



Inquiry into the redevelopment of Melbourne's public housing towers

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SPHC

The **Save Public Housing Collective** (SPHC) is a grassroots community organization, committed to the primacy role of Public Housing in the achievement of housing justice and end of homelessness. The Collective was established in 2019 because of the concerning decline in the provision, maintenance of and investment in public housing by successive Victorian Governments and the corresponding increase of applicants to the Victorian Housing Register, the waiting list for Public and Community housing accommodation. Our purpose is to be a strong, united voice advocating for public housing in Victoria as fundamentally important to a just and sustainable housing system. We provide the space and infrastructure to assist residents and the community to continue the fight. We work across party lines to pressure the government, and connect residents and community through advocacy, research, events, meetings, or rallies.

Our website contains more information: <https://www.savepublichousing.com>

[Note: this is Part 1 of our submission. Part 2, related to public housing tenants lived experience statements will be submitted later.]

In relation to the LSIC *Inquiry into the redevelopment of Melbourne's public housing towers* we respectfully submit the following:

Preamble: The redevelopment of Public Housing in Victoria

When Premier Daniel Andrews announced, on 22 September 2023, *Australia's Biggest Ever Urban Renewal Project* with the intention of *retiring and redeveloping all of Melbourne's 44 ageing high-rise public housing estates to provide the thriving communities and modern homes Victorians deserve*.¹ he was taking the government into a further big step in a direction long established with similar public housing estates redevelopment programs, such as:

- The Kensington Estate Redevelopment (1998 – 2012);
- The Carlton Estate Redevelopment (2009 - 2020);
- The *Public Housing Renewal Program*² (PHRP) (December 2016 - ...). This program, initially devised to redevelop nine public housing Estates but, beyond the first four contracts awarded for the redevelopment of the Estates of Abbotsford St., North Melbourne; Walker St., Northcote; Gronn Place, West Brunswick (now renamed Harvest Square), and Oakover Road and Railway Place, Preston, was abandoned for lack of Developer's interest. The redevelopment scheme was based on using the Estates' land 1/3 for new community housing and 2/3 for-sale private market-housing, with land ownership transfer to

¹ <https://www.premier.vic.gov.au/site-4/australias-biggest-ever-urban-renewal-project>

² PHRP *Public Housing Renewal Program*, initially announced Dec. 2016 as blueprint for renewal of 11 Public Housing Estates. The program related to 11 estates, 9 of which PHRP-funded: Abbotsford Street, North Melbourne; Ascot Vale Estate; Bangs Street, Prahran; Bills Street, Hawthorn; Gronn Place, Brunswick West; New Street, Brighton; Noone Street, Clifton Hill; Tarakan and Bell-Bardia Estates, Heidelberg West; Walker Street, Northcote. Another 2 sites, funded separately from the PHRP, related to the Holland Court, Flemington and the Preston (Stage 1) Estate of Stokes and Penola Streets.



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Community Housing Operator and to purchasers of private housing. This forced the redevelopment of the Estates at:

- Dunlop Avenue, Ascot Vale, and Tarakan Street, Heidelberg West, to be paid in full by the government, with 'affordable' homes replacing the private market-housing of previous redevelopments.
- Bell-Bardia Streets, Heidelberg West, still in consultation process, with development most likely funded by the government; and with the remaining Estates rolled over to the *Big Housing Build* program;

The PHRP was explained by Mr Nick Foa, at the time Director of Housing, and Deputy Secretary, Housing, Infrastructure, Sport and Recreation, Department of Health and Human Services. In his statement to the Victorian Legislative Council's Legal and Social Issues Committee's (LSIC) 2017 *Inquiry into the public housing renewal program*³, in reference to the PHRP redevelopment of 9 Public Housing Estates sites, Mr Foa offered as evidence of the high profitability of the PHRP procurement model the following rationale:

I mean, I am just doing the maths here in my head — you are looking at \$800 million to \$900 million required to get the 1778 houses in the same spot, and we are trying to turn \$185 million, with the help of land value, which is incredibly important, into an \$800 million to \$900 million return for public housing.

and

*We are replacing 1661 dwellings with \$185 million worth of cash. We are leveraging that \$185 million into — the maths we did a moment ago — about \$800 million to \$900 million worth of balance sheet value.*⁴

Several inconsistencies of Mr Foa's evidence went unchallenged during the hearing. Particularly:

- The statement that the PHRP was building 'public' housing whereas it was building 'community' housing;
- The statement that the program was aiming at creating 1778 new dwellings at an investment cost of approximately \$100,000 each (i.e., $\$185\text{m}/1778 = \$104,049$), on the rationale that without the PHRP the cost would have been between \$800m and \$900m (i.e., between \$449,944 and \$506,187 each. Let us say \$478,000 as average) i.e., at about a 22% fraction of the total. This magic result was brought about by the sale of between 2/3 and 3/4 of the land to private development.

The \$185m figure cost to the Director of Health (DOH) resulting from:

- Paying the cost of tenant's relocation, survey, demolition of existing buildings and contamination remediation of the sites;

³ LSIC, November 2017 *Inquiry into the public housing renewal program*, Transcript of Witness Evidence by Mr Nick Foa, 18 February 2018

⁴ Ibidem, pp. 23 and 25



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- Paying ... *the Successful Proponent the direct costs of the development of the Social Housing component of the development.* ⁵

The direct costs would include: *preparation of the site, infrastructure, services, external works including landscaping, common or public areas and works required under planning and building permits design and construction...* and the consequent *builder's margin* ⁶

All the above costs are those that would apply to a government's direct commission to a builder for construction of works, with an additional penalty deriving from the PPP joint-venture structure that includes entities such as Developer, Financier, Banker and Community Housing Provider, all contributing additional, unspecified costs.

The DOH's costs would have been offset by the prospective financial benefits, including sale proceeds from the private and commercial portions of the development, such as:

- The land value component (as determined by the Victorian General Valuer); and
- A share of any ... *returns from the Program over a benchmark set out in the Development Agreement...* ⁷

In the PHRP's scheme, the Developer, in addition to the DOH payment of direct costs was:

... entitled to a commercial level of return as developer of private housing. The target rate of return ... agreed by the parties and included in the Development Agreement. ⁸

That the Program would only cost the government \$185m, because full cost payment ultimately had to be done for the 'social' housing component, seems fanciful, and no question was asked to challenge the rationale that selling public housing land to private speculation would really be a financial benefit, that it would help reduce the VHR waiting list numbers, or that a direct government commission could save public land for future public housing construction.

- No question was asked about the 'ancillary' costs of buying or leasing market housing to accommodate part of the evicted tenants for which new or existing PH or CH would not be available or that it would not suit the size of the households needing a home;
- Explaining how the 'multitude' of government initiatives in increasing housing stock is resulting in a reduction of 'social' housing in relation to the total, and how that reconciled with the duty of care to provide all Victorians with an appropriate dwelling.

⁵ Victoria State Government, *Public Housing Renewal Program Stage One, Registration of Capability [RoC]*, 23 May 2017, Appendix 3, Commercial principles and risk allocation, Commercial Principle 3, p. 53

⁶ PHRP, ROC Question & Answers on Tender, Online Forum, Supplier Q Post #44, confirmed affirmative by Public Body Post #48

⁷ Ibidem, Commercial Principle 15, p.54

⁸ Ibidem, Commercial Principle 14, p.54



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- The *Big Housing Build* Program was announced in 2020, to be completed in 2024. The completion date was then extended to 2026 when Minister Colin Brooks replaced minister Richard Wynne in December 2022 and further extended to 2027-2028 with the 2023-2024 Budget announcement. The expenditure forecast by the 2023-2024 Budget at 30 June 2023 was for \$2,087m (i.e., 47% of the total \$4,417m then estimated investment). Further, the 2024-25 Budget has allocated an expenditure of \$107m *to progress our ambitious housing agenda*.⁹ (i.e., a further 2.4% of the previous Budget's estimated investment). It seems likely that, due to the progressively delayed end of the Program's date, and the small yearly increments being budgeted, the remaining 50% of the investment will be spread out further than the June 2028 term of the Program.

Difference between the PHRP and the BHB's Ground Lease Model

Following the PHRP development model failure to attract developers (the redevelopment of the Estate at Dunlop Avenue, Ascot Vale, ended up being fully funded by Homes Victoria), the Government needed to adjust its marketing strategy. The Ground Lease Model is the result of this adjustment.

There are two similarities and four notable differences between the PHRP procurement and the BHB's procurement through the Ground Lease Model (GLM):

The similarities are that:

- Both schemes are aimed at a minimum 10% increase of dwelling numbers from the previously existing public housing homes. The increase of dwelling numbers is not reflected in an increase of bedroom numbers, rather in their reduction, due to the priority given to the provision of single- and double-bed dwellings and a reduction of three- and four-bedrooms. This results in large households not being able to return post-development completion or in a decrease in dwelling numbers due to the necessity of combining small dwellings to house those large households.

The dangers of reducing dwellings' sizes, justified by the government with occupancy efficiency considerations was criticised by a 2017 Report of the Australian Housing and Urban Research Institute:

There has been considerable re-profiling of the public housing stock to much smaller dwellings and at different rates in different cities. Overall the proportion of stock that is made up of bed sits and one-bedrooms has increased substantially. While on the surface a seemingly logical response to the growth in demand of smaller households (qualified by whether small households really want very small dwellings), it does raise longer term questions around asset management. Unlike larger dwellings, smaller ones are less flexible

⁹ Victorian Budget 2024-25 - Helping Families - Overview, p.33



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*to changing housing needs and are more expensive to adapt to changing circumstances than a larger dwelling. Moreover, because they can largely only house singles, their capacity to generate an adequate rental income, given the attributes of the household rent formula, is limited. There is a risk that in years to come some of this new stock will be an asset management burden on public housing agencies.*¹⁰

- Both schemes enact a transfer of management and ownership from public to community housing. This results in more onerous conditions for tenants, as rent in public housing is set at a maximum of 25% of the household's weekly income, whereas rent in community housing is set at a maximum 30% of the household's weekly income and 15% of any family benefits received, plus 100% of any federal Community Rent Assistance to which the household has a right to and often additional service payments the housing provider charges to tenants.

The differences are that:

- While ownership of the public housing land and new dwellings in the PHRP scheme was transferred at the ratio of one third to Community Housing Providers (CHP) and two thirds to purchasers of private-market housing, in the BHB's GLM scheme the land is 'leased' for a term of 40-years with 50% of the dwellings allotted to CHPs and for the other 50% to 'affordable housing' providers and market build-to-rent developers, where *all the assets will revert to full public ownership and control at the end of this fixed period.*¹¹

The 'leasing' mechanism is the Victorian Government's solution to defend its program's reliance on market dynamics against the criticism that, with the PHRP, it was privatising public housing.

How much land and dwellings will effectually revert to public ownership after the 40-year 'lease' term is uncertain. Public infrastructure projects procured in a similar way (such as the Transurban Eastlink) where at the end of the contractual agreement, instead of re-taking ownership, the government elected to renew the length of the contract in exchange for further infrastructure provision.

This scenario of delayed repossession is reflected in the GLM Project Summary as follows:

*Project Co's solution also includes additional benefit to the Director and broader community **with a contractual commitment by Community Housing (Vic) Limited to re-invest its future returns (after repayment of a corporate loan) in further social and affordable housing growth. In this way the project is seeding long-term continual growth in social and affordable housing.***

¹⁰ Groenhart, L. and Burke, T. (2014) *Thirty years of public housing supply and consumption: 1981–2011*, AHURI Final Report No.231. Melbourne: Australian Housing and Urban Research Institute. Available from: <http://www.ahuri.edu.au/publications/projects/51002>

¹¹ Homes Victoria, Ground Lease Model Project, Project Summary, Official, p. 7.



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*The Director will also share in project returns over the latter years of the Project, with **the opportunity for the Director to co-invest in the new projects pursued by Community Housing (Vic) Limited.***¹² [Bold font emphasis added]

- While the PHRP was obtaining construction of community housing dwellings with an allegedly small capital outlay declared, the GLM model obligates Homes Victoria to:

*... pay the consortium a service fee for managing the Project ... for the 40-year Operational Phase, including tenancy management, community engagement and asset management services, and the collection of rents from tenants.*¹³

and

*... make future payments to Project Co for the financing, design and construction of the assets.*¹⁴

We note that, in the case of the Barak Beacon redevelopment (one of the four Estates of the GLM2 stage) the *Retain Repair Reinvest Alternative Design Proposal* carried out by OFFICE estimated that retaining the existing buildings, refurbishing and adding infill housing to the extent envisaged by the GLM scheme, and procuring the building with a direct commission, would achieve, over the life of the project, a saving of \$23,3m (a reduction of 19.2% over the estimated capital investment committed to by Government).

- The 'affordable' component of the GLM scheme has replaced the PHRP's Market-Housing
- The *Build-To-Rent* component of the GLM scheme has replaced the PHRP's Market-Housing and is:
 - ... accessible to the public at market rents.*¹⁵
- The PHRP tenants 'right of return' to the Estates being renovated - from which they have been evicted and relocated is explicitly stated in the Government's reply to the *LSIC Inquiry into the PHRP's Recommendation 16*, asking:

*That the Victorian Government confirm with all tenants in the Public Housing Renewal Program that they will be able to return to their estates. All documentation and communication provided to tenants should reflect this.*¹⁶

The government's response was:

¹² Homes Victoria, Ground Lease Model Project, Project Summary, Official, p.15

¹³ I Homes Victoria, Ground Lease Model Project, Project Summary, Official, pp. 12 and 16

¹⁴ Ibidem, p. 22

¹⁵ Homes Victoria, Ground Lease Model Project, Project Summary, Official, p. 43

¹⁶ Victorian Government response to the Standing Committee on Legal and Social Issues Inquiry into the Public Housing Renewal Program, p. 20



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This recommendation is supported in full.

The Minister for Housing has guaranteed all existing tenants the right to return to their estate once the redevelopment is completed. A deed poll has been developed and attached to relocated tenants' tenancy agreements, making the Minister's pledge commitments legally binding upon the Director of Housing and legally enforceable by tenants. It notes that:

- *Tenants will have the right to return to a property that meets their household accommodation needs in the redeveloped estate upon completion of the redevelopment ...*¹⁷

So, right to return to a property that meets their household accommodation needs.

In the BHB's GLM 1 Project Summary the 'right of return' is expressed as:

*Tenants who have been relocated from the sites have a guaranteed right to return to their site, if they so wish, once construction is complete.*¹⁸

So, 'a guaranteed right to return', no further qualifying terms.

Whereas with the Towers redevelopment the 'right of return' is defined as:

Coming back

*The redevelopment will take between 6 and 8 years. Renters have the right to return to their current neighbourhood when the redevelopment is complete based on their ongoing eligibility, needs and suitability of the new homes.*¹⁹ [Underline and bold font added for emphasis].

So, here the right to return is subject to a 'suitability of the new homes'.

We know, based on past and current redevelopments, that notwithstanding the increase in dwelling units, the number of redeveloped community housing bedrooms will be reduced from the pre-existing quantities. This means that large households will have no 'suitable' accommodation available to them.

Given that current tenants' home size needs are not published by Homes Victoria, there is no way to verify if the new dwellings will have an adequate number of bedrooms to accommodate returning tenants.

