

SRL East: Proposed improvements to the Public Benefit Uplift framework for housing

The SRL Authority should amend the Public Benefit Uplift framework to include options such as cash contributions to the Social Housing Growth Fund.

The SRL Authority should draw these options from the existing Development Facilitation Program.

This will ensure the SRL Precincts are able to maximally boost community and public housing stock for the Victorians who need it most.

YIMBY Melbourne supports the PBU as a better-practice implementation of 'inclusionary' housing policy

YIMBY Melbourne endorses the innovative approach of using a Public Benefit Uplift (PBU) framework to deliver better housing and infrastructure outcomes. The PBU employs the better-practice form of inclusionary zoning (IZ): incentivised IZ.¹ By providing optional uplift to maintain project viability, the PBU framework enables projects to deliver both public and private value.

However, we do not support “affordable” housing as the primary form of subsidised housing provided within the PBU framework.

"Affordable" housing simply provides a subsidy for the marginal homebuyer or renter to occupy a unit that would have otherwise been sold or rented at full market price. However, it does little to provide homes for those in acute housing need.

The greatest public benefit is yielded from helping those most in need of housing. That means individuals and families on the social housing waitlist.

The SRL Authority should offer housing contribution options in line with the Development Facilitation Program

The Victorian Government’s Development Facilitation Program (DFP), like projects built within the confines of the PBU, seeks to deliver affordable housing as a condition to access the benefits of the fast-track program (it requires a 10% affordable housing contribution).

However, unlike the PBU, the DFP offers three pathways to deliver affordable housing:

¹ Bertolet (2024), [‘To Fix Inclusionary Zoning, Fund It’](#) (Sightline Institute)

- Option 1 – Discounted sale or gifting of homes to a registered housing agency (RHA) or Homes Victoria
- Option 2 – Contribution to the Social Housing Growth Fund
- Option 3 – Discounted rental in build-to-rent developments

Options 1 & 3 have equivalents in the PBU framework. However, there is currently no equivalent to Option 2.

Under an amended PBU, developers should be enabled to pay the ‘Value of Public Benefit Derived’ into the Social Housing Growth Fund.

This would ensure the Victorian Government can utilise capital that would have otherwise been earmarked for “affordable” housing to further expand and maintain the state's social housing stock.

This represents the opportunity to undertake more targeted and effective support for Victoria’s most vulnerable residents.²

In-kind contributions of affordable housing look good in press releases, but is an ineffective measure for confronting the housing crisis.

Crucially, the "salt-and-pepper" approach to social housing creates greater complexity for an already resource-poor community housing sector. Dispersing each organisation's stock of housing increases maintenance costs, and makes providing support to tenants a greater challenge.

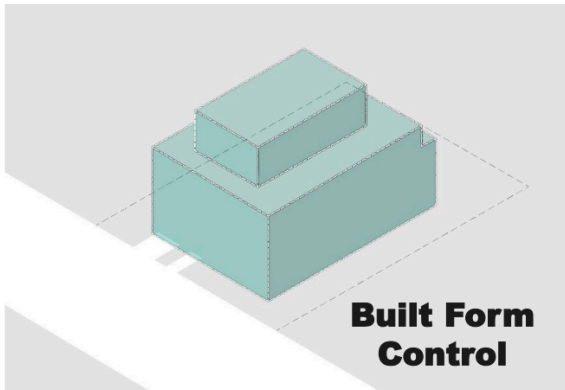
It is simpler and more cost-effective for housing providers to bunch large numbers of units together, often in dedicated social housing builds. Adding an in-kind contribution pathway to the PBU framework would enable better outcomes for providers and tenants alike, and enable Victoria to make much-needed additions to its social housing stock.

There is no guarantee, of course, that collected funds will be used within a given SRL Precinct. This should not be seen as a drawback: rather, it is more important that social housing is built in the places where it is needed, and for the people who need it, across the entire area of metropolitan Melbourne, and Victoria writ large.

² Please read [Chapter 8: Subsidised affordable rentals](#) of the Productivity Commission's 'In need of repair: The National Housing and Homelessness Agreement' report to see why affordable housing is a suboptimal form of subsidised housing.

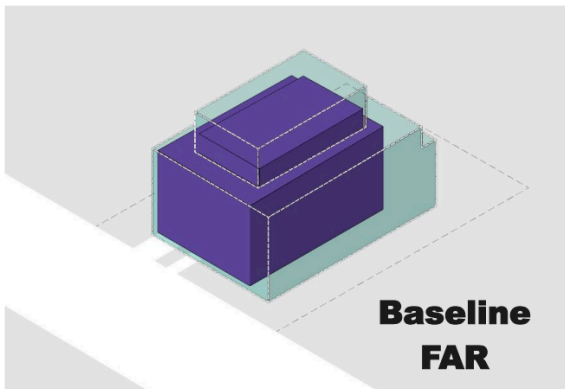
Appendix 1

9.0 Baseline FAR and Uplift FAR



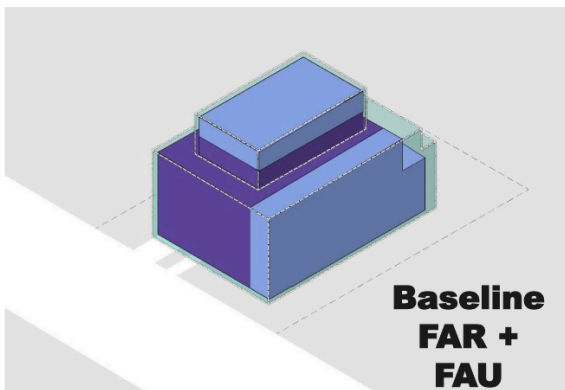
The diagrams on the left show:-

1. The discretionary building envelope that is created by the setback and height controls in the Precinct Zone and Built Form Overlay (represented in green as the **built form control**).



2. The **Baseline FAR** is the mandatory maximum FAR that can be achieved unless an eligible public benefit is provided (represented in purple). The Baseline FAR typically sits below the built form envelope, to maintain flexibility around how floor area is shaped within the allowable envelope, and to enhance potential for a site responsive design.

For most of the nominated master plan sites, the baseline FAR has been more closely aligned to the adopted heights in the Structure Plan. These sites will be subject to detailed master planning which requires greater flexibility for bespoke and innovative design.



3. The **Floor Area Uplift** is the extra floor area above the Baseline FAR that is generated by the value of the public benefit provided (represented in blue).



Diagram from the SRL East Voluntary Public Benefit Uplift Framework