

**Submission
No 761**

INQUIRY INTO THE REDEVELOPMENT OF MELBOURNE'S PUBLIC HOUSING TOWERS

Organisation: Public Housing_Everybody's Business

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SUBMISSION VICTORIAN LEGISLATIVE COUNCIL PUBLIC HOUSING INQUIRY

A brief history of public housing in Victoria 1835-2024

The Victorian colonisation process was based on three principles:

- Genocide
- Freeland
- Cheap labour

Within 20 years of colonisation, the population of indigenous people living in Victoria - declared an independent colony from New South Wales in 1851 - was reduced from over \$100,000 to less than 2,000. This dramatic fall in population occurred as a result of a hidden frontier war that was conducted by the new settlers with the primary aim of forcibly acquiring control of the land from people who would have lived here for over 60,000 years. Within 15 years of the colonisation process beginning, around 700 squatters owned most of the land outside Melbourne. The struggle for access to land and shelter has been a primary occupation of people living in Victoria since it became an independent in 1851.

The squatter's stranglehold on land in Victoria was challenged just after the Eureka Rebellion in 1854 as the thousands of immigrants who had come to Victoria to find their fortunes on the Victorian gold fields, who had not found gold, demanded access to land. An alternative Parliament was established on the site of the Southern Market less than 100m from the Victorian Parliament. The alternative Parliament was based on a delegate system, not a representative model. Delegates were chosen by local communities to raise the issue on everybody's mind - access to land. In 1857 the Victorian Land Convention met in Melbourne to discuss the question of providing **free land** and **free grass** for every Victorian who required access to land. Over the next decade the alternative government at the Southern Markets attempted to break the stranglehold the squatter dominated Victorian Legislative Council had on land ownership in Victoria.

Over the next 100 years successive Victorian governments whittled away the squatters' land monopoly. The 1880's "Marvellous Melbourne" was plunged into a deep depression in the 1890's which resulted in mass unemployment, starvation among the unemployed and massive protests, especially in Melbourne. In response to these violent protests by the growing army of unemployed, the Victorian government began to allocate marginal land (approximately five acres) to the unemployed in the Dandenong Ranges and French Island as long as the unemployed lived on the land allocated to them.



Soon after Federation in 1901, the Victorian government's Selection Act provided small land grants (usually on marginal land) to low income earners who wanted to be their own boss by trying their hand at farming. Unfortunately, most of these "selections" failed. State governments began to fund public housing in the first quarter of the 20th century. Daceyville, New South Wales was the first public housing estate built in Australia in 1912. Houses for low income earners (initially to rent, later to buy) were awarded by a lottery. State governments around Australia began to realise government intervention was required to ensure that everyone had access to secure housing.

Over 420,000 Australians (from a population of 5 million) volunteered to serve in the Australian Imperial Forces in World War One. Sixty two thousand died on the European killing fields. Another 60,000 died of their wounds within a decade of returning to Australia. Unemployed return servicemen were granted parcels of marginal land - soldier settlements around the country. In Victoria, the Koo Wee Rup marshes were allocated to return servicemen. Aboriginal soldiers who fought in WWI were, in the majority of cases, not eligible for these land grants. The great majority of soldier settlements failed as a land that was allocated was marginal agricultural land.

The Great Depression in the late 1920s resulted in mass unemployment and homelessness. Thousands of men were accommodated in temporary work camps that were created to ensure the unemployed working on public projects, like the Victorian Great Ocean Road, had access to housing and sustenance (Susso). Governments realised they had to provide accommodation and sustenance to the unemployed to stop them joining the increasingly popular Australian Communist Party. At the same time, the growing number of radicals formed anti-eviction groups to physically stop people being evicted from rental properties and their own homes. The 1930s saw the creation of political pressure groups that put public housing - government owned and government managed - on the political agenda.

At the end of WWII, returned servicemen and women were accommodated on the MCG and the Botanical Gardens. The Commonwealth Returned Servicemen housing program was created to house return servicemen and women in secure, affordable housing owned and managed by the Commonwealth government. Once again Aboriginal and Torres Strait Islanders who had fought in WWII were in the majority of cases denied access to this housing.