The substance of the program transition from PHRP to the GLM packaging of the BHB has not changed. It is still based on:

¹⁷ Victorian Government response to the Standing Committee on Legal and Social Issues Inquiry into the Public Housing Renewal Program, p. 20

¹⁸ Homes Victoria, Ground Lease Model Project, Project Summary, Official, Contract/Legal obligations, p. 42

¹⁹ Homes Victoria, High-rise redevelopment, About the relocation process, see:

<https://www.homes.vic.gov.au/relocating-renter-support>

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- Transferring public housing to community housing: this is a move from public to private, more onerous for renters and for government;
- Increasing dwellings of the Estates redeveloped by 10%: the justification for this so-called increase has never been rationally explained by the government. It must be noted that the increase is not across the whole public housing stock, which would be an initial, though insufficient, step to address the increasing level of homelessness, but just an increase to the number of dwellings in the Estates being redeveloped.
- There is the additional aggravating factor of a delay of several years at least between eviction of tenants and their possible return to the redeveloped estates. This results in a de-facto reduction of properties available to applicants on the Victorian Housing Register as tenants are temporarily housed in properties that could be allocated to those on the waiting list.
- Allowing publicly-owned land to be used for private profit. Whether this is permanent or established for lengthy 'lease' periods produces the same result: public land that should be used for really increasing housing that would reduce the VHR waiting list is instead 'gifted' to private enterprise, relying on the housing development market to provide the 'affordable' housing needed, instead of procuring it by direct-government commission;
- Talking about the BHB as the 'biggest ever', 'unprecedented' investment in social housing, hinting that its unprecedented size will solve homelessness, when in reality it is not even an intervention to maintain the 'status quo' as far as the households in the VHR's waiting list are concerned. Particularly considering the population increase forecast for Victoria in the next 25 years. See, further below, an analysis of the current, unmet, and emerging need for housing suitable to applicants of the Victorian Housing Register.
- Allowing to proliferate unchallenged the narrative that the housing problem we are currently experiencing is just a problem of housing 'supply', with no mention of the issue of homelessness and the need to eradicate it, to bring it to a functional end.

Whereas the housing crisis is a multi-faceted problem, a combination of:

- Insufficient supply of public housing, and adopting a 'Housing First' approach just to pay it lip service, ignoring that the first step of this approach is the principle of supplying housing unconditionally, in a timely fashion, when the need arises;
- Insufficient supply of genuinely affordable, permanent housing;
- Planning regulations not enforcing mandatory Inclusionary Zoning provisions on residential, commercial, and industrial developments, i.e., a contribution to the supply of housing suitable to the needs of applicants to the VHR;
- Government's neglect of its 'duty of care':
 - to address homelessness in order to end it; and
 - to ignore its obligation to recognise a 'right to housing' into its legislation so that it would become justiciable (i.e., government could be successfully sued for not providing housing to those who need it);



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- Federal and State Government's legislation allowing Negative Gearing, Capital Gains and Fringe Benefit Tax discounts that favour land speculation, land banking and rampaging housing costs to fuel unaffordability, rental stress, and homelessness.
- A housing market led by developer's profit interests promoted unchallenged.

1. Rationale for the decision to demolish and redevelop the 44 Towers

The road to the homelessness hell is paved with false good intentions

Before the Towers - the PHRP

When the Victorian Government announced its Public Housing Renewal Program, it explained its rationale of Estates selection based on several criteria, but mainly because they were:

... relatively low densities on substantial and valuable land holdings around Victoria.

And the 'renewal' program was based on:

- *Maximum financial returns with a minimum funding commitment;*
- *Latent development capacity; and with*
- *Streamlined processes for both planning and building permit applications*²⁰

It needs to be made clear that the above criteria for the PHRP, while apparently based on positive and desirable outcomes, when considered in the program's context, revealed a basis of deception and cross-purpose.

The criteria reveal themselves to be not as positive or desirable as they were purported to be, as:

- The *relatively low densities on substantial and valuable land holdings* rather than being opportunities for a substantial increase of the quantity of existing public housing, were instead used as an opportunity to privatise most of the estates and not do anything substantial to satisfy the need of the increasing number of families either homeless or at risk of becoming homeless;
- The *maximum financial return* was not a positive financial return to the State, as it has been demonstrated by the Australian Housing and Urban Research Institute (AHURI) study on *Social Housing as infrastructure: an investment pathway*²¹, where it found that

²⁰ Memorandum, Director, Property Services and Asset Management to Director of Housing and Executive Director, Housing and Community Building, Department of Human Services, 17 May 2010.

²¹ AHURI - Lawson, J., Pawson, H., Troy, L., van den Nouwelant, R. and Hamilton, C. (2018) *Social housing as infrastructure: an investment pathway*, AHURI Final Report No. 306: https://www.ahuri.edu.au/data/assets/pdf_file/0025/29059/AHURI-Final-Report-306-Social-housing-as-infrastructure-an-investment-pathway.pdf



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the procurement method adopted by the Victorian Government, compared with subsidising the operating income of a commercially financed program, the lifetime cost of house building is A\$1.6 billion less, a 24% saving to the public purse;

The *maximum financial return* then was the combined interests of the developer and the partnering community housing provider;

- The *minimum funding commitment*, considered in the light of the AHURI Report study just mentioned, was a commitment to spend 24% more than necessary, and this not considering the cost of buying back an area equivalent to the public land given away to private development, when needed for current and future increases of the public housing stock;
- The *latent development capacity* was the capacity of the land to be privatised for $\frac{3}{4}$ of its area, its market desirability, again, to the benefit of private development.
- The *streamlined processes for planning and building permits*, rather than being devices to ease and speed-up delivering of critically needed public housing were methods devised to remove possible local government (deprived of the 'Responsible Authority' function) and community objections (the community representatives' objections being blindsided by the action of Homes Victoria's representatives in each project's Consultative Committee, without real possibility of objection to apartment sizes, project procurement through Public-Private Partnership (PPP) Agreement's delivery and community housing management, the privatisation of part of the public land, the general scope, planning, or design for each site).

Before the Towers - the BHB

When it was announced in November 2020, the *Big Housing Build* was a new version of the PHRP, dressed in more colourful clothes and with a different make-up. It was defined, in Premier's Daniel Andrews' press release, as:

The Victorian Budget 2020/21 will deliver a historic \$5.3 billion Big Housing Build to construct more than 12,000 new homes ... over the next four years, to supercharge Victoria's economic recovery through the pandemic and beyond.

*This package will boost our state's social housing supply by 10 per cent in just four years ...*²²

One month later, a *Homes Victoria's* brochure repeated the statements from Premier Andrews and added Minister for Housing Richard Wynne's as:

Here's how the Big Housing Build – which will boost social housing stocks by 10 per cent – will work.

In 2020/21: we will start building 1,100 new homes ...

In 2021/22: we will start building 5,000 new homes ...

In 2022/23: we will start building 5,000 new homes ...

²² <https://www.premier.vic.gov.au/victorias-big-housing-build#:~:text=The%20Victorian%20Budget%202020%2F21,through%20the%20pandemic%20and%20beyond.>
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In 2023/24: we will start building 1,200 new homes ...

We will forge the new Social and Affordable Housing Compact with local councils – an agreement to work together to increase social and affordable housing stock.

*We're streamlining planning approvals for social and affordable housing, to deliver good design outcomes and get projects moving fast ...*²³

None of these deadlines have been complied with.

The BHB's objectives, are summarized by the *Homes Victoria's* website as:

*The Big Housing Build will **increase the supply of available social housing by more than 10% over the life of the program** ... is an excellent way to help create jobs, and build a lasting legacy for the state that will help thousands of people.*

*As part of the reforms that accompany the Big Housing Build, **we are developing a ten year 'Social and Affordable Housing Strategy', in partnership with the community housing sector. This strategy will set a shared long-term vision and objectives to continue to grow the social housing system alongside the state's population.***²⁴

Three false axioms can be evinced from the paragraphs above:

1. That the renovation program only needs to contemplate a dwelling number increase of 'just' 'more than 10%', i.e., 10% as a minimum parameter to benchmark any resulting excess. Not an increase of the existing overall public housing stock by 10%, just the 'social housing' parts object of the Estates targeted for redevelopments. This notwithstanding the non-sequitur logic that the BHB *will increase the supply of available social housing by more than 10%* (as the 10% parameter is a minimum, any small increase on that number is 'more'). The basis for establishing the 10% increase parameter has not been clarified by the government, or related to known housing needs derived from the waiting lists of the Victorian Housing Register, or related to population increase trends. More on this further down this document;
2. That a 'social and affordable housing strategy' is only going to be developed in partnership with the community housing sector, favours private enterprise recipients of virtually all of the PHRP and BHB redevelopments, without consideration of the role that public housing has had in the past, continues to have to this day and will need to have in the future. In that statement there is a clear indication that the government is in the process of divesting itself of public housing and transferring management and ownership to community housing providers. No analysis of what the implications of this process of increasing privatization are for tenants has been forthcoming.
3. That there is a long-term 'vision' for the 'growth of the social housing system alongside the state's population', without acknowledgment or consideration for the fact that:

²³ http://www.johnkennedypmp.com.au/wp-content/uploads/2020/11/2006743_B_more_homes_for_more_victorians_v38.pdf

²⁴ <https://www.homes.vic.gov.au/why-big-housing-build> Updated on 25/06/2024



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- there has been no growth of social housing in the last 20 years in comparison with population growth, but rather a decline, as the proportion of social housing to the total housing has reduced, as illustrated by **Figure 5**, below, from 4.4% in the early 2000s to the 2.8% in 2023;
- That Victoria, in this regard is the worst State in Australia, where the proportion is currently at 4.1%. On this topic, we wish to highlight that the previous 2022 LSIC Inquiry on the State of Homelessness in Victoria, by reporting its:

*FINDING 26: For Victoria to reach the national social housing average (4.5% of total housing stock), it would need to build up to 3,400 new social housing dwellings per year until 2036. This is double the amount noted to be needed just to keep pace with overall housing growth in the Bilateral Agreement between the Commonwealth and Victoria under the National Housing and Homelessness Agreement.*²⁵

it considered the Australian 'social housing average' as the benchmark to base its Report's recommendations on, rather than the adoption of an evidence-based benchmark suitable to a strategy to rapidly reduce and 'end homelessness'. The insufficient, unsubstantiated Australian 'average' (which has meanwhile reduced from 4.5% to 4.1%) being a cop out on the rising numbers of people waiting for a house suitable to their needs NOW.

- That the 4-year initial duration of the BHB has now become an 8-year plus program;
- That the 'increase' is not in any way connected to the increase in population, as the Australian Bureau of Statistics' 25-year projected growth of household estimate of variation from the 2021 Census, for Victoria, as illustrated further down in **Table 2**, is for a yearly growth varying between 1.8 (low estimate) and 2% (high estimate) and the planned BHB 'increase', is probably not even adequate to maintain the status quo, let alone address the increasing homelessness levels, as it should be at least 4 times as large.

The new clothes – the Ground Lease Model procurement scheme – were necessary to overcome the PHRP's shortcomings and make redevelopment of the chosen Estates appealing to developers and the housing financing industry. The different make-up – the 'lease' of land, the 'affordable' and 'build-to-rent' housing – a way to whet the appetite of the profit-seeking sough-after participants.

- The 12,000 new homes were promised to be 9,300 'social' and 2,700 'affordable' and 'market-rate' housing, delivered over ... four years, for a ratio 'social' to 'affordable' of 77.5% to 22.5%.
In fact, the GLM1 projects were scheduled to demolish 445 public housing homes to replace them with 1,110 new dwellings, of which 619 'social'; 126 'affordable'; and

²⁵ Legal and Social Issues Committee, *Inquiry into homelessness in Victoria*, Final report, Findings and recommendations, 6 – Long-term accommodation, p. xxxviii



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365 'private' dwellings to the Estates in Brighton, Flemington, and Prahran. A site densification increase of 149%.

The GLM2 ²⁶ projects were scheduled to replace 502 public housing homes to replace them to deliver 1370 new dwellings, of which 659 'social', 182 'affordable', and 529 'market-rental' dwellings to the Estates in Hampton East, Port Melbourne, Prahran, and South Yarra. A site densification increase of 173%.

The GLM 1 and 2 completed will result in the loss of 947 public housing homes, replaced by a total of 2,480 dwellings, of which 1278 'social'; 308 'affordable'; 365 'private'; and 529 'market-rental', i.e., a ratio 'social' to 'affordable, private and market-rental' of 51.5% to 48.5%, and a densification increase of 162%.

The promised ratio adjusted to accommodate housing market profit expectations, we argue. The 'social' component increase being just 331 dwellings but the 'affordable' and 'market-rental' component increase being 1,202.

- The promise to *boost our state's social housing supply by 10 per cent in just four years* could not be more hyped, considering that the aim was, from the beginning of these program, to increase by (a minimum of) 10% the number of demolished dwellings, and the 'increase' did not take into consideration the 'loss', i.e., the number of the pre-existing demolished public housing homes. In fact, near the time of the November 2020 BHB' announcement, the social housing stock (at June 2020) consisted of 76,881 households ²⁷ – which make the 331 dwelling 'increase' just 0.4% more than previously existing.

The 44 Towers demolition

The September 2023 announcement by Premier Daniel Andrews of the intention to demolish all the 44 high-rise public housing Towers by 2051 was surprising, particularly in relation to the scale of the intention, and was unexpected, as it was a step further in a direction undertaken first by the Liberal-National Coalition Government of Jeff Kennett in 1998, when it announced that one of the three high-rise towers in the Public Housing estate in Kensington was to be demolished. The successive Labor's Steve Bracks administration took over the project, but did not fully embrace the total demolition approach. The redevelopment resulted in:

Over 100 households were relocated and the tower was demolished in 1999. In the early 2000s, under Premier Steve Bracks, a tender brief was prepared for redevelopment of the entire estate in a mix of public and private housing. The

²⁶ Homes Victoria, Project Summary, Ground Lease Model, South Yarra, Prahran, Hampton East and Port Melbourne. OFFICIAL, December 2023. See: <chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.dtf.vic.gov.au/sites/default/files/document/Project%20Summary%20Ground%20Lease%20Model.pdf>

²⁷ As illustrated by Figure 3, below, data from: <https://www.abs.gov.au/statistics/people/population/household-and-family-projections-australia/latest-release#states-and-territories>



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tenants of the walk-ups were relocated and all the walk-ups were demolished. Two towers remained: these were to be refurbished in a separate arrangement. ²⁸

When Premier Bracks started the *Carlton Housing Redevelopment* in 2006, through demolition of the public housing 'walk-ups' in Lygon and Elgin Streets, the high-rise towers were retained, to be progressively updated.

As noted below, [see *Examples of adapted reuse, Tower Turnaround Design Competition*] retention of the Towers was part of the Labor Government's policy in Victoria, up to a few years ago, but premier's Andrews' announcement has marked a complete policy turnaround.

The Class Action

The demolition policy is being challenged in the Supreme Court of Victoria by tenants affected by the first round of announced demolitions. The challenge is founded on the tenants claim that the demolition, the way it was announced and the way tenants became aware of it constitutes a violation of their human rights as currently encompassed by the Victorian Charter of Human Rights and Responsibilities ACT 2006.

In a preliminary hearing, when the government's lawyer, Lian Brown, SC, was asked to produce government documentation of the process that led to the demolition policy decision, stated that, as reported by The Age:

In resisting the summons to produce documents showing how Homes Victoria decided to demolish the towers after cabinet sign-off, counsel for the government Liam Brown, SC, said there were no documents.

