legislative and Planning Policy Framework

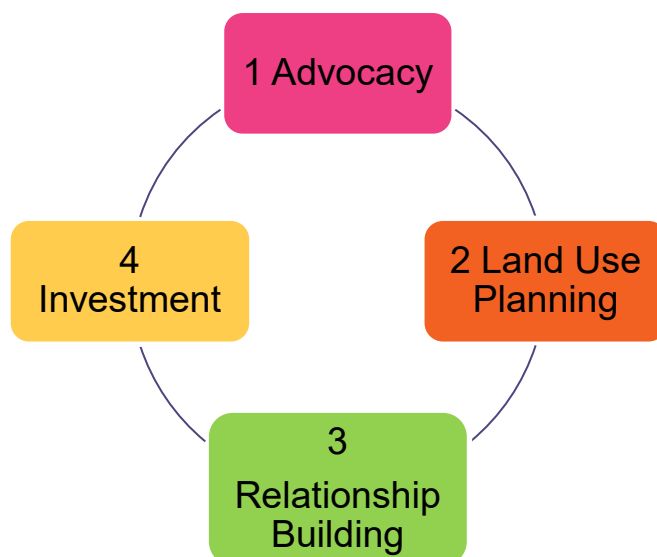
The two main areas where Local Government can facilitate Affordable Housing outcomes, include:

- **Advocating** to Federal and State governments to improve public policy and funding opportunities to increase the supply of Affordable Housing; and
- **Negotiating** with developers to provide a voluntary Affordable Housing contribution in the statutory planning system (through a planning scheme amendment request or planning application) through the Manningham Planning Scheme.

## 6. Policy Directions

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The facilitation of Affordable Housing within Local Government is multi-faceted. This policy covers four key themes: Advocacy, Land Use Planning, Relationship Building and Investment. It relies on the collaboration between various departments within Council namely: Strategic Planning, Statutory Planning, Connected Communities, Engaged Communities and Legal Governance.



### 6.1. Theme 1 – Advocacy

**Objective: To leverage the network of the Eastern Affordable Housing Alliance (EAHA) and the Regional Local Government Homelessness Charter to influence Federal and State governments to improve the policy setting and increase funding for Affordable Housing in Eastern region**

A key aspect of this Policy is to work collaboratively with advocacy groups so collectively Manningham can exert influence on the Federal and State Governments on matters relating to Affordable Housing.

Council will continue to participate in:

- Eastern Affordable Housing Alliance (EAHA); and
- Regional Local Government Homelessness and Social Housing Charter Group (the Charter Group)

Both EAHA and the Charter Group are key advocacy bodies represented by Local Government that collectively use their influence to motivate for increased investment in Affordable Housing. EAHA unites six Local Government authorities in Melbourne’s eastern metropolitan region including: Knox, Manningham, Maroondah, Monash, Whitehorse, and Yarra Ranges. The Charter Group includes 13 councils representing 2 million residents in Melbourne’s east and south-east which provide a ‘unified voice calling for urgent action for more social housing to end homelessness.’ The Charter Group of Councils include: Bayside, Cardinia, Casey, Greater Dandenong, Frankston, Kingston, Knox, Manningham, Maroondah, Monash, Mornington Peninsula, Yarra Ranges, Whitehorse, Eastern Region Group and EAHA.

At a strategic level both advocacy groups align key priorities and commit to:

- Working in partnership with Federal and State governments, and public and private sector partners in a coordinated approach to deliver meaningful outcomes to increase the provision of Affordable Housing and respond to homelessness in east and southeast Melbourne.
- Advocating for inclusive housing growth including mandatory inclusionary zoning.
- Promoting capacity building to educate staff, councillors and the community about issues relating to Affordable Housing and homelessness.

## 6.2. Theme 2 – Land Use Planning

**Objective: To outline Council’s preferred Affordable Housing voluntary contribution requirements to be negotiated through the planning system**

It is Council policy that:

- An Affordable Housing voluntary contribution will be negotiated for an application comprising 30 or more dwellings. This may include a development that is totally dedicated for residential development or a mixed use development comprising two or more land uses.
- The following contributions will be negotiated:

Area	Process	Rate*
<ul style="list-style-type: none"> <li>– Doncaster Hill</li> <li>– Neighbourhood Activity Centre</li> <li>– Strategic redevelopment site, including former Bulleen Industrial Precinct (BIP)</li> </ul>	Planning scheme amendment request	10%
<ul style="list-style-type: none"> <li>– Doncaster Hill</li> <li>– Neighbourhood Activity Centre</li> <li>– Strategic redevelopment site, including former Bulleen Industrial Precinct (BIP)</li> </ul>	Planning permit application	4%
Balance of the municipality	Planning scheme amendment request	5%
	Planning permit application	3%

\* the voluntary contribution rate indicates the percentage of dwellings on completion.