The end of WWII saw a dramatic shift in Australia's immigration policies. The Commonwealth government realised a population of just under 10 million needed to be dramatically increased if Australia was to survive in a world where the Australian people could not rely on Britain to defend them if Australia was attacked in a post-war era of increasing hostilities. The new "Populate or



Perish" immigration policies created new housing problems for the nation. The dramatic increase in European immigration post WWII forced governments at the state and federal level to review their housing policies to deal with this new challenge.

Public Housing - state owned and managed - became a priority for successive Victorian Liberal Party dominated governments. Over decades, extensive substandard housing had been built in the Melbourne inner city. These substandard homes were acquired by the Victorian state government. The multi-story towers most people equate with Victorian public housing today, were built to re-house those who had been forcibly removed from their inner city accommodation as well as help house the flood of migrants that were pouring into Victoria. Public housing government owned and government managed housing in Victoria was built to ensure those Victorians who could not afford to buy in the private market place, had access to secure affordable housing. By the 1970s, almost 15% of Victorians lived in public housing.

The election of the Cain led Labor government in the 1980s saw a dramatic shift in the manner public housing was created well aware of the problems that can develop when people (some with psychiatric health and addiction problems) are accommodated in multi-story towers with minimal government support, the Cain Labor government began a spot purchasing public housing program in Melbourne and the major regional towns in Victoria. This gave people who were eligible for public housing to be integrated into a wider, more diverse community. Their children could attend the same schools and sporting clubs and be an integral part of a community where public housing tenants had the opportunity of becoming involved in a community made up of people from all walks of life, while only paying 25% of the income for rent.

A COMPLETE CHANGE OF STRATEGY

Since the election of the Kennett led Liberal government in Victoria in the 1990s, the idea the state had a responsibility to house its citizens has been turned on its head. Every Victorian state government since then has been hellbent on outsourcing housing to the private sector. In 2024 less than 3% of Victorians live in public housing, most are being forcibly relocated to the "affordable", "community", "social" housing sector. Currently, the Victorian state government is

involved in the biggest transfer of public land to the private sector since the Victorian colony was established in 1851.



Aided and abetted by the major political parties, well established religious based institutions, private charities and privately funded housing groups, the affordable, social, community inclusive housing sector (some non-profit, others for profit) have colonised and eaten away the core principles of public housing.

- A. Public housing should be accessible to all Victorians who cannot afford to buy a home or are caught up in the private rental market.
- B. Public housing rents are fixed at 25% of income.
- C. Access should be on a needs-only basis. Tenants should not be "cherry picked" because they fit criteria which suits social, affordable, community inclusive housing groups.
- D. Public land should be used for public housing, not given away to the private sector.
- E. Public housing should provide lifelong tenure to tenants.
- F. Public housing should be government owned and government managed.

WHY WAS *PUBLIC HOUSING – EVERYBODY'S BUSINESS* FORMED IN 2015?

Public Housing – Everybody's Business is a "ginger" group that was created in 2015 to promote public housing in the Victorian community. We were formed as a consequence of the privatisation of public housing by successive state governments. The championing of social, affordable, inclusive and community housing by successive state governments has seen the bulk of people, normally involved in public housing struggle, support the privatisation of public housing through a community, social, inclusive and affordable housing program. They saw this change in government policy as and once in a lifetime opportunity to increase the power and wealth of the organisations they were involved in and worked for.

Public Housing – Everybody's Business uses both direct action and involvement in elections to promote public housing (government owned, government managed housing) as a solution to the housing crisis. Since 2016, we have conducted a 1 hour vigil on the steps of the Victorian Parliament House every Thursday from midday to 1:00pm to bring the issue of public housing to the public's attention. In 2018, we held a 10 day occupation on the steps of the Victorian Parliament in the period leading up to the 2018 state election. At the same time, I stood as a



candidate in the Victorian seat of Albert Park against the sitting ALP Member and Housing Minister, Mr. Martin Foley. Our campaign raised the idea of public housing to such an extent, a week before the election the ALP government promised to build 1,000 new public houses as an election pledge. Obviously, this pledge was not honoured by the Andrews led Labor government. In 2022, I stood against the then Premier Mr. Daniel Andrews in the seat of Mulgrave on a public housing platform.