"In relation to the actual decision [to implement cabinet's plan to demolish the towers], the evidence couldn't be clearer - a decision was made and there are no documents," Brown said.

Justice Melinda Richards responded:

"I have to say I was startled to read that."

"That Homes Victoria should make a multimillion-dollar decision to demolish and replace three public housing towers that house hundreds of people with no documentary basis at all.

"That is a very surprising position for your client to take." ²⁹

Irrespective of whether the Class Action will be successful to a certain degree or totally, the fact remains that a *Right to Housing* is not properly enshrined in the Australian and the specific Victorian legislation, as analysed further down this submission, and corrective action is required with the utmost urgency.

²⁸ Shaw, Raisbeck, Chaplin, Hulse: University of Melbourne, Faculty of Architecture Building and Planning, *Evaluation of the Kensington redevelopment and place management models*, Final Report, Prepared for the Department of Human Services, Amended version January 2013, p. 7

²⁹ The Age, 18 September 2024. See: <https://www.theage.com.au/national/victoria/judge-startled-by-victoria-s-no-documents-claim-in-housing-towers-case-20240917-p5kb5w.html>

SPHC Submission to LSIC Inquiry into the Redevelopment of Melbourne's Public Housing Towers-SPHC Submission.docx.



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Demolishing Buildings without regard to environmental consideration is not a sustainable, evidence-based practice

Two-Step Procurement

Typically, the PHRP and the BHB are structured as a **two-step procurement operation**. The first step consists of 'preliminary' or 'enabling' works, a commission to carry out the demolition of the Estate's buildings; and the second step consists of the PPP Agreement.

In the first-step, the demolition is carried out by one Contractor, with generic obligation to recycle a percentage of the demolition's materials.

In the second-step the PPP Consortium and its design team is presented with a parcel of land free of carbon footprint and no obligation to consider, for the redevelopment design options, the account of operational and wasted energy (the accrued carbon footprint) involved in the demolition that would not occur if the building's structure and suitable components were retained.

This is a procedure that sidesteps the ethical obligation, for the design team – and the Consortium employing it – to carry out a design that considers the overall environmental impact of the redevelopment. Specifically, to ignore the carbon footprint embodied in the existing building's structure and components as a factor that influences the environmental and financial sustainability of the redevelopment. With the demolition occurring in the past, a blank design canvas is available to the developer to extract maximum benefit for itself and the Joint-Venture partners.

Environmental Sustainability Scrutiny avoidance

The avoidance of environmental sustainability scrutiny has been criticised by the President of the Victorian Institute of Architects (AIA). In a reaction to the Victorian Government's September 2023 *Housing Statement* ³⁰ and, referring to a press release replying to the *Housing Statement* that the Institute issued to emphasise the importance not just of good design but for the need of future housing to be 'environmentally sustainable and resilient', the AIA Victorian President, in his Message, stated:

In the [press] release, I also emphasised the importance of adaptive reuse and upgrading existing housing stock. We have subsequently indicated to Government that the Statement's proposal to demolish all 44 high rise housing commission towers, on the basis of them being 'out of date', does not align with a sustainable approach to housing development. There are both national and international examples of the

³⁰ <https://www.vic.gov.au/housing-statement>



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refurbishment of existing public housing that are highly successful and respect the previous expenditure of material, energy and carbon resources by earlier communities, not to mention respecting and preserving the established social fabric of these places that has evolved over decades. ³¹

What makes a design environmentally sustainable?

Architects, and – by extension – the design team they usually lead, have a duty, by their professional *Code of Conduct* to behave ethically, personally, and professionally, in accordance with their professional *National Standards Of Competency For Architects* (NSCA), which oblige them to consider that:

Embedded within the practice of architecture is the recognition of Aboriginal and Torres Strait Islander Peoples' ongoing connection and custodianship of Country, and the ethical responsibilities to the physical environment and the transition to a carbon-neutral built environment. These responsibilities are fundamental to architecture practice. [Underlined for emphasis] ³²

And that:

The 2021 NSCA places a new emphasis on environmental sustainability and life cycle assessment (LCA) and introduces the concept of whole life carbon (WLC)...

... LCA is a technique for evaluating the environmental impacts of any industrial activity across its entire life cycle – from sourcing raw materials, through manufacture, assembly, use and demolition to the point where all residual materials are returned to the earth.

This is known as from 'cradle to grave'...

Whole Life Carbon (WLC) refers to the sum of all greenhouse gas emissions resulting from the construction and use of a building over its entire life, including the demolition, disposal and/or the recycling of the building at the end of its life.

WLC includes both operational and embodied carbon impacts... ³³

³¹ Australian Institute of Architects, *Housing: A message from the Victorian President*, 02 October 2023. https://www.architecture.com.au/archives/news_media_articles/housing-a-message-from-the-victorian-president

³² Architects Accreditation Council of Australia, *2021 National Competency Standards for Architects* (NSCA), <https://aaca.org.au/national-standard-of-competency-for-architects/2021nsca/>

³³ Ibidem.



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With the two-step procurement, demolition – and its environmental and ethical implications – is a 'fait-accompli', a given, an uncomfortable and inconvenient memory, an unaccounted, denied obligation and an avoided responsibility.

Two weights, two measures.

It is obvious that two weights and two measures are being applied for the redevelopment of public housing structures and of commercial structures.

In the AIA Victorian President's Message mentioned above, it is interesting to note the statement:

The City of Melbourne and the Property Council of Australia's have identified close to 80 commercial office buildings across our CBD that are currently underutilised and could potentially be converted into approximately 10,000-12,000 apartments and mixed-use properties. ³⁴

These are existing commercial buildings, comparable in age and height to the public housing towers, for which the design team, charged with exploring the feasibility of redeveloping them, have advised that refurbishment and upgrade is the least costly option, including the transformation from commercial to residential use.

Differences between the redevelopment of CBD buildings and of Public Housing Towers

We would like to highlight, apart from the obvious difference in title ownership, 4 main differences:

1. Office towers usually occupy all the available property land that is buildable on, whereas the public housing towers are surrounded by green open space that can be cannibalised by development, i.e., sold-out or long-term-leased to private use and benefit.
2. Office towers, in the eye of the government, do not carry a 'stigma', whereas public housing towers do. Although the 'stigma' is a perception fabrication, it is used by the Government to justify its course of action so far.
3. Office towers are owned by Corporations, the public housing towers are owned by the Government. Corporations cannot justify to their shareholders spending money to demolish and rebuild a perfectly functional structure, whereas the Government can spend money to demolish the towers, then let developers loose on the ground,

³⁴ Ibidem.



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in exchange for something smaller in bedroom capacity and footprint than the previous housing, without shareholder's scrutiny, other than election results.

From this derives the illogical rationale that what is good for the office towers is not good for the public housing towers, i.e., that retrofitting and refurbishing office towers is acceptable and the same is not acceptable for public housing, as if the office towers' structures were 'untainted' and 'the flats' structures were contaminated and need to be destroyed and replaced by 'developer-anointed' ones.

4. With office towers the whole redevelopment exercise is carried out by an integral team where the designers are professionally vested in the determination of options that satisfy ethics and environmental factors of *Life Cycle* and *Whole Life Carbon* considerations as well as the outcome envisaged by the Owners. The 'cradle to grave' implications cannot be ignored or considered in separate discrete parcels, they are basilar to the design investigation, the process of identifying options and the solutions adopted; whereas with the PHRP and BHB two-step procurement the demolition is carried out without design, its damage is overlooked and unchallenged and the design is ignorant of the environmental and social implications of its premises, the result is biased by speculative objectives, the overall public interest is overlooked.

Relevant adaptive reuse examples in Australia

The case of the 'Sirius' building in Sydney.

This 79-apartment structure, built in 1978-79 in *The Rocks*, was earmarked in 2015 by the NSW Government to have its residents relocated, the building demolished and the land sold for redevelopment.

A public outcry followed and a community action group – *Save our Sirius (S.O.S.) Foundation* – was formed to avoid the demolition of the historic 'brutalist' building. The campaign was supported By the National trust of Australia, the Royal Australian Institute of Architects and several community organisations, unions and personalities.

In 2016 the government refused to provide the building a heritage status, against the advice of the NSW Heritage Council. This decision was invalidated in 2017 by the Land and Environment Court. The last tenant in the complex was evicted to be relocated in February 2018.

The building was sold to a developer in June 2019 to be transformed into 76 luxury apartments plus retail and commercial spaces, being sold to a lucrative profit and soon to be completed. A case of publicly-owned land, housing very-low and low-income households



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relocated from a central prime real estate spot to make way for luxury apartment owners and commercial interests.

500 Bourke Street, Melbourne

A 1997 high-rise in the CBD, one of Melbourne's 'Brutalist' style buildings, has undergone a \$160m redevelopment that included sale of the old office furniture for reuse rather than landfill waste.

Demolishing and rebuilding would have cost up to \$500m.

The building re-fashioning into an 'A-grade commercial property' happened in the context of the State Government's call for more city office blocks' retrofitting and their transformation into residential apartments (two-weight, two-measures bias applies here).

While conversion to residential apartments was ruled out due to "tough restrictions", demolition could not be justified due to the good structural condition. The refurbishment is estimated to have saved 57,000 tonnes of embodied carbon and the owner's Asset Manager is quoted in an article in The Age saying: *The most sustainable building is one that's already built...*³⁵

Tower Turnaround and Living Places Design Competitions

These design competitions were run in 2007 by the then *Department of Human Services* and challenged architects to propose prototype designs to renovate public housing towers (initially in Gordon Street, Footscray) and to infill additional housing to integrate within the fabric of existing public housing towers (initially in Jesson Street, Dandenong) so that the designs could be upscaled, in future, to other public housing Estates.

The design brief required solutions to:

- improve the façade's thermal performance and install double-glazed thermally-efficient windows;
- harvest rainwater to be used in communal laundries; and
- install roof-mounted wind turbines to generate power for the building.

The new (infill) housing was required to be designed according to passive-solar principles to have a thermal performance well above the standard required at the time.

³⁵ By Cara Waters, City Editor, The Age Online, 3 December 2023: Green refurb a towering achievement. See: <https://www.theage.com.au/national/victoria/the-160m-cost-of-not-knocking-down-this-city-skyscraper-20231130-p5eo0h.html>



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Winners for the competitions were announced and tenders for the construction planned to be called in 2008 and 2009.³⁶

The only outcome of the competitions was the fitting of one Pod (from the winning competition entry by BKK Architects) to the Footscray tower, seen below in **Figure 1**.

Figure 1: Prototype Pod extension to public housing tower in Footscray.



Source: Published in the University of Melbourne Pursuit magazine.³⁷

RRR Ascot Vale

The building at 44 Dunlop Avenue, Ascot Vale, is one of eleven buildings along Dunlop Avenue, and one of 57 similar in design in the remaining public housing Estate.

The 'end-of-life' justification for demolishing existing public housing buildings was used on the First Stage of the redevelopment of the Ascot Vale Estate, at 24-42 Dunlop Avenue,

³⁶ DHS Media Release, Tuesday 29 April 2008: Cutting edge designs for Footscray, Dandenong public housing renovations and redevelopments. See: <https://hnb.dhs.vic.gov.au/web/pubaff/medrel.nsf/LinkView/C4AA446B6ACD1151CA2574390081E9F5?OpenDocument>

³⁷ Chris Barnett, University of Melbourne, The future of our public housing towers. 31 October 2023. See: <https://pursuit.unimelb.edu.au/articles/the-future-of-our-public-housing-towers>



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where, as part of the Public Housing Renewal Program (PHRP), the government had ten of the existing eleven walk-up buildings demolished, comprising 80 public housing dwellings, to be replaced by 200 new dwellings, of which 100 defined 'social' and 100 defined 'affordable'.

The 11th building, at 44 Dunlop Avenue, was left undemolished at the 1st Stage, together with other walk-up buildings facing Union Road and the rest of the Estate, part of an announced *Ascot Vale Estate Shared Vision* which, if left unchallenged, will see demolition and redevelopment of 726 dwellings along the lines established with the 1st Stage and the Big Housing Build-Ground Lease Model.

To prove the viability of an alternative option to the demolition of the existing Dunlop Avenue buildings, architectural practice OFFICE, together with a full team of design consultants, carried out a feasibility study, *RRR Ascot Vale*, based on the building at 42 Ascot Street, Ascot Vale, with a design approach based on 3 key objectives:

- *Retain existing communities by not relocating residents,*
- *Repair existing buildings to reduce carbon emissions,*
- *Reinvest savings to improve comfort and upgrade public housing.*

The feasibility design:

... incorporated a new lift, an allocation of Specialist Disability Apartments (SDA), heating and cooling upgrades (7.4 NaTHERS and 38% energy use reduction), and a redesign of the communal rooftop.

This resulted in:

A direct construction cost saving of \$281,838 per dwelling was identified through the RRR refurbishment proposal, compared with the PHRP demolition and rebuild. ³⁸

Shortly after the publication of this Feasibility Study scaffolds were erected around the building, as shown in **Figure 2** below, and Homes Victoria confirmed that the building was being refurbished and that it will remain tenanted as public housing.

The resulting government's change of heart about demolition, though, appears to be limited to the single building at 44 Dunlop Avenue, and the intention about the remaining 46 similar buildings of the Estate is still, against economic and sustainability logic, to demolish them.

³⁸ RRR Barak Beacon, p. 2



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Figure 2: Refurbishment work of public housing 'walk-up' building previously earmarked to be demolished.



Source: Miriam McGarry and OFFICE, Advocating for alternatives to Melbourne's public housing demolition. Photo: Ben Hosking.³⁹

RRR Barak Beacon

The OFFICE team of consultants carried out and published, in November 2022, a Feasibility Study on the Barak Beacon public housing Estate buildings in Port Melbourne, which were destined to be demolished as part of the government's *Big Housing Build, Ground Lease Model 2 Stage*.⁴⁰

³⁹ Assemble Papers, Housing, 2 February 2023, p. 8. See: <https://assemblepapers.com.au/2023/02/02/advocating-for-alternatives-to-melbournes-public-housing-demolition/>.

⁴⁰ OFFICE and Miriam McGarry, Retain Repair Reinvest Barak Beacon Estate: Feasibility Study and Alternative Design Proposal, 01 November 2022. See: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://office.org.au/api/wp-content/uploads/2022/11/OFFICE_RRR_Barak-Beacon_Report.pdf
SPHC Submission to LSIC Inquiry into the Redevelopment of Melbourne's Public Housing Towers-SPHC Submission.docx.
Final: 6/01/2025



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In comparison to the *RRR Ascot Vale* Study, the *Barak Beacon* Feasibility Study had a wider scope and purpose, wanting to test not only the feasibility of retaining and refurbishing the existing buildings to be reused, but also the viability of redeveloping the site to allow addition of infill housing to the level then announced by the government's program, i.e.:

- Replace the existing 98 'public housing' dwellings with 112 new 'social housing' dwellings (i.e., and increase of 10%); and
- Add housing to achieve a total of 350 dwellings, of which 238 to be 50% 'affordable' and 50% 'market' rentals.

With the Government's investment cost of \$244.8m.

The RRR Feasibility Study demonstrated the validity of the alternative approach, ignored by the procurement method adopted by the Victorian government. The Study's Report stated:

... the RRR feasibility study has found that a refurbishment of the existing public housing (with 25% increase in occupancy) combined with the infill of 238 new social housing dwellings can be delivered for \$97,897,000 while retaining the existing community on site and avoiding the social impact and economic costs of relocation.