- The landowner will enter into a Section 173 agreement to secure the contribution.
- The voluntary contribution (planning scheme amendment or planning permit application) should be gifted at no cost to a Registered Housing Agency or similar organisation.
- The design of the Affordable Housing should, but not limited to:
  - Be energy efficient and environmentally sustainable to minimise ongoing running costs and improve the level of comfort by a resident.
  - Incorporate adaptable floor plans to ensure accessibility for people with a disability and / or with limited mobility.



- Be tenure blind, so that there is integration of Affordable Housing dwellings with the rest of the development. The level of integration however should be at the direction of registered housing agency or similar organisation, as agreed by the responsible authority,

***Objective: To develop the skills and capacity of planning staff to negotiate a voluntary Affordable Housing component***

To offer training to Council’s planners and other relevant officers to develop their capacity to negotiate for Affordable Housing outcomes. The training would address:

- why Affordable Housing needs to be considered;
- the broad economics of incorporating Affordable Housing into a development proposal, and
- matters to be included in a Section 173 Agreement.

***Objective: To introduce a statutory planning framework to support Affordable Housing negotiations***

To amend the policy section of Manningham Planning Scheme to reference the importance of facilitating Affordable Housing in Manningham (through voluntary contribution). This amendment would align with Clause 16 of the State Planning Policy Framework.

### **6.3. Theme 3 – Relationship Building**

***Objective: To develop a closer working relationship with Registered Housing Agencies and similar organisations and service providers in the Eastern region***

This theme focuses on developing closer relationships with the community housing sector and service providers in the region to develop a better understanding of their role, their clients (‘target market’) and emerging issues. Where possible, connect developers with housing providers early in the planning stage so each party can develop an understanding of respective business objectives and priorities.

### **6.4. Theme 4 – Investment**

***Objective: To Identify Council owned sites for potential Affordable Housing***

Develop criteria for Council owned sites where Affordable Housing could be considered.

## 7. Action Plan

### TIMING

Short term: 1-2 years

Medium term: 2-3 years

Long term: 3-4 years

### 7.1. Theme 1: Advocacy

**Objective: To leverage the network of Eastern Affordable Housing Alliance (EAHA) and the Regional Local Government Homelessness Charter to influence Federal and State governments on improving the policy setting and increase funding for Affordable Housing in Eastern region**

No	Action	Timing	Council Department Lead (L) and Supporting Unit (S)	External Key Stakeholders
1.	Continue to participate in the Eastern Affordable Housing Alliance (EAHA) and Regional Local Government Homelessness and Social Housing Group Charter (the Charter Group).	Ongoing	<ul style="list-style-type: none"> <li>Economic &amp; Community Wellbeing (L)</li> <li>Integrated Planning (S)</li> </ul>	EAHA The Charter Group
2.	In conjunction with EAHA and the Charter Group, continue to advocate to the State Government for the need to introduce inclusionary zoning into the Victoria planning system.	Ongoing	<ul style="list-style-type: none"> <li>Integrated Planning (L)</li> <li>Economic &amp; Community Wellbeing (S)</li> </ul>	EAHA Homes Victoria
3.	Explore opportunities with the State Government, such as Homes Victoria, to increase investment in social housing in Manningham.	Ongoing	<ul style="list-style-type: none"> <li>Economic &amp; Community Wellbeing (L)</li> <li>Integrated Planning (S)</li> </ul>	Homes Victoria EAHA Charter Group
4.	Prepare communication material to inform the community about what affordable housing is, the community housing organisations, and not for profit organisations and related social services that operate in Manningham and the Eastern region. It could also include profiling residents who live in affordable housing.	Ongoing	<ul style="list-style-type: none"> <li>Integrated Planning (L)</li> <li>Statutory Planning (S)</li> <li>Economic &amp; Community Wellbeing (S)</li> </ul>	Community Housing Industry Association (CHIA) VIC