We continue to hold weekly vigils and make contact with people and organisations involved in the public housing struggle. The Margaret Kelly saga that played out during the Save Barak Beacon campaign was one of our recent activities. This involved protests outside the Ministry of Housing and Fairness office in Lonsdale St as well as a successful occupation of the foyer of the building by Margaret Kelly and a number of female followers. We will continue to struggle for public housing under the banner *Public Housing – Everybody's Business*. If the Victorian state government ear marked for public housing the money earned each year from stamp duty revenue (a state government tax on the purchase of a home) \$6-8 billion dollars per year could be used to house 100,000 Victorians every year in public housing. A million Victorians could be housed in public housing within a decade.

WHY HAVE I BEEN INVOLVED IN THE PUBLIC HOUSING STRUGGLE?

I graduated from the University of Queensland in 1975 with a Bachelor of Medicine and a Bachelor of Surgery. I moved to Melbourne in 1977 and graduated from Melbourne University with a Doctorate of Medicine in 1987 – 'causes and aetiology of traumatic spinal cord paralysis'. Since 1982, I have conducted a bulk billing, home visiting medical service for patients with traumatic spinal cord paralysis – quadriplegics and paraplegics.

Before the introduction of the National Disability Insurance Scheme by the Commonwealth government, people with profound physical disabilities after trauma were only entitled to a disability support pension unless they were covered by TAC or WorkCover. Over 60% of people with traumatic spinal cord paralysis relied on their families for the most intimate care – bathing, dressing, eating, bowels and bladder. Can you imagine what it would be like not to be able to hug your own child?

A significant number of my patients not covered by TAC or WorkCover relied on public housing to keep a roof over the heads and the heads of their family. I still continue to conduct medical



home visits on those patients who are still alive. I have seen with my very own eyes the extremely important role public housing played, and continues to play, in their lives. I have seen them survive on a disability support pension as they only need to pay 25% of their income to keep a roof over their heads. More importantly, over the last 43 years I have seen their children grow up in secure accommodation, attending the same schools, making friends as a result of a public housing spot purchasing program that has successfully integrated them in the community they live in. Many have acquired trades, others have graduated from universities making their way in Australian society. They could not have achieved this if they did not live in spot purchased public housing.

WHY IS PUBLIC HOUSING EVERYBODY'S BUSINESS?

Public housing is everybody's business because of its profound effect on the rental and private housing market. Privatising public housing by unlimited government support for affordable, social, inclusive and community housing (privately owned housing) is a recipe for disaster.

Despite the long and arduous voyage from England in 1788, the arrival of the First Fleet had a relatively low mortality rate. The Second Fleet barely made it to Australia, the mortality rate was exceptionally high as the Second Fleet was privately funded. Corners were cut in order to increase profits for investors. The First Fleet was publicly funded and adequate provisions were made for the convicts and soldiers as profitability was not the central issue.

Over the past 40 years the privatisation, deregulation, corporatisation and globalisation tsunami that has swept over Australia has seen the public sector become a relatively small part of the economy. Today private enterprise – private investment for private profit – dominates the marketplace. The ultimate endpoint of a deregulated private economy is the formation of corporations who became too big to fail. They increase profits for their major shareholders at the expense of government, customers and employees.

The dramatic shrinking of the public housing sector has left the housing market in the hands of private enterprise. The ever expanding role of social, affordable, inclusive and community housing within what is left of the public (government owned and managed) housing sector is designed to outsource the state government's responsibility to provide housing for people who cannot afford to access housing via the rental market or buy suitable housing in the private marketplace.



WHAT'S IN A NAME?

Public – Social – Community – Inclusive – Affordable

State government policy and legislation has been designed to blur the line between public, community, social, inclusive and affordable housing in the Victorian public's mind. Most people in Victoria now believe the social, community, inclusive and affordable housing sector is synonymous with public housing. Nothing could be further from the truth. Public housing is government owned and government managed. People's access to public housing is first and foremost determined by need. Rents are fixed at 25% of income and security of tenure is guaranteed if rent is paid on time, property is not wilfully damaged and tenants do not pose a threat to their neighbours.

Social, affordable, inclusive and community housing is privately owned and privately managed. Some of the organisations involved in the sector are not-for-profit based organisations, others are profit driven. The state government has transferred public housing titles, privatised public land and guarantees seeding funding for this sector. If the current ideological trajectory continues, it is unlikely there will be any public housing left in Victoria over the next decade. Renting from organisations that own and manage social, affordable, inclusive and community housing is in many regards like renting in the private sector.

Security of tenure is not guaranteed, short term leases are commonly used by this sector. Rent is not pegged at 25% of income and it is difficult to ensure necessary repairs are carried out. Cherry picking tenants, the worthy and the undeserving poor, becomes an issue when an organisation needs to make a profit or break even. Social, community, inclusive and affordable housing may be a better option than the private rental market for most people needing emergency accommodation but it comes in a long second behind public housing in terms of security of tenure, percentage of income required, selection on the basis of need and the ability to obtain necessary repairs from a state government authority that has specific legislative requirements in dealing with public tenants in comparison to the private rental market and social, inclusive, affordable and community housing sectors.

A POTENTIAL DISASTER

The plans to demolish significant public housing towers and replace them with private public partnerships is a potentially disastrous plan of action, which will have a significant impact on the lives of some of the most vulnerable members of Victorian society. Instead of pursuing a **RETAIN–REPAIR–REINVEST** strategy in terms of providing secure longterm accommodation with minimal



impact on residents, the state government is undertaking a ground zero approach to the public housing towers. The destruction of the Barak Beacon estate in Port Melbourne, the disruption of people's lives it has caused and the loss of public land and housing is an indication of what will happen if the state government's current proposals are carried out.

PUBLIC HOUSING – A WIN-WIN STRATEGY

Competition is the fundamental bedrock of a capital society – a society based on a private investment for private profit economic model. The current housing crisis is not just a matter of supply and demand and increase building costs, it is fundamentally a matter of an almost lack of competition in the privately dominated housing market.

An expanding public housing sector is the antidote that is required to resolve the current housing crisis, the greater the investment in the public housing sector, the greater the number of people who will not need to enter the private rental market. As the pressure on the private rental market decreases because of an expanding public housing sector, rents will decrease. Investors in the private rental market will, as a consequence of diminishing rental returns and decrease capital gains on their investment properties, leave the market and invest in other commodities. As more rental properties are sold, property values will decrease allowing more first home buyers to purchase a home.

Increased public housing stocks provide a stimulus to the economy. Currently, people are paying anywhere between 30% to 60% of the income to service a mortgage or pay rent. The fact the public housing tenants only pay 25% of the income to keep a roof over their heads means they have a significant increase in their disposable income. People on low incomes tend to spend their income on meeting their day to day needs. An increase in disposable income stimulates the economy as public tenants increased income helps to improve small, medium and large businesses' bottom line.

Security of tenure based on a spot purchasing program ensures children attend the same schools, sporting clubs and develop friendships outside their immediate family. Children living in stable, secure accommodation are more likely to avail themselves of the opportunity education provides, (I have personally seen positive outcomes) decreases social tension and the tendency for children in less stable environments finding themselves enmeshed in the legal justice system.

A win-win situation for everybody – that's why public housing is everybody's business



WHERE'S THE MONEY COMING FROM TO EXPAND THE PUBLIC HOUSING SECTOR?

Public Housing – Everybody's Business has, since its establishment, promoted the idea revenue that is raised by levying stamp duty on the purchase of a home should be earmarked to expand the public housing sector. Victorian stamp duty revenue from the sale of homes in Victoria can be anywhere between 5 and \$8 billion dollars per financial year. Channelling housing stamp duty revenue into public housing would say 100,000 Victorians housed in public housing every year. This would mean one million Victorians could be housed in public housing within a decade. A vigorous spot purchasing program in regional Victoria as well as Melbourne would see the public housing waiting list disappear within a year. Long term money could be set aside for a significant **RETAIN–REPAIR–REINVEST** initiative within current public housing estates as well as a long term building program that would be carried out by the private sector as well as the public (State owned) builder.

The only thing that stands in the way of extending the public housing sector is political will and removal of the ideological blinkers that currently blind the major political parties in Victoria of the fundamental role the public sector plays in a mixed economy.

Your sincerely,



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Convenor Public Housing - Everybody's Business