This saves the government \$16 million in direct relocation costs, and approximately \$1 million in associated health and well-being costs. The RRR proposal also provides a 54% reduction of embodied energy, a 46% reduction of global warming potential with land use impacts reduced by 273%.

The RRR study proposes that it is possible for the \$244.8 million of direct financial contributions the government will pay to the selected Project Consortium to deliver the Barak Beacon site, to be reinvested back into the refurbishment of the existing public housing and development of new social housing (Table 2). This report further suggests that the Ground Lease Model does not provide financial, social or environmental benefit, and improved outcomes could be delivered for significantly less government and private investment. ⁴¹

One of the Estate's residents, Margaret Kelly, refused her eviction for relocation from her home of 25 years wanting to be told in person, by the Minister for Housing, why the Barak Beacon housing would be demolished instead of being refurbished as the alternative *RRR Barak Beacon* Study had demonstrated possible. Opposition to the building's demolition was supported by a wide group of community groups, public housing advocates and progressive political parties.

⁴¹ Ibidem, Key Findings, p. 8



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The only rationale given by the government on the refusal of the *RRR Barak Beacon* proposal was given to Margaret Kelly with 2 letters she received from:

- Ms Camille Kingston, Interim Chief Executive Officer, Homes Victoria. ⁴² (HV); and
- The Hon. Colin Brooks MP, Minister for Housing. ⁴³ (MoH)

The Minister's letter stated:

The government has a responsibility to the broader Victorian communities' need for more social and affordable housing. Growing and renewing our social housing stock to meet modern accessibility and design standards are key pillars of the Big Housing Build program and the 89 homes at Barak Beacon do not comply with modern standards. [p. 1]

This implied that opposition to the demolition of the existing structures and refurbishing of the existing buildings would somehow compromise accessibility and design standards. It was an unsubstantiated affirmation: the RRR Alternative in fact did show that compliance to accessibility and design standards, as well as sustainability concerns were at the forefront of the study's objectives.

Further, it stated that:

The new Barak Beacon precinct forms part of the Ground Lease Model 2 project, which will replace 502 end of life dwellings with more than 1,400 modern, energy-efficient and environmentally sustainable homes for more Victorians in need of housing, with a minimum of a 10% uplift in modern, energy efficient social housing dwellings. [p. 1]

This represented the Barak Beacon Estate as part of a bigger entity, the *Ground Lease Model 2*, justifying its demolition as a consequence of it being a component part rather than an entity with its own character and identity and at the same time denying possible alternatives, such as the *RRR Barak Beacon* Study represented.

On the *RRR Barak Beacon* Study the Minister's letter stated:

"The 'OFFICE' study

Despite what may have been communicated you, I am advised that technical feasibility challenges and associated costs of refurbishment are not adequately addressed by the OFFICE refurbishment study, including the feasibility of constructing underground carparking immediately adjacent to or underneath existing dwellings, achieving modern environmental sustainability and accessibility standards, meeting

⁴² Reference BAC-CO-35639, dated 21.04.2022 [sic. Should have been dated 2023]

⁴³ Reference BAC-CO-36144, dated 12.05.2023.



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current structural regulations and flood level requirements, and other planning approval and building standards requirements.

The technical feasibility challenges mentioned were:

- The feasibility of constructing underground carparking immediately adjacent or underneath the existing buildings. This misrepresents the RRR proposal, which stated:

*The landscape strategy retains 60% of the mature trees on site, while ensuring that underground car parking is located **underneath proposed buildings**. It also retains 85% of the communal open space as deep soil areas ... [5.8 Landscape Architecture, p. 43. Bold emphasis added];*

and:

214 car parks have been provided predominantly underground, with some carparking being retained at grade to allow for easy pick/drop off zones for residents. Underground car parking is consolidated into three locations to free up the ground plane and minimise crossovers, while also ensuring that the majority of the site has deep soil for vegetation. [p. 44]

So, clearly, the study did not propose to locate car parking underneath the existing buildings, as the Report's cross sections clearly indicate [see pages 71, 73 and 77] and states that car parking has been allowed for 'underneath proposed buildings', which are identified on Plan at the 'Key Finding' page of the Executive Summary. Further, the issue of car parking in the vicinity of existing buildings can be addressed in a position that is both, provided at a structurally safe distance and be cost and functionally effective.

- The Minister's Letter ignored that:
 - the achievement of environmental sustainability standards is addressed at item 5.7 of the RRR Report [pp. 40-42] and at Item 7. Energy Report [p.62 of the Appendices] and clearly shows that the retention, refurbishment, and upgrade of the existing buildings would achieve performance standards superior to the benchmark objectives established by the BHB and GLM target performance of:
 - Minimum standard of NatHERS 6 Stars with a 7-star average (social housing dwellings) and Green Star 5 Stars (all dwellings)

Whereas the RRR proposal would have achieved:

- An average 8 Star NatHERS Rating and a 5 Star Green Star rating relative to the existing buildings.



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- Added Life Cycle assessed benefits of 46% reduction in Global Warming Potential; 54% reduction in the buildings' Embodied Energy and 273% reduction in Land Use [Item 5.9, p. 45]
- accessibility standards were dealt with, by the RRR Proposal by providing for:
 - the installation of lifts connecting the proposed infill housing to the existing dwellings, in addition to external stairways; and
 - The possibility of locating SDA dwellings on the ground floor of each existing and new block of units. [Item 5.6 Access, p. 40]
- The meeting of current structural regulations, flood level requirements, planning approvals and building standards requirements would not normally be expected to be entirely resolved by a Concept or Feasibility Study such as the RRR Barak Beacon proposal, as solutions of these issues would be progressively determined at subsequent design stages with documentation prepared for Planning and Building Permits. Any cost implications of the unresolved issues have been considered by the inclusion, in the Quantity Surveyor's Cost Assessment [Appendix 8. Costing of refurbishment proposal for Barak Beacon Estate, p.63], of appropriate Design Contingencies. This aspect cannot be a purported reason to make the RRR Proposal less valid.
- The meeting of design requirements, adequate to this level of Study, is further demonstrated by the Appendix 4. Better Apartment Design Standards. [Appendices, p. 57-58]

The Letter continued by stating:

For example, the OFFICE study proposes that renters could remain living at the Barak Beacon site during infill development works, or periodically relocate to different homes around the site to enable construction works, with no cost to government.
[p.1]

This statement misrepresented the OFFICE proposal.

As an example, by looking at the proposed siting of infill buildings, it is possible to identify on the north-east corner of the site, an infill space in which approximately 45 new units could be built as a first stage, without the need to relocate even one of the tenants from their existing home. Once completed this building, 45 households (i.e., half the households on the Estate) could move to the new dwellings, a few metres from where they live, which would vacate premises for refurbishment. The next stage would allow to build one of the other infills which, on completion, would allow the transfer of the other households of the Estate, leaving the remaining refurbishment and infill to be carried out as a third stage.

The statement also denies an everyday occurrence in the residential densification occurring in all suburbs across the State, i.e., the possibility of refurbishing a dwelling in a semi-detached terrace house or the building of a medium-density residential unit (with



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underground carparking) next to an occupied residential unit next-door, upstairs or underneath.

Further, the sentence:

I have been assured on multiple occasions that this proposal is not practical, feasible or safe. [p.1]

was not reasonably justifiable as, as shown above, safety, practicality and feasibility concerns are commonly resolved and achieved in residential densification initiatives.

The blind refusal to consider the *RRR* Feasibility Proposal also ignored the substantial cost-savings of transferring and housing tenants in alternative accommodation for a considerable amount of time and then, when the tenants would decide to exercise their right of return to the estate, the cost of a second transfer.

RRR: Flemington Estate

This October 2024 feasibility study lead again by Architectural practice OFFICE, with a team of service consultants, applied their *Retain Repair Reinvest* strategy - an alternative to the Government's intended demolition-based redevelopment - focussing on the possibility of:

- Repairing and refurbishing the high-rise towers at the Flemington public housing Estate, with up to standard upgrades and the environmental impact reduction of the avoided demolition;
- Avoid relocation of tenants to other public, community or private accommodation; therefore, retaining the existing community networks;
- Providing additional infill housing matching the Government's redevelopment objectives of procuring 1,297 dwellings and ancillary facilities, such as car parking;
- Through the cost-reduction achieved with the RRR strategy, create the possibility of reinvesting the savings to improve and upgrade public housing.

The study key fundings, compared to the Government's High-Rise Renewal Program (HRRP) are summarised in the Report as:

... the RRR feasibility study has found that a refurbishment of the existing public housing, combined with infill of new social housing dwellings can be delivered for \$519,386,582 (\$400,000 per unit), while retaining the existing community on site and avoiding the social impact and economic costs of relocation. A demolition and rebuild approach would cost \$882,994,835 (\$680,000 per unit).

This saves the government \$227.7 million in direct relocation costs, and approximately \$5 million in associated health and well-being costs as well as reduced construction costs. The RRR proposal also provides a 55% reduction of global warming potential compared with the HRRP approach.



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The RRR study proposes that it is possible for the \$364 million of financial savings to be reinvested back into the refurbishment of the existing public housing and development of new social housing. The HRRP does not provide financial, social or environmental benefit, and improved outcomes could be delivered for significantly less government and private investment. ⁴⁴

The Study opens with an open letter from tenants of the tower at 120 Flemington Road to Homes Victoria's CEO Simon Newport and Housing Minister Harriet Shing, stating:

I write to you urgently on behalf of the Flemington and North Melbourne community, particularly those of us from African countries who have found refuge in Australia. The Prospect of being displaced from our homes is causing profound distress and threatens to unravel the very core of our community.

The impact of relocation extends far beyond housing. These high-rise buildings are not just structures, they are the heart of our lives where we have forged friendships, built support networks, and cultivated a sense of belonging. Moving us from this community will sever these vital connections, leaving families isolated and vulnerable, especially our elderly who already struggle with language barriers and rely heavily on local community support.

While we acknowledge the necessity for building repairs or renewal, the proposed alternative of community housing on Victoria Street is wholly inadequate. These units do not meet our needs – they are cramped, lack space for our families and cultural practices, and fail to provide essential privacy and amenities.

Many families have inspected community housing properties at Victoria Street. Large families will need to sell and purchase new furniture to fit the space. We have been told to place our kitchen tables on the balcony, downsize to a smaller fridge, and sell our vehicles. Who is going to pay for all this? ⁴⁵

The letter highlights how the Government's approach to the public housing redevelopment is based on misconceived principles and faulty methods, as it is based on discriminatory and derogatory concepts.

The RRR: *Flemington Estate* alternative presents compelling evidence that demolition is not the only solution and a responsible government would only proceed with it once refurbishment had been deemed unfeasible on economic and environmental sustainability grounds by independent design and engineering professionals.

⁴⁴ OFFICE, Retain Repair Reinvest, *Flemington Estate: Feasibility Study and Alternative Design Proposal*: chrome-extension://efaidnbmninnibpcapjpcglclefindmkaj/https://office.org.au/api/wp-content/uploads/2024/10/OFFICE_RRR_Flemington-Estate_Report.pdf, p.9

⁴⁵ Ibidem, p. 4



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Relevant adaptive reuse examples overseas

Demolition in the UK ...

An article in the e-mag DEZEEN, outlines the change of sentiment in the UK toward the demolition of Council Housing buildings, carried out to build private dwellings which, when sold, provide funding for the construction of a 'proportion of affordable homes'.

One important point, see below, is the decision by London's Mayor to allow demolition to occur only if most tenants agree through a mandatory ballot.

Another important point is the consideration of the carbon footprint that demolition imposes when the lifecycle of the existing structures is ignored and the social, economic, and environmental benefits of an alternative solution, i.e., retaining, reusing, and reinvesting in the existing, coupled with infill housing additions is adopted. The article states:

London mayor Sadiq Khan signalled a move away from demolition not backed by residents in 2018, declaring that estate regeneration schemes need to obtain support through mandatory ballots. Since then, high profile plans to demolish architecturally acclaimed estates Cressingham Gardens and Central Hill have been "paused" by Lambeth Council after an independent review by the late crossbench peer Bob Kerslake recommended a "fundamental reset" to the council's handling of the redevelopments.

Sentiment is also moving sharply against what is known as the "cross-subsidy" approach to regeneration that has dominated in the past two decades, in which council estates are demolished to make way for expensive for-sale properties that in turn fund building a proportion of more affordable homes. The model was declared "bust" by housing association leaders as far back as 2019, before the economic downturn left thousands of apartments unsold across developments in London.

While plans for demolition come under scrutiny, more emphasis is being placed on infill development, such as Camden's rejuvenation of the post-war Kiln Place social housing estate. Working with the London Borough of Camden, Peter Barber Architects upgraded the whole estate and increased its density without demolishing any existing homes. ⁴⁶

⁴⁶ Dezeen Magazine, Anna Minton, *The tide may finally be turning against knocking down social-housing estates*, 27 November 2023. See: https://www.dezeen.com/2023/11/27/social-housing-estate-regeneration-anna-minton-opinion/?utm_medium=email&utm_campaign=Dezeen%20Agenda%2089&utm_content=Dezeen%20Agenda%2089+CID_fc0babe6ff9793e48bb4cb147e3ced2b&utm_source=Dezeen%20Mail&utm_term=Read%20more



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... and in other European Countries

The January 2024 issue of the Australian Institute of Architects' *Architecture Bulletin*, *Housing for all: Diversity matters* it is stated:

Through the Byera Hadley Travelling Scholarship, I had the opportunity to travel throughout Europe to document examples of social housing refurbishments in a report titled Reviving the Block.⁵ The practise is not a new concept and has been carried out successfully by multiple European governments. The most prominent examples of refurbishment are the multiple works of 2021 Pritzker Prize winning architects Lacaton and Vassal, in collaboration with Frédéric Druot.

"Other notable examples are the Splayed Apartment blocks by Hans van der Heijden Architects on the outskirts of Rotterdam. This refurbishment considered the ageing population of the existing community and revitalised four modernist towers based on specific tenant needs, avoiding lengthy relocations and demolitions."⁴⁷

2. Impact of the demolition plan

A reality of the demolition procurement method, to provide an unencumbered, development-ready site, amongst all those available and possible, is that it is:

- the most disruptive for the families forced to relocate away from their established cultural and social community, as it is carried out without an option of refusal given to tenants;
- the least transparent in terms of public scrutiny possibilities, due to the 'commercial-in-confidence' details of the various identities composing the JV Consortium;
- the least financially favourable⁴⁸, over the life-span of the redevelopment, for the Government's finances; and

⁴⁷ Architecture Bulletin, Alex Jones, *No time to demolish*, Housing for all: Diversity matters, 2 January 2024. See: <https://www.architecture.com.au/archives/reading-architecture/no-time-to-demolish?zs=AWgll&zl=aqrn2>

⁴⁸ We refer here to Lawson, J., Pawson, H., Troy, L., van den Nouwelant, R. and Hamilton, C. (2018) **Social housing as infrastructure: an investment pathway**, AHURI Final Report 306, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/306>, doi:10.18408/ahuri-5314301 - which states: ... when alternative funding and financing scenarios are compared, the capital grant model (with its direct capital investment) is clearly the most cost effective for governments. It produces tangible assets which in turn can deliver key societal objectives—economic productivity, social wellbeing and environmental sustainability—and, where private financing is not required, does not require an operating subsidy. P. 94.