## 7.2. Theme 2: Land Use Planning

**Objective: To outline Council's preferred requirements for an Affordable Housing voluntary contribution to be negotiated through the planning system**

No	Action	Timing	Council Department Lead (L) and Supporting (S) Unit	External Key Stakeholders
5.	Prepare guidelines for developers outlining Council's expectations regarding an Affordable Housing voluntary contribution when seeking to develop (of 30 or more dwellings) a medium / high density residential development, or medium / high-density mixed-use development through the planning system (i.e. planning application or planning scheme amendment).	Short term	<ul style="list-style-type: none"> <li>Integrated Planning (L)</li> <li>Statutory Planning (S)</li> </ul>	Department of Transport and Planning (DTP)
6.	Develop a 'planning tool kit' for statutory and strategic planners related to Affordable Housing. This could include but not be limited to the definition of Affordable Housing, the eligibility requirements, wording for a planning permit condition relating to a voluntary Affordable Housing contribution, matters to be included in a Section 173 agreement.	Short term	<ul style="list-style-type: none"> <li>Integrated Planning (L)</li> <li>Statutory Planning (S)</li> <li>Economic &amp; Community Wellbeing (S)</li> <li>Engaged Communities (S)</li> <li>Council's Legal, Governance and Risk (S)</li> </ul>	Department of Transport and Planning (DTP)
7.	Develop a list of registered housing agencies, and not-for-profit housing organisations that operate in Manningham or the Eastern region.	Short term	<ul style="list-style-type: none"> <li>Economic &amp; Community Wellbeing (L)</li> <li>Integrated Planning (S)</li> </ul>	Registered Housing agencies and non-profit housing organisations, including Manningham Inclusive Community Housing (MICH)  CHIA Vic

No	Action	Timing	Council Department Lead (L) and Supporting (S) Unit	External Key Stakeholders
8.	Distribute a list of registered housing agencies, and not-for-profit housing organisations to developers in the early stage of the planning process so they can connect with these community housing organisations and develop an understanding of their business operations (and economic imperatives) and the households in need of Affordable Housing in Manningham.	Short term	<ul style="list-style-type: none"> <li>Statutory Planning (L)</li> <li>Integrated Planning (L/S)</li> <li>Economic &amp; Community Wellbeing (L)</li> </ul>	Registered Housing agencies and non-profit housing organisations, including Manningham Inclusive Community Housing (MICH)  CHIA Vic

**Objective: To develop the skills and capacity of planning staff to negotiate a voluntary Affordable Housing agreement**

No	Action	Timing	Council Department Lead (L) and Supporting (S) Unit	External Key Stakeholders
9.	Offer training to Council's planners and other relevant officers to develop their capacity to negotiate for a voluntary Affordable Housing outcome. The training would address the statutory definition of Affordable Housing and eligibility requirements, and the broad economics of incorporating Affordable Housing into a development proposal; and matters for consideration in a Section 173 legal agreement.	Short / Medium	<ul style="list-style-type: none"> <li>Integrated Planning (L)</li> <li>Statutory Planning (S)</li> <li>Legal, Governance and Risk Unit (S)</li> </ul>	Department of Transport and Planning (DTP)
10.	Review past Section 173 legal agreements for the purpose of developing key learnings and improving the drafting of future legal agreements to strengthen the delivery of Affordable Housing outcomes in the municipality.	Short / Medium	<ul style="list-style-type: none"> <li>Integrated Planning (L)</li> <li>Statutory Planning (S)</li> <li>Legal, Governance and Risk (S)</li> </ul>	Department of Transport and Planning (DTP)  CHIA

**Objective: To introduce a statutory planning framework to support Affordable Housing negotiations**

No	Action	Timing	Council Department Lead (L) and Supporting (S) Unit	External Key Stakeholders
11.	Amend the policy section of Manningham Planning Scheme to reference the importance of facilitating Affordable housing in Manningham. This amendment would align with Clause 16 of the State Planning Policy Framework.	Medium	<ul style="list-style-type: none"> <li>Integrated Planning (L)</li> </ul>	Department of Transport and Planning (DTP)

### 7.3. Theme 3: Relationship Building

**Objective: To develop a closer working relationship Registered Housing agencies and service providers in the Eastern region**

No	Action	Timing	Council Department Lead (L) and Supporting (S) Unit	External Key Stakeholders
12.	Strengthen relationships between Council and Registered Housing agencies (including non-profit housing organisations) and social service operators, to develop an understanding of their business model, their target market, and how they can assist people in the Manningham community who need housing and social support.	Ongoing	<ul style="list-style-type: none"> <li>Economic &amp; Community Wellbeing Unit</li> </ul>	<p>Registered Housing agencies and non-profit housing organisations, including Manningham Inclusive Community Housing (MICH)</p> <p>CHIA Vic</p> <p>Social Service providers</p>
13.	Develop an internal process to connect developers with registered housing agencies and non-profit housing organisations and help facilitate meetings where required.	Short term	<ul style="list-style-type: none"> <li>Integrated Planning (L)</li> <li>Statutory Planning (S)</li> <li>Economic &amp; Community Wellbeing (S)</li> </ul>	<p>Registered Housing agencies and non-profit housing organisations, including Manningham Inclusive Community Housing (MICH)</p> <p>CHIA Vic</p>

No	Action	Timing	Council Department Lead (L) and Supporting (S) Unit	External Key Stakeholders
14.	Collect data from various sources to understand the demand for Affordable Housing in the community. Sources could include census data, feedback from registered housing agencies and non-profit housing organisations, social service providers, customer service requests and observations by Council staff from various departments.	Ongoing	<ul style="list-style-type: none"> <li>Economic &amp; Community Wellbeing (S)</li> </ul>	Registered Housing agencies and non-profit housing organisations, including Manningham Inclusive Community Housing (MICH)  CHIA Vic  Social service providers

## 7.4. Theme 4: Investment

**Objective: To identify Council owned sites for potential Affordable Housing**

No	Action	Timing	Council Department Lead (L) and Supporting (S) Unit	External Key Stakeholders
15.	Develop criteria for Council-owned sites where Affordable Housing could be considered.	Short-Medium term	<ul style="list-style-type: none"> <li>City Projects (L)</li> <li>Integrated Planning (S)</li> </ul>	N/A
16.	Explore potential partnership models between Council and other agencies, including the State Government and / or the private sector, where Council owned land could be developed that provides an economic return as well incorporating a component of Affordable Housing, to enable a more inclusive and diverse community. Furthermore, investigate opportunities to ensure Affordable Housing remains in public ownership.	Medium – Long term	<ul style="list-style-type: none"> <li>City Projects (L)</li> </ul>	CHIA VIC State Government, Homes Victoria Registered Housing agencies and non-profit housing organisations Private Sector

## Review and Monitoring

No	Action	Timing	Council Department Lead (L) and Supporting (S) Unit	External Key Stakeholders
17.	Provide an annual update on the implementation of the Affordable Housing Policy through the annual housing monitoring review.	Annually	<ul style="list-style-type: none"> <li>• Integrated Planning (L)</li> <li>• Statutory Planning (S)</li> <li>• Economic &amp; Community Wellbeing (S)</li> </ul>	N/A
18.	Review of the Policy	4 years	<ul style="list-style-type: none"> <li>• Integrated Planning (L)</li> <li>• Economic &amp; Community Wellbeing (S)</li> <li>• Statutory Planning (S)</li> </ul>	N/A

## APPENDIX 1: Approach to the Policy

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When determining Council's role in increasing the supply of Affordable Housing, consideration needs to be given to Manningham's location within a metropolitan context. It is a middle ring municipality with relatively few strategic redevelopment sites, therefore Affordable Housing opportunities can only realistically be pursued on in-fill sites. These are primarily located in areas of substantial change such as Doncaster Hill, around neighbourhood activity centres and along main roads (in the vicinity of activity centres). Other Affordable Housing opportunities potentially exist on State and Council-owned sites.

### Voluntary Nature of Negotiating for Affordable Housing in Victoria

A significant challenge in securing Affordable Housing in the Victorian planning system is the voluntary nature of the legislation. The *Planning and Environment Act 1987* outlines that an Affordable Housing contribution can be achieved through a voluntary negotiation between a developer and a council. This contribution may be provided in the form of land, dwellings or cash, and secured by a legal agreement and registered on a certificate of title (via Section 173 of the *Planning and Environment Act 1987*).

A challenge when determining a voluntary Affordable Housing contribution is that there is no standardised approach across the local government sector in relation to metrics associated with a threshold and a contribution rate(s). A key influencing factor however is that any contribution rate needs to be economically viable for a developer.