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- the least desirable in terms of attempting to significantly reduce the number of applicants to the Victorian Housing Register (analysis on the housing needs further down this document); and
- further affecting in a significant way the waiting time for housing, which averages, according to the *Department of Families, Fairness and Housing's 2023-24 Annual Report*,⁴⁹ have increased in the last two financial years:
 - for applicants classified as 'priority' access or transfer from 15.2 months to 19.8 months; and
 - for priority applicants recorded for access or transfer for reasons of family violence, from 17.1 months to 19.5 month

This notwithstanding the PHRP's redevelopment projects coming to fruition in this same period. Demolishing the towers and wait for the 'renewals' to be completed, to say it with Albert Einstein's words is:

*Insanity: doing the same thing over and over again and expecting different results.*⁵⁰

3. Efficacy of the delivery models

The Tower demolition, the *BHB* and the predecessor *PHRP*, all follow in the footprint of previous redevelopments, such as those carried out on the Kensington and Carlton Estates, all based on PPP agreements between Government and Joint-Venture (JV) Consortia (comprising of Developer, Financier, Banker and Community Housing Provider entities) to redevelop land unencumbered by housing, generally a Public Housing Estate, made available free of cost by the Government, in order to procure a number of Social Housing units (nominally increasing the previously existing public housing ones by a minimum of 10%) on a portion of the total area, and allow the developer to build private for-rent and for-sale housing on the remaining area.

With the *Big Housing Build* Program, the procurement model was adjusted, to counteract a lack of investor interest that hampered the PHRP.

With the implementation of the *Ground Lease Model 1* scheme - applied to the Estates in New Street, Brighton; Racecourse Road, Flemington; and Bangs Street, Prahran - the PPP Agreement was aimed at procuring a mix of 619 social, 126 'affordable' and 365 market-rental dwellings.

⁴⁹ DFFH, 2023-24 Annual Report, p. 43

⁵⁰ Princeton University Press, Albert Einstein (2010). "The Ultimate Quotable Einstein", p.474



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With the *Ground Lease Model 2* scheme version - applied to the four Estates of Horace Petty in South Yarra; Essex Street in Prahran; Bluff Road in Hampton East and Barak Beacon Estate in Port Melbourne - the PPP Agreement aimed to procure a mix of 659 social, 182 'affordable', and 529 market rental dwellings.

In both GLM versions the JV Consortium is responsible for designing, constructing, financing, operating, and maintaining all dwellings for a period of 40 years, after which the dwellings and the leased land would be returned to the Government.

Furthermore, as the Government undertakes the responsibility of evicting tenants to relocate them, and to contract demolition of existing buildings and preparing the land for the JV development consortium, this is also a procurement method devised to avoid environmental sustainability feasibility scrutiny.

This is a procurement method that forces 'not-for-profit' housing providers into joint-venture alliances with 'for-profit' entities through the formation of *Special Purpose Vehicles* (SPVs),⁵¹ consortia, making profit-making the main imperative of the alliances.

This was identified as a serious risk by the December 2021 *Social Housing Regulation Review Interim Report*, to which the government – to date – has failed to respond. The Report stated:

*The emergence of SPVs, which may take different forms, raises some similar issues to the regulation of corporate groups which has been described as one of the most challenging areas of corporate regulation. There is a risk that the creation of complex arrangements and integrated financing techniques could potentially be used to avoid the impact of regulatory measures, conceal the true financial position of the parties or avoid liability to creditors and others. There is a risk that SPVs could be merely 'shell' entities designed primarily to secure benefits for organisations that are not registered housing agencies leaving the regulator unable to confidently exercise its regulatory powers to protect the interests of tenants or creditors.*⁵²

The Ground Lease Model is flawed

The Housing Victoria website creates some semantic gymnastics with its wording:

- at the definition of 'affordable' it states:

⁵¹ A limited responsibility Company, generated as a subsidiary entity to an alliance of companies (typically, in this case: Community Housing Provider, Lender, Equity Investor, Developer, Builder, Manager) structured to safeguard its parents against risks and operate under the guise of a not-for-profit community housing, affordable housing and build-to-rent or for-sale market housing.

⁵² Social Housing Regulation Review Interim Report, p.80

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*Under the program, rents in metropolitan Melbourne are set at least **10 per cent below the area's median market rent**, with the added protection of a cap set at 30 per cent of the median income.*⁵³

- at who it is eligible states:
 - Rents will **never be more than market rent** with the added protection of a cap set at 30 per cent of a median income.
 - **A 3-year lease, with the ability for eligible renters to extend their lease for a further 3 years.**
 - **Rent will be increased annually, but no more than 5 per cent.**⁵⁴

So, 'never more than market rent' is different from '10% below the area's median market rent'.

Another semantic issue is whether the median market rent for the 'area' is as defined by the Governor in Council, i.e., the Melbourne Metropolitan Area or is the suburb area in which the housing is built.

If the example of the 'Affordable housing' currently being balloted in the Bills St. redevelopment in Hawthorn, gives any indication, rents for a 3-bedroom unit are advertised as \$720 per week.

- Further, in the FAQ page, at the question "*I'm on a very low income, can I still apply for an affordable property?*" the answer is:

No. For households on very low income, the cost of weekly rental would likely place you into "rental stress" – see our explanation below.⁵⁵

Then it contradicts itself by stating:

Social housing is for people on low to very low incomes who need housing, especially those who have recently experienced homelessness, family violence or have other special needs.

You can apply for social housing through the Victorian Housing Register.

[Bold font added for emphasis]

So, the BHB 'affordable' is not considered 'social housing' by the Government, but a way of *easing housing affordability and increasing availability of affordable rental homes for eligible Victorians that may be struggling to enter or maintain access to the private rental market.*

⁵³ See: <https://www.homes.vic.gov.au/homes-victoria-affordable>

⁵⁴ See: <https://www.homes.vic.gov.au/homes-victoria-affordable#who-is-eligible>

⁵⁵ Ibidem.



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In other words: subsidies and free land for housing that, in the best of interpretations, will be available for up to 6 years, with rent increases *not more than 5%* every year and eviction at the end of the lease. This is not 'affordable housing' in anyone's language.

- Also, at the question 'What is "rental stress" and how is it measured?' the answer is:

The Australian Bureau of Statistics (ABS) defines "rental stress" as housing that costs more than 30% of the gross household income.

High levels of rental stress mean that affordability may be low and, as a result, those households may be less able to pay for basic needs, including essential items, healthcare and food.

and:

*Successful **ballot applications** are assessed on a case-by-case basis to ensure renters are not put into rental stress as defined by the [ABS](#).*

So, in theory the BHB 'affordable' should consider 'housing costs', though the only references are about the proportion of household income payable on **rent**.

- Its structuring pre-empts any carbon footprint environmental sustainability consideration of retaining, refurbishing existing buildings, and providing growth by infill, as the Homes Victoria's contractual obligation is to:

... undertaking the Demolition works at each Project Area. ⁵⁶

Demolition as a pre-condition of redevelopment. No allowance for investigation of each building's particular condition. A *tabula rasa* playfield for developers and their real estate advisers.

The unaffordable BHB 'Affordable Housing' - Smoke and Mirrors

Difference between 'affordable housing' and 'housing affordability'

The term '**housing affordability**' generally refers to the relationship between expenditure on housing (prices, mortgage payments or rents) and household incomes of any level. The term '**affordable housing**', instead, refers to housing affordable to a range of low-income households.

⁵⁶ Homes Victoria, *Ground Lease Model Project, Project Summary*, General Obligations of the Director, p.33
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Affordable Housing definition

Affordable housing is defined by the Victorian Planning and Environment Act 1987 as:

housing, including social housing, that is appropriate for the housing needs of any of the following:

- (a) *very low income households;*
- (b) *low income households;*
- (c) *moderate income households.*

This definition was further detailed to establish 2 different types of 'affordable housing':

- One that applies to the categories of income listed above; and
- The other that applies to the *Victorian Affordable Housing Programs (VAHP)*, which were added to the *Housing Act 1983* in 2022, defining them as:

"Victorian Affordable Housing Programs means the affordable housing programs under Part VIIIB;..."

i.e.:

"A VAHP declaration may only be made if the State or the Commonwealth provides or has provided the affordable housing program to which the declaration applies with the funding, land, a subsidy or an incentive (including any planning incentive or tax incentive) as a contribution to—

- (a) *the construction, acquisition, management, provision of or accommodation in, affordable housing or affordable rental housing; or*
- (b) *the acquisition or management of land used for affordable housing or affordable rental housing."*⁵⁷

A *Homes Victoria* Factsheet explains the need for the added VAHP definition as:

"The Act inserts a definition of VAHPs in the Housing Act 1983, rather than a definition of 'affordable housing' generally. This approach avoids:

- *unintended consequences on the affordable housing currently delivered by community housing providers. Using the term VAHPs means these existing programs can continue to operate without disruption*
- *any impact on the definition of affordable housing under the Planning and Environment Act 1987, which defines affordable housing as "housing, including social housing, that is appropriate for the housing needs of 'very low-, low- and moderate-income households'". The proposed provisions do not preclude these income ranges being referenced by declared VAHPs.*

⁵⁷ Housing Act 1983,



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*"The Act also clarifies that affordable housing provided through a VAHP is **not** social or public housing."*⁵⁸

The final sentence above is either confused about what the term 'social housing' means (i.e., public and community housing), anxious to state that VAHP do not apply to public housing by itself or when associated with community housing, or victim to poor editing.

Social housing, in its turn is defined, by the Housing Act 1983 as:

*... **social housing** means the following housing
(other than under the Victorian Affordable Housing Programs)—
(a) public housing;
(b) housing owned, controlled or managed by a participating registered agency;*⁵⁹

It is poignant to remember here that the definition of 'social housing' was added to the *Housing Act 1983* in 2016 and that in September 2017 the then Victorian Minister for Planning (Richar Wynne) established the *Social Housing Renewal Standing Advisory Committee* (SHRSAC), whose Terms of Reference required it, amongst other charges, to:

*"advise on the suitability of new planning proposals prepared by the Department of Health and Human Services (DHHS) to facilitate renewal and redevelopment of existing public housing estates to increase the supply of social housing..."*⁶⁰

This was in reference to the PHRP's first nine public housing Estates to be 'renewed' to increase the supply of 'social housing'. Yet, in none of the eight developed sites there has been delivery of new 'public' housing as the proportion of land not used for private for-sale or for-rent housing has all been delivered as 'community' housing.

This reveals that the government use of the term 'social' housing is 'doublespeak' to hide the fact that it is delivering 'community' housing to the detriment of 'public' housing.

Classification of Income and Wealth

The ABS defines **income** ranges as:

- High income households refer to the 20% of households in the highest equivalised disposable household income quintile;

⁵⁸ Homes Victoria, Victorian Affordable Housing Programs. See: [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.homes.vic.gov.au/sites/default/files/documents/202302/Factsheet%20-%20Victorian%20Affordable%20Housing%20Programs_0.pdf](https://www.homes.vic.gov.au/sites/default/files/documents/202302/Factsheet%20-%20Victorian%20Affordable%20Housing%20Programs_0.pdf)

⁵⁹ *Housing Act 1983*, S. 4(1) def. of social housing inserted by No. 75/2016 s. 4, substituted by No. 40/2022 s. 18(1)(c), p. 12

⁶⁰ See: [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.planning.vic.gov.au/__data/assets/pdf_file/0032/81968/Social-Housing-Renewal-Program-Terms-of-Reference-September-2017.pdf](https://www.planning.vic.gov.au/__data/assets/pdf_file/0032/81968/Social-Housing-Renewal-Program-Terms-of-Reference-September-2017.pdf)

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- Middle income households refer to the 20% of households in the third equivalised disposable household income quintile; and
- Low-income households refer to the 18% of households in the lowest equivalised disposable household income quintile, adjusted to exclude the first and second percentiles.

The remaining 2% of the lowest quintile, excluded from the income classification, includes those with nil or negative income, or income significantly below government pension rates, which fall into the category of **very-low-income** households.

Wealth levels are defined as:

- High wealth households refer to the 20% of households in the highest net worth quintile;
- Middle wealth households refer to the 20% of households in the third net worth quintile; and
- Low wealth households refer to the 20% of households in the lowest net worth quintile.

Regulation of affordable housing in Victoria

An **Objective** in the *Planning Act 1987* establishes the need for government and planning to: *facilitate the provision of affordable housing in Victoria,* under the Order of a Governor in Council, which: *specifies **the income ranges for very low, low and moderate-income households for affordable housing that is not social housing***

Here is the dividing of the waters: **There are 2 different ranges of very-low, low and moderate-incomes.** One for 'social housing' and the other one for 'private' or 'market housing'.

The corollary of this divide is that there are 2 types of 'affordable housing': one includes 'public' and 'community' housing and the other one includes 'private rental' and 'private property' housing.

Income and asset limit for eligibility to the Victorian Housing Register of Interest

The Register records applicants for housing under two categories:

- Priority Access: In broad terms this might be for people:
 - Who are homeless and receiving support
 - Are escaping or have escaped family violence
 - With a disability or significant support needs
 - Who need to move for health reasons.
- Register of Interest: for people who do not meet the Priority Access criteria but are seeking to live in public or community housing.

Table 1: Victorian Housing Register Weekly Income Limits for Housing Eligibility



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Victorian Housing Register Weekly income limits, for household eligibility (as at 1 April 2024):	Priority Access Housing	Register of Interest Housing
• Single person:	\$ 633	\$1,131
• Couple, no dependants:	\$1,094	\$1,731
• Family (one or two parents) with up to two dependent children:	\$1,134	\$2,334
• Each additional dependant:	\$ 40	\$ 379
Asset limit	\$14,709	\$37,212

Level of homelessness housing need in Victoria

To effectively tackle the level of homelessness in Victoria, i.e., to plan and establish appropriate funding to reduce it and end it, there are at least three factors that need to be considered:

1. The 'Current' need component, which relates to forecasting additional demand from households currently accommodated in public and community housing. The housing need generated by this component is characterized by growth as a proportion of total households. As illustrated by the figure below, Victoria housed, in 2021:
 - 63,921 households in Public Housing;
 - 14,996 households in Community Housing;
 - 1,694 households in Indigenous Community Housing; for a
 - 80,611 households Total

Table 2 below illustrates the Australian Bureau of Statistics projected 25-year increase of households in Victoria from the 2021 Census to 2046, with a high, medium, and low growth estimate. The medium growth estimate is evaluated to be of the magnitude of 48.5%.

By Applying the ABS 48.5 % growth factor to the 80,611 households accommodated in public and community housing in Victoria in 2021, the dwellings would need to grow to be 119,707, i.e., 1,564 a year, just to keep the current provision at the same level, i.e. status quo maintenance.