### Threshold

This Policy seeks a voluntary Affordable Housing contribution for an application comprising 30 or more dwellings in the planning system, whether it be a planning permit application or planning scheme amendment request.

The threshold of 30 or more dwellings was influenced by benchmarking other nearby councils. It is noted that several Councils do not have a minimum threshold at which a voluntary Affordable Housing contribution is sought, whilst the threshold in other Councils vary between 20 and 50 dwellings.

Advice from Council's consultant with specialist skills in Affordable Housing (Hornsby & Co: brokering social and affordable housing) advises that it is generally accepted within the planning and development sectors that it would not be economically viable to offer an Affordable Housing contribution for a development less than 30 dwellings, unless significant concessions are made, for example, an increased density or a financial subsidy is offered, such as Government grants.

To help determine a reasonable threshold figure, an assessment was made of Council's planning permit applications for multi-unit development between 2012 and 2022.

In the 10 years between 2012 and 2022, Council granted 42 planning applications for 30 or more dwellings. Thirteen applications comprised of more than 100 dwellings.

Based on these figures, 22% are located in the Doncaster Hill Activity Centre, whilst the remaining 78% are dispersed across the municipality. For the area beyond Doncaster Hill, the planning approvals are predominantly situated around neighbourhood activity centres and the Pines Activity



(major activity centre) and along Main Roads. Development is also situated on the former Eastern Golf Course site (Tullamore) located on Doncaster Road.

On balance, the threshold of 30 or more dwellings is considered reasonable to consider the opportunity to negotiate for an Affordable Housing outcome.

### Contribution Rates

This Policy supports a sliding scale of contribution rates depending on whether it is a planning permit application or planning scheme amendment request. It is considered that there is a greater opportunity to negotiate for an Affordable Housing contribution with a planning scheme amendment request given the value uplift derived from increased development opportunities. This Policy therefore seeks a higher contribution for a planning scheme amendment request compared to a planning application.

Council's previous Affordable Housing Policy (2010-2020) set an aspirational Affordable Housing rate of 10% in Doncaster Hill, whilst the Residential Strategy 2012 identifies a rate of 5% in the urban areas of the municipality.

A review of Council's past planning applications involving an Affordable Housing contribution (secured through a section 173 legal agreement) shows that very few of those developments have proceeded. This reflects the significant challenge facing Local Government to negotiate for an Affordable Housing contribution within the Victorian planning system given the voluntary nature of the provisions. As a result, the draft Policy recommends a reduction in the voluntary Affordable Housing contribution rates for planning permit applications.

Importantly, any voluntary Affordable Housing contribution should be gifted at no cost, so the contribution is economically viable for a housing provider. Furthermore, the voluntary contribution needs to be transferred to a Registered Housing Agency or similar organisation so there are sufficient regulatory requirements in place to ensure the Affordable Housing is allocated to those in need.

## APPENDIX 2: Glossary of Terms

Term	Definition
Affordable Housing	Affordable Housing is non-market (subsidised) housing that is offered outside the mainstream housing market. It is aimed at people who cannot afford to rent in the private rental market.  The <i>Planning and Environment Act 1987</i> (the Act) defines Affordable Housing as housing, including social housing, that is appropriate to the needs of very low, low and moderate income households. The income thresholds for very low, low and moderate income households is outlined in the Victorian Government Gazette.
Community Housing	Community housing is managed (and possibly owned) by not-for-profit organisations.
Community Housing Industry Association (CHIA) - Victoria	CHIA Vic is the peak body that represents the not-for-profit community housing sector in Victoria. CHIA Vic's member Community Housing Organisations (CHOs) are committed to providing secure, affordable and decent housing for people on low to middle incomes
Eastern Affordable Housing Alliance	The Eastern Affordable Housing Alliance (EAHA) is a formal collaboration of six Councils to address the housing affordability crisis in Melbourne's eastern metro region.
Homelessness and Social Housing Group Charter	A group of 13 local councils that collectively advocate to Federal and State governments for increased social housing and a more effective, integrated and supported homelessness service system.
Public Housing	Public housing is owned and managed by the State Government.
Registered Housing Agency	A housing provider or association registered with Victoria's Registrar for Housing Agencies for the purposes of the Housing Act 1983.
Social housing	Housing owned and managed either by the State Government (public housing) or by Registered Housing Agencies (community housing) that is rented to low income households at either 25% (public housing) or 30% (community housing) of household income.

# Manningham Council

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