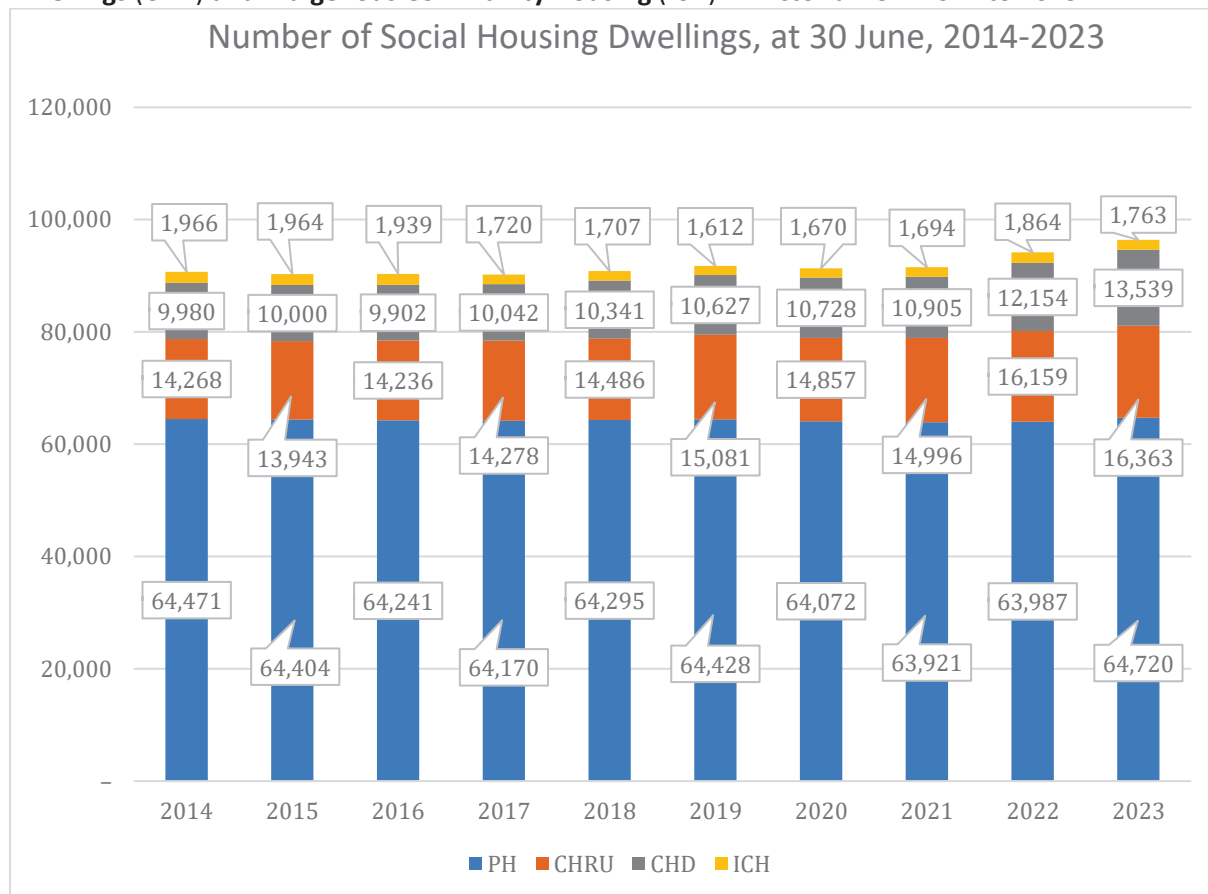
A comparison of the 2016 and 2023 quantities of public and community dwellings illustrated by **Figure 3** below, shows that the total in 2016 was 90,685 and the total in 2023 was 96,385, i.e., an increase of only 5,700 dwellings over 7 years, i.e., less than half of what was needed, keeping in mind that the need was for maintenance of the existing level of housing provision through its natural growth. The result is a worsening of the homelessness crisis, as analysed further down at item 2.



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Figure 3: Public Housing (PH), Community Housing Rental Units (CHRU), Community Housing Dwellings (CHD) and Indigenous Community Housing (ICH) in Victoria from 2014 to 2023



Source: Extract from Table 18A.3, rogs, part g, section 18, housing data Tables ⁶¹

Table 2: Australian Bureau of Statistics: Projected Household – Estimate of Variation 2021 - 2046

Projected households, Victoria							
Region	2021	2046	2046	2046	Increase, 2021-2046	Increase, 2021-2046	Increase, 2021-2046
		Series I	Series II	Series III	Series I	Series II	Series III
	'000	'000	'000	'000	%	%	%
Greater Melbourne	1,882.1	2,859.9	2,829.3	2,768.9	52.0	50.3	47.1
Rest of Victoria	658.4	958.6	942.9	913.7	45.6	43.2	38.8
Total Victoria	2,540.5	3,818.4	3,772.2	3,682.6	50.3	48.5	45.0

⁶¹ Report on Government Services 2024 – Productivity Commission 2024. See:

<https://www.pc.gov.au/ongoing/report-on-government-services/2024/housing-and-homelessness>

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Source: Extract of Victorian data from ABS Household and Family Projection, States and Territories ⁶²

2. The 'Unmet' need component, which relates to present and forecast demand generating from households currently on the Victorian Housing Register waiting list, i.e., the 'manifest need'.

The most recent data of recorded 'manifest need' is updated quarterly and published by the Victorian Government with a few months delay. The table below illustrates the most recently recorded need.

Table 3: Victorian Housing Register and Transfer Applications

Victorian Housing Register and Transfer Applications at 30 June 2024						
	Priority Access		Register of Interest		Total	
	June '24	June '21	June '24	June '21	June '24	June '21
Register of Interest	27,983	28,427	23,619	23,396	51,602	51,823
Transfer Applications	6,821	4,820	3,164	3,704	9,985	8,524
Total	34,804	33,247	26,783	27,100	61,587	60,347
Total VHR – Persons (*)	66,580		51,236		117,816	

* To obtain an approximate understanding of how many persons are contained by the recorded VHR households, applicant numbers need to be multiplied by 1.913 ⁶³ factor (i.e., the average household size currently in public or community housing, this factor is adopted with the assumption that the VHR applicant's households would have a similar composition to the households already housed).

The June 2021 data is being used in this document for the purpose of calculating the housing need to 2046, in line with the ABS growth estimate. The decrease of applicants between June 2021 and June 2024 (i.e., 221 applicants) will be deducted by the overall need calculation further below.

It is not known if all the current 'transfer' applicants would free up their current home. In many instances, like members of a household seeking transfer to escape domestic or family violence, or for other reasons. The 'transfer' applicants are included in the currently 'unmet' need as their inclusion is of small import in the overall need considerations.

The number of 'transfer' applicants, for the purpose of determining the possible future need of dwellings arising from this (to-date) 'unmet' demand going to arise in the 23 years to 2046 has been excluded from the count. The rationale being that a household transferring from one accommodation to a new one would leave a dwelling to be reused for a new household.

⁶² See: <https://www.abs.gov.au/statistics/people/population/household-and-family-projections-australia/latest-release#states-and-territories>

⁶³ The *Australian Institute of Health and Welfare* published data on the 2020 household numbers and occupant numbers for public, community and aboriginal households that were housed at the time, as follows: Household population: 147,115; Dwellings: 76,881. This makes the average household composed of 1.913 people. This factor is adopted in this analysis.



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By Applying the same ABS-determined 48.5 % (medium) growth factor to the 51,823 households seeking accommodation in public or community housing, the dwellings to be built would need to be 76,957, i.e., 3,078 a year, to satisfy the current known need and maintain its growth over time. By the way, the reduction of applicants by 221 units, in the 3 years from June 2021 to June 2024, represents only over 1 month's need.

3. The 'Hidden' need component relates to present and forecasted demand generating from households who would have right to be provided with public or community housing accommodation but have not applied due to the length of wait and the 'targeted' assigning method for housing becoming available, i.e., the 'evident need'. These are households:
- in rental stress (currently in private rental but with an income less than 80% of median household earnings and paying more than 30% of the income in housing costs).

According to the Australian Bureau of Statistics (ABS):

In the financial year 2019-20, the proportion of low-income rental households in rental stress was:

Table 4: Rental Stress in Victoria

Lower income private renters paying more than 30% of income on housing costs, Victoria, 2019–20					
	Greater Melbourne Metropolitan Area		Regional Victoria		Total
	%	No.	%	No.	No.
Households	48.1	109,128	31.4	24,964	130,305

Source: ABS Housing Occupancy and Costs, 2019-2020 ⁶⁴

This data is collected by the ABS in their biennial *Survey of Income and Housing* (SIH).

According to Homes Victoria:

More than 162,000 households, or 1-in-4 of the 650,000 households in the private rental market, are experiencing rental stress.

(Source: <https://www.homes.vic.gov.au/affordable-housing-rental-scheme>).

This cohort is the group purportedly being targeted by the *Big Housing Build's Affordable Rental Scheme* but largely failed by the Ground Lease Model adopted by the Government;

- on a low income, in terms of the bottom quintile of the relevant household type;
- in which all, or individuals in the household, live in unsuitable or dangerous conditions due to lack of available alternative suitable housing.

By Applying the same ABS-determined 48.5 % (medium) growth factor to the 162,000 households currently in rental stress, the dwellings to be built would need to be 240,450, i.e., 9,623 a year, to greatly reduce rental stress and provide an alternative to market-led provision.

⁶⁴ Extract from: ABS – Table 13.1 Rental affordability, lower income renter households, national housing and homelessness agreement basis. See: <https://www.abs.gov.au/statistics/people/housing/housing-occupancy-and-costs/2019-20#data-download>



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In summary, considering the 3 factors highlighted above, the probable estimate of current and projected housing need in Victoria for the next 23 years from March 2023 to June 2046 is:

Table 5: Estimated current (as at FY 2019-20) and projected housing need in Victoria to 2046

	1) Public and Community Housing share		2) Manifest need			3) Evident need			Total need 2024-2046	
	Current (met)		Proj. 2046	Current		Proj. 2046 §	Current		Proj. 2046	
	No.	% ⁶⁵	No.	No.	% ⁶⁶		No.	% ⁶⁷	No.	No.
Greater Melbourne	59,652	74	28,931	21,247	41	10,261	131,220	81	63,544	255,203
Rest of Victoria	20,959	26	10,165	30,576	59	14,766	30,780	19	14,906	101,193
Total	80,611		39,096	51,823		25,134 - 221 = 24,913	162,000		78,450	356,503 - 221 = 356,282

§ Manifest need projection adjusted to account for the VHR applicant's reduction between June 2021 and June 2024. See item 2 above.

The total housing need (2024-2046) resulting from the **Table 5** estimate above (356,282 dwellings) implies the **construction, in the next 22 years of 16,194 dwellings a year.**

Just to be clear, **these would need to be dwellings suitable for the need of very-low- and low-income groups**, i.e., households who have a right to be supplied with public or community housing. Housing affordable to low-to-middle income households (i.e., 'affordable market housing' is additional to the above numbers.

As a comparison, the AHURI estimated housing need, 2016-2036, illustrated in **Table 6** below, required construction of 8,300 dwellings a year. In the intervening period between 2016 and 2024, the need, according to number of VHR applicants, has practically doubled.

Table 6: Estimated current (as at 2016 Census) and projected housing need in Victoria

Victoria (as at 2016 Census)	Social housing share		Manifest need		Evident need		Total need 2016-2036
	Current (met)	Projected to 2036	Current	Projected to 2036	Current	Projected to 2036	
	('000)	('000)	('000)	('000)	('000)	('000)	('000)
Greater Melbourne	46.5	20.6	8.2	3.6	65.9	29.2	127.5

⁶⁵ Proportion percentage location of current public and community housing is based on ABS Data from: Table Households.3: Households, by social housing program, remoteness area, at 30 June 2023.

⁶⁶ Proportion percentage of 'manifest need' is derived from: Homes Victoria, VHR location preferences by preferred broadbands as at 31 March 2024. See: <https://www.homes.vic.gov.au/sites/default/files/documents/202404/VHR%20location%20preferences%20by%20preferred%20broadbands%20as%20at%2031%20March%202024.xlsx>

⁶⁷ Proportion percentage location of 'evident need' is based on ABS DATA FROM: Table 13.1 Lower income renter households paying more than 30% of income on housing costs, by state and territory, 2019-20 SPHC Submission to LSIC Inquiry into the Redevelopment of Melbourne's Public Housing Towers-SPHC Submission.docx.



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Rest of Victoria	21.1	4.1	1.7	0.3	27.0	5.3	38.5
Total	67.6	24.7	9.9	3.9	94.9	34.5	166.0

Source: Extract of Victorian data from AHURI Final Report No. 306, p. 63⁶⁸

The study authors commented then that:

The implication of this estimate is that ... eliminating unmet need by 2036 ... will require expanding stock to nearly three times its 2016 size ...⁶⁹

Of course, the triplication of social housing did not start in 2016 or any year since then up to now. The Report's analysis fell then on deaf ears and the result is that, **to satisfy the accumulated, present, and forecast need now the existing public and community housing stock of 91,516 dwellings needs to be quadrupled, to reach the 361,571 dwellings needed by 2046.**

Homelessness is not a new problem

In fact, a 2010 study carried out by *SGS Economics and Planning* for *PowerHousing Australia* highlighted a vision in which the percentage of public and community housing, in relation to the total housing, was to be increased, by 2020, from the then level of 5.8% to be between 10% and 15%, in order, for social housing, to:

... resume its originally intended function to provide low and moderate income households with opportunities to engage in employment, education and training ...
*The 10 per cent to 15 per cent target is critical to this vision. It is an evidence based aspiration, calibrated to provide secure housing to the most vulnerable, and affordable housing to the large moderate income sector which is squeezed out of home ownership in jobs rich locations... Were we to achieve a 15 per cent ratio of social housing by 2020, we would need to invest around \$19 billion per year; 10 per cent would require an investment of around \$10 billion per year... However, it is also important to remember that 10 per cent to 15 per cent is a modest target by some international standards. Austria, Denmark, France, Sweden and UK all have around 20 per cent of their housing in this sector. In those countries with less than 10 per cent (such as Ireland, Belgium and the US), social housing tends to be highly residualised, carrying the sorts of problems that Minister Plibersek was saying we need to confront and roll back.*⁷⁰

In fact, since 2010 the situation has worsened to a higher availability crisis level. As illustrated below by **Figure 4**, Australia's ratio of public and community housing to the total

⁶⁸ Lawson, J., Pawson, H., Troy, L., van den Nouwelant, R. and Hamilton, C. (2018) *Social housing as infrastructure: an investment pathway*, AHURI Final Report 306, Australian Housing and Urban Research Institute Limited, Melbourne, <http://www.ahuri.edu.au/research/final-reports/306>, doi:10.18408/ahuri-5314301.

⁶⁹ Ibidem.

⁷⁰ Source: the 5th Estate, 17/04 2010 updated 20/12/2011. See: <https://thefifthestate.com.au/articles/social-housing-a-vision-and-plan/>

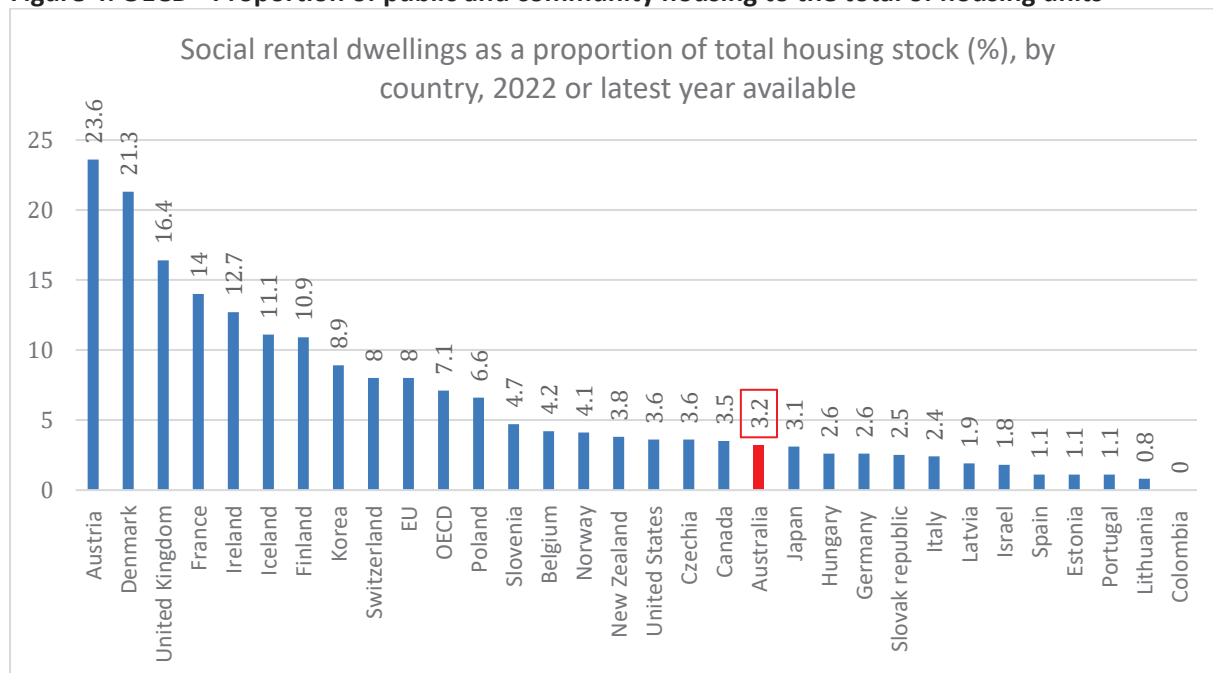


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of housing, in comparison to several economically developed European countries, has lowered to 3.2% for Australia and 1.7% for Victoria.⁷¹

Figure 4: OECD - Proportion of public and community housing to the total of housing units



Source: OECD – Affordable Housing Database⁷²

⁷¹ The last published Australian Bureau of Statistics estimate for Victoria is the one relative to the 2017-18 period, at 1.7% of total housing, as opposed to the Australian value of 3.1%. The national rate in 2019-20 was 2.9%.

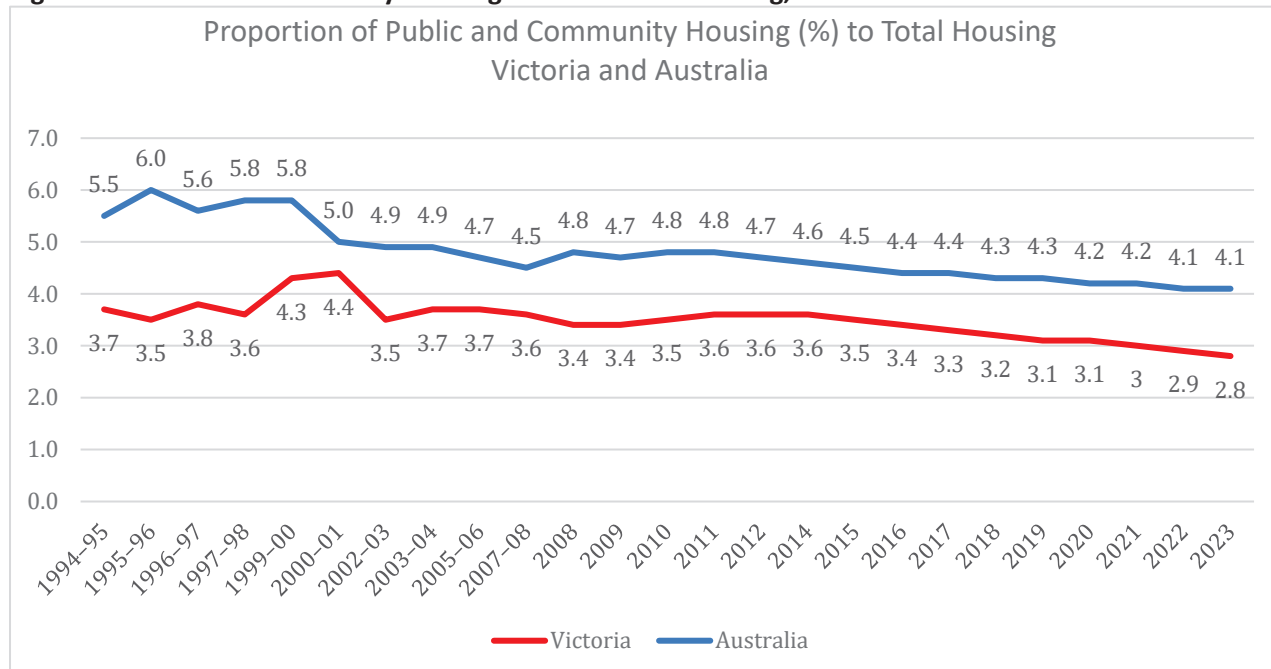
⁷² <https://www.oecd.org/en/data/datasets/oecd-affordable-housing-database.html>



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Figure 5: Public and Community Housing Share of Total Housing, 1994 to 2023



Source: Data from 1994 to 2007-2008: Extract from ABS, Housing Occupancy and Costs, Selected household characteristics, Estimates, Table 1.3 – Australia and Table 14.3 – Victoria; Data from 2008-2023: Extract from AIHW-337-Data-tables-Social-housing-households.

Housing affordability

The accepted standard in Australia is that housing is deemed affordable when its costs, for households earning less than 80% of the median employees' earnings, is not more than 30% of the gross household income. This allows a household to be able to meet other basic living costs, such as food, clothing, transport, medical care, and education.

Median weekly rent and housing costs in Victoria

It must be noted that rent is only one factor in the calculation of housing costs, the other essential-living factors needing to be considered are the cost of water, electricity, and gas supplies. Currently known costs are shown below in **Table 7**. Internet connection costs should also be considered but are not commonly included in government and statistical data.

Table 7: Median Weekly Housing Costs in Victoria

Median weekly housing costs (Y = Yearly; W = Weekly)					
	Rent (March '24)	Water (2021-22)	Electricity (01/08/2022)	Gas (01/08/2022)	TOTAL



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Metropolitan Melbourne	\$560(W)				\$632.42/W
Metropolitan Melbourne (BHB Affordable)	\$504 (W)	\$1036/Y \$19.87/W	\$1,280/Y \$24.55/W	\$1,460/Y # \$28.00/W	\$576.42/W
Regional Victoria (BHB Affordable)	\$445 (W)	\$1,244/Y \$23.86/W		# Victoria Default Offer	\$521.41/W

Sources:

- Rent: [https://www.dffh.vic.gov.au/publications/rental-report \(as at December 2022\)](https://www.dffh.vic.gov.au/publications/rental-report%20(as%20at%20December%202022))
- Water: [https://www.esc.vic.gov.au/water/water-prices-tariffs-and-special-drainage/average-household-water-bills-victoria \(2022-2023 rate for Western Port Water - Philip Island\)](https://www.esc.vic.gov.au/water/water-prices-tariffs-and-special-drainage/average-household-water-bills-victoria%20(2022-2023%20rate%20for%20Western%20Port%20Water%20-%20Philip%20Island))
- Electricity: <https://www.canstarblue.com.au/electricity/average-electricity-bills/#vic> (Based on the general usage in the Citipower network the VDO reference price is: \$1,292 / year average)
- Gas: <https://www.finder.com.au/gas-vic> (The Victorian Default Offer is adopted).

Note: The BHB's 'affordable' component sets rent costs at 90% of the median market rent in the metropolitan area of Melbourne, and at median market rent in regional Victoria. The housing costs of this **Table 7** are then compared to the income eligibility limits below, in **Tables 8** and **9**

Housing Stress parameters

The typical definition of 'housing stress' - in reference to affordable housing - is that of a household earning less than 80% of the median income and paying more than 30% of the income in housing costs. When this happens, the household is considered to be under **housing stress** and this is a trigger to eligibility for public or community housing accommodation.

Households under stress are more vulnerable to cost-of-living increases and might be forced to forego essential expenses for health or nutrition in order not to fall behind with rent payments.

Income Eligibility for the 'non-social' 'affordable housing's households

Household income ranges for eligibility to the 'affordable housing' established by the BHB are periodically reviewed and adjusted by the *Governor in Council's* Orders. The current one, released on 20 July 2023 specifies ranges for households residing either in the greater Melbourne area (**Table 8**) or the rest of Victoria (**Table 9**) below, as determined by the annual income ranges published by the ABS in its *Population and Housing indexed to the Consumer Price Index* data.



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(Note: In the **Tables 8** and **9** below, the weekly income is calculated as 1/52.14th of annual income, and 30% of weekly income as a limit indicator for rental stress. The incomes highlighted in red font point to the population category inability to afford the 'affordable' rents levels imposed by the *Big Housing Build's Ground Lease Model*.)

Table 8: Median Income, by income range eligibility, available to Households to afford the 'Affordable' Housing – Greater Melbourne Metropolitan Area (BHB 'Affordable' rent and housing costs: \$576.42/W)

Table 1 – Greater Capital City Statistical Area of Melbourne	Very low income range	Low income range	Moderate income range
<i>Single adult</i>			
– Annual	Up to \$29,770	\$29,771 to \$47,630	\$47,631 to \$71,450
– Weekly	Up to \$570.96	\$570.98 to \$913.50	\$913.52 to \$1,370.35
– 80% of median	Up to \$456.77	\$456.79 to \$730.80	\$730.82 to \$1,096.28
– 30% of 80% median income	Up to \$137.03	\$137.04 to \$219.24	\$219.24 to \$328.88
<i>Couple, no dependant (sic)</i>			
– annual	Up to \$44,650	\$44,651 to \$71,450	\$71,451 to \$107,170
– weekly	Up to \$856.35	\$856.37 to \$1,370.35	\$1,370.37 to \$2,055.43
– 80% of median	Up to \$685.08	\$685.09 to \$1,096.28	\$1,096.29 to \$1,644.34
– 30% of median income	Up to \$205.52	\$205.53 to \$328.88	\$328.89 to \$493.30
<i>Family (with 1 or 2 parents) and dependent children</i>			
– annual	Up to \$62,510	\$62,511 to \$100,030	\$100,031 to \$150,030
– weekly	Up to \$1,198.89	\$1,198.91 to \$1,918.49	\$1,918.51 to \$2,877.44
– 80% of median	Up to \$959.11	\$959.12 to \$1,534.79	\$1,534.81 to \$2,301.96
– 30% of 80% median income	Up to \$287.73	\$287.74 to \$460.44	\$460.44 to \$690.59

Note: Red font figures indicate inability to pay the 'Affordable' weekly rent and housing costs of \$576.42.

The only cohort able to pay the 'affordable' rent are households in the 'moderate-income' range earning \$125,227 or more per year.

Table 9: Median Income, by income range eligibility, available to Households to afford the 'Affordable' Housing – Rest of Victoria (BHB 'Affordable' rent and housing costs: \$521.41/W)

Table 2 – Rest of Victoria	Very low income range	Low income range	Moderate income range
<i>Single adult</i>			
– annual	Up to \$21,700	\$21,701 to \$34,730	\$34,731 to \$52,090
– weekly	Up to \$416.19	\$416.21 to \$666.09	\$666.11 to \$999.04
– 80% of median	Up to \$332.95	\$332.96 to \$532.87	\$532.89 to \$799.23
– 30% of 80% median income	Up to \$99.88	\$99.89 to \$159.86	\$159.87 to \$239.77
<i>Couple, no dependant (sic)</i>			
– annual	Up to \$32,550	\$32,551 to \$52,090	\$52,091 to \$78,140
– weekly	Up to \$624.28	\$624.30 to \$999.04	\$999.06 to \$1,498.66
– 80% of median	Up to \$499.42	\$499.44 to \$799.23	\$799.25 to \$1,198.93



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– 30% of 80% median income	Up to \$149.83	\$149.83 to \$239.77	\$239.77 to \$359.68
<i>Family (with 1 or 2 parents) and dependent children</i>			
– <i>annual</i>	<i>Up to \$45,570</i>	<i>\$45,571 to \$72,930</i>	<i>\$72,931 to \$109,400</i>
– <i>weekly</i>	<i>Up to \$873.99</i>	<i>\$874.01 to \$1,398.74</i>	<i>\$1,398.75 to \$2,098.20</i>
– <i>80% of median</i>	<i>Up to \$699.19</i>	<i>\$699.21 to \$1,118.99</i>	<i>\$1,119.00 to \$1,678.56</i>
– <i>30% of 80% median income</i>	<i>Up to \$209.76</i>	<i>\$209.76 to \$335.70</i>	<i>\$335.70 to \$503.57</i>

Note: Red font figures indicate inability to pay the 'Affordable' weekly rent and housing costs of \$521.41. No cohort in the eligible brackets of Table 9 is able to pay the 'affordable' rent. Only households in the 'high-income' bracket, earning more than \$ 113,276 per year would be able to pay, but are ineligible to be accepted.

Source: Information in *Italic* font: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.planning.vic.gov.au/__data/assets/pdf_file/0035/578645/Governor-In-Council-Order-1-July-2023.pdf
Weekly income, 80% of median and 30% of 80% median income: derived from Median Annual Income

The elaboration of the information in the **Tables 8 and 9** above shows that:

- In the Melbourne Metropolitan area, only a small part of the moderate-income families (with 1 or 2 parents) and dependent children, earning \$125,227 or more per year can afford to pay the BHB's 'affordable' rents; and
- In regional Victoria no households in all eligible income categories will be able to afford the BHB's 'affordable' rents.

Any household eligible to be considered as tenants in the BHB's 'affordable' housing will only be able to do so by accepting to be in rental stress.

The unaffordable BHB 'Affordable Housing': Conclusions

The *Big Housing Build*, as the *Public Housing Renewal Program* before it, rather than being concrete steps to adopt a Plan and a Strategy aiming at ending homelessness, are based on using publicly-owned public housing land to enact a model of procurement based on:

- eviction of public housing tenants and their transfer to other accommodation, often in private rental or in apartments bought back from developments struggling to sell;
- demolition of vacated public housing buildings and delegation of planning, design, financing, project management, construction and administration to consortia of finance investors, mortgage lenders, developers, design teams, builders and community housing providers who would deliver construction of a number of new community housing apartments, located on between 1/3 and 1/4 of the area previously covered by public housing;
- construction of a number of apartments for private rental or for sale to private ownership, located on the remaining estate land area;



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- the programs' trumpeted numbers of new apartments hide the fact that, considering the homes demolished and their bedrooms, the replacement accommodations will be only a nominal 10% increase of units but with a reduced number of bedrooms, so that all the previous tenants could not be re-accommodated in the developed buildings for lack of bedrooms;
- the apartments built as for 'affordable' rent will be unaffordable to the current homeless nor, as seen above, to almost all of those to which the scheme is targeted.

The BHB is being justified by the government on 2 main grounds:

*The Big Housing Build will increase the supply of available social housing by more than 10% over the life of the program. Building more of this essential infrastructure now, when the building industry has been impacted by the COVID-19 coronavirus pandemic, is an excellent way to help create jobs, and build a lasting legacy for the state that will help thousands of people.*⁷³ [Bold font added for emphasis]

Table 10: Number of Dwellings (Public, Community, and Indigenous Community Housing)

Year	Public Housing	Community Housing Tenancy (Rental) Units	Indigenous Community Housing	Total
2023	64,720	16,363	1,763	82,846
2016	64,241	14,236	1,939	80,416
Variation	+479	+2,127	-176	+2,430
2016-23	+0.7%	+14.9%	-9.1%	+3.0%

Source: AIHW -337– Data Tables: Social housing dwellings 2024 (as at 30 June 2023).

<https://www.aihw.gov.au/reports/housing-assistance/housing-assistance-in-australia/data>

- Affordable housing should be the result of housing market regulation mandating that a proportion (in the order of 30% of the value) of new residential and commercial developments should be provided at 70% of market rent, or purchase cost, with Inclusionary Zoning provisions.
- One of the worrying elements of the trend shown in Table 10 above is the decline of Indigenous Community Housing.

In March 2024 the number of new and transfer Aboriginal household applicants recorded in the VHR was 6,494 and in June 2022 (the date when the VHR started publishing this data) it was 6500, a 0.09% reduction, against a reduction of non-Aboriginal households from 57,728 in June 2022 to 51,965 in March 2024, i.e., a reduction of 10% and in the context of a 9.1% decline of Indigenous Community Housing.

⁷³ Source: <https://www.homes.vic.gov.au/why-big-housing-build>



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- Procurement of public housing should be done, for cost effectiveness through direct government commission, not PPP agreements and it should be planned, designed, and built through the management of a government developer body like the Housing Commission that built most of the existing public housing in the State.

4. Integration of different development and ownership models

All the redevelopments of public housing in Victoria, starting with the Kensington Estate Redevelopment and including the Towers demolition, have been based on false premises, spurious justifications, and discriminatory preconceptions.

False premises

From 'Salt & Pepper' to 'Tenure-Blind'

The Government's rationale for the demolition of existing public housing dwellings in its redevelopment Programs, to allow 'under-used and surplus government land' to be 'unlocked', so that it can fulfil the:

... commitment to redevelop a number of ageing public housing estates into vibrant, better-connected, mixed-tenure neighbourhoods where people can live in housing that is safe and secure.

*DHHS wants to grow social housing in these areas because they are close to transport, education and work opportunities, as well as support services...*⁷⁴

The 'Tenure-Blind' term, meaning a co-location of 'social' and 'private' dwellings resulting in a 'mixed-tenure' conflation, has replaced, in the PHRP, the concept of 'Salt & Pepper' that was an objective at the start of the Kensington and Carlton public housing Estate redevelopments. With a 'salt & pepper' model, the smaller component of 'social' housing would have been interspersed amongst the bigger 'private' component on the renovated sites.

The reality of these redevelopments being mastered by real estate's commercial values, and the unwillingness of commercial interests to have private and social households sharing entry doors, lifts, stairs, corridors, turned the 'salt and pepper' into 'tenure-blind', i.e., building facades and components externally visible were meant to be tenure-indistinguishable. In the case of the Carlton redevelopment the 'social' housing building and its green open space component ended-up being separated from the 'private' housing buildings and their 'exclusive' green open space by a concrete wall (see below, **Figure 6**, as published by *The Age* online).

In successive PHRP and BHB's redevelopments segregating walls have not reappeared, but the segregation between 'public' or 'community' components and the 'private' and/or

⁷⁴ Public Housing Renewal Program, Design Framework, Walker Street, Northcote, July 2017, p.3
SPHC Submission to LSIC Inquiry into the Redevelopment of Melbourne's Public Housing Towers-
SPHC Submission.docx.

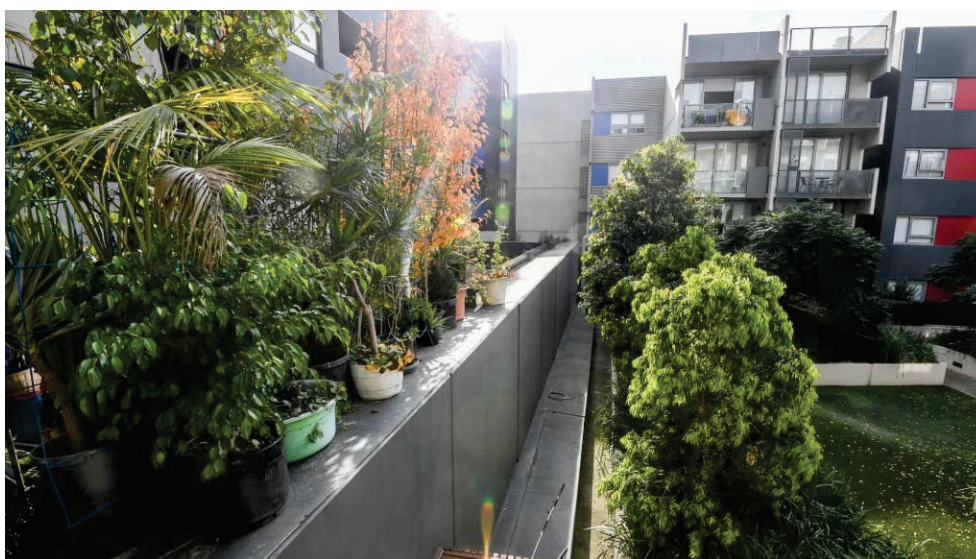


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'affordable' components remains at the building level and its positioning on the renovated block. Buildings might have the same so-called 'tenure-blind' façade cladding materials, but the internal parts of the buildings and dwellings could not be confused with each other, and their positioning on site, somehow, privilege the 'private' use over the 'community' use.

Figure 6: Results of the Carlton public housing Estate Redevelopment: the 'wall' between 'public' and 'private' apartments, as dictated by real estate economic imperatives.



Source: The Age Digital Editions, Photo credit: Justin McManus ⁷⁵

The 'renewal' of the Walker Street public housing Estate in Northcote is a perfect example of the hypocrisy of 'tenure-blind' claims. The site developer, MAB, is marketing the sale of its "Merry Northcote" apartments as:

Merri is designed to complement the natural beauty of Merri Creek. The homes aim to feel familiar and immersed in their natural surroundings. With a relaxed connection to the natural environment, each buildings materiality speak to a timeless and integrated quality, where bushland will infiltrate the architecture over time. Each building responds to its surroundings through varied height and scale with connections through intimate shared spaces, providing the opportunity to meet neighbours or enjoy a secluded spot in the sun. ⁷⁶

The pictures accompanying this description, see an example below, **Figure 7**, depicting private apartments 'immersed in their natural surroundings' which, prior to the 'renewal', were enjoyed by the public housing resident community. The future community housing

⁷⁵ As published by The Age, digital editions: 'Social mix' approach to public housing is failing, research finds, Clay Lucas, Updated June 16, 2017 – 2.59pm, first published at 1.36pm. See: <https://www.theage.com.au/national/victoria/social-mix-approach-to-public-housing-is-failing-research-finds-20170616-gwsj3m.html>

⁷⁶ MAB: <https://merrinorthcote.com.au/design/>



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tenants' apartments being confined as far away as possible from the Merry Creek, on the High Street and Walker Street frontages, 'Merry Creek-blind'.

Figure 7: Artist impression of new private apartments in former public housing land, Walker Street, Northcote



Source: MAB – Merry Northcote. <https://merrinorthcote.com.au/>

'Social Mix' applied through microscope instead of through wide-angle lenses

The need to demolish existing public housing to build new dwellings with a mixed-tenure combination, more than being 'justified' by the Government it is being 'stated', i.e.:

*The new homes will include a mix of social and affordable housing – and we'll work with councils, regional partnerships and local communities to determine the right mix of stock and locations for each region.*⁷⁷

A 2015 Flinders University case study on the meaning and practice of the justification and implementation of a 'social mix' policy, internationally and as carried out by the Victorian Government in the Carlton Redevelopment, refers to two dominant interpretations academics have formulated and debated:

⁷⁷ Victorian government, Victoria's Housing Statement, The decade ahead, 2024-2034, p.22. See: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.vic.gov.au/sites/default/files/2023-09/DTP0424_Housing_Statement_v6_FA_WEB.pdf

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The first explores the policy use of social mix as a means to promote social inclusion and create a certain kind of community for disadvantaged groups within society...

The second and related academic inquiry identifies social mix policies as a euphemism for state-led gentrification processes. Protagonists argue that class based policies and plans that promote gentrification are rhetorically and discursively disguised by policy makers as social mixing using 'morally persuasive and neutered terms.... such as "mixed communities", "social mix" and "diversity" [to] politely avoid the class constitution of the process involved' (Lees et al 2011: 1). An example of this is the strategy of reclaiming public housing complexes for mixed-income developments that has been dubbed 'controlled gentrification' or 'positive gentrification' (Rose et al. 2013): This refers to 'public policy that harnesses private capital and market forces to attract higher-income residents, and generate neighbourhood revitalisation while attempting to reduce segregation and foster inclusion' (Chaskin & Joseph 2010: 481).⁷⁸

The first rationale is the one espoused by the Victorian Government and those supporting the narrative of 'social inclusion' and the 'reduction of disadvantage' (as if immediate proximity to better-off cohorts of the 'social mix' that would be implemented by the redevelopments would rub-off disadvantage, on walking on the same pavements); the second rationale, of 'government-led gentrification' - masterminded by real estate market imperatives - is the narrative that emerges from case-studies and consequent criticism of the Government's approach. The Flinders University case-study states:

*In the current version of the DHS website - some eight years after the [Carlton] redevelopment project started - **social mix is no longer mentioned and is not on the agenda of DHS as a policy approach for reaching social inclusion but rather as a necessary but unstated byproduct of the private sector financing mechanism** (Shaw 2011).⁷⁹ [Bold font added for emphasis].*

Another case study, relative to the Nightingale Village in Preston, adds clarity to the understanding of the 'social mix' being pursued by the Victorian Government despite its policy misconceptions. The Study authors state:

*Tunstall and Fenton (2006) and Kleinhans (2004) illuminate three key areas where understandings of social mix are confused — **composition, concentration and scale.***

***Composition** concerns the population groups to whom social mix refers... The mix of tenures is presumed to deliver a range of social goods including mixed, inclusive and*

⁷⁸ Arthurson, K, Levin, I & Ziersch, A 2015, 'What is the Meaning of 'Social Mix'? Shifting perspectives in planning and implementing public housing estate redevelopment, Australian Geographer, published online 24 August 2015. Archived at the Flinders Academic Commons: <http://dspace.flinders.edu.au/dspace/> . This is an Accepted Manuscript of an article published by Taylor & Francis in AUSTRALIAN GEOGRAPHER on 24 August 2015, available online: <http://www.tandfonline.com/10.1080/00049182.2015.1075270> , pp.3,4

⁷⁹ Ibidem, p. 9, 10



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sustainable communities ... despite research that finds ambiguity in the results of social mix and a complete absence of correlation between tenure mix and social outcomes in multiple public housing redevelopments in the UK and Europe more generally...

Concentration refers to the ratios of social mix that are implemented. It is explicitly concerned with deconcentrating poverty and notably never concerned with deconcentrating affluence. Morris et al. (2012) note that there is no one consensus as to the 'ideal' proportions of socioeconomic diversity for social mix... Shaw et al. (2013, p. 79) frame social mixing as 'encounters that are more meaningful than simply passing in corridors'. This kind of interaction is the mechanism by which employment opportunities and social capital can be purportedly enhanced (Groenhart, 2013).

Scale refers to the spatial boundaries for measurement of social mix... Arthurson (2010, p. 51) found that 'the understanding of spatial scale as a context for social interaction has not often been clearly specified or fully explored'... **The neighbourhood scale is an appropriate level of analysis for social mix**, given that it is the scale that most often represents people's sense of place or belonging, and is the scale at which many local services are provided and organised (Manley et al., 2013; Pawson et al., 2015; K. J. Ruming et al., 2004).⁸⁰ [Bold font added for emphasis]

There is a lot in the layers into which the 'social mix' paradigm, as practised by the Government programs, is being bundled into, to unravel its deceitful purposes:

The scale of concern:

- The context of public housing Estates being 'renewed' is that the gentrification process is happening not only in the public housing Estates being 'redeveloped', but also in the community areas around the Estate's suburbs, with an intensification (i.e., detached homes being demolished and replaced by either bigger dwellings, or mid-rise, or - just announced - high-rise market apartments) frenzy fuelled by the 'supply' narrative.
- This gentrification multiplication does not have a corresponding increase of housing suitable to reduce the housing waiting list that would tackle the rising level of homelessness, let alone end homelessness, or maintaining the status quo.
- The result is that the 'social mix' that exists at the neighbourhood scale before 'redevelopments', ends up being eroded by suffocation, with the public housing tenant capacity of the Estates diluted into a vanished future. Any 'benefit' that may be engendered by the intruded 'social mix', if any, also eroded and diluted.

⁸⁰ Kelly, D., Porter, L. 2022. Social Mix at Nightingale Village. Melbourne: Centre for Urban Research, RMIT University, June 2022, pp. 8-9



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Spurious justifications

The Government's claim that "... we'll work with councils, regional partnerships and local communities..." is a bit hypocritical, as:

- The 'work with councils', is limited to small projects, as the Statutory Authority role of Local Governments has been severely limited by changes to the Victorian Planning Provisions:

Clause 52.20 Victoria's Big Housing Build and Clause 53.20 Housing by or on behalf of Homes Victoria were introduced on 1 December 2020 through Amendments VC187 and VC190 to the Victoria Planning Provisions. These policy changes were introduced to support the rapid delivery of social and affordable housing...

... The Responsible Authority is the Minister for Planning (the Minister) for projects submitted under Clause 52.20, and for projects under 53.20 seeking ten dwellings and above. DTP is responsible for the management, assessment and recommendation to the Minister for these applications. The relevant council is the Responsible Authority for projects to be considered under Clause 53.20 seeking less than ten dwellings.⁸¹

These projects of 1 – 9 dwellings are largely limited to regional Victoria.

- The 'work with ... local communities' statement is double speak for 'communities will have to work with us' as decisions taken by the Director of Housing in relation to BHB projects, when the 'community' has a disagreement on, and which normally members of the public could object to and be appealed for review by the Victorian Civil and Administrative Tribunal (VCAT), in this case this right of review has been repealed by a change to Clause 52.41 of the *Victorian Planning Provisions, Amendment VC56*, which exempts BHB's permit applications from the review rights granted by section 82(1) of the *Planning and Environment Act 1987*.⁸²

⁸¹ Homes Victoria, *Projects on behalf of Homes Victoria*, Guidance Note v2.0 May 2024, *Introduction*, p.1 and *Assessment process*, p. 2. See: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.homes.vic.gov.au/sites/default/files/documents/202408/Homes%20Victoria%20-%20Projects%20on%20behalf%20of%20Homes%20Victoria%20Guidance%20Note%20-%20V2%20May%202024.pdf

⁸² Victoria, Department of Planning and Community Development, Advisory Note 19, May 2009. *Amendment VC56, Government funded social housing*. See: https://www.google.com.au/url?sa=i&url=https%3A%2F%2Fwww.planning.vic.gov.au%2F__data%2Fassets%2Fpdf_file%2F0021%2F651360%2FAN19-Amendment-VC56-Government-Funded-Social-Housing.pdf&psig=AOvVaw23EUfwGwBKUS0dWd_LjJLb&ust=1730091155450000&source=images&cd=vfe&opi=89978449&ved=0CAQQn5wMahcKEwiorL344a2JAXUAAAAAHQAAAAAQBA

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The only avenue left for objectors is a recourse to the Victorian High Court. A much more difficult and costly avenue not many communities can afford to undertake.

Discriminatory preconceptions

Public housing and its perceived stigma has been researched by an AHURI's research team which established an Investigative Panel including stakeholders from academia, the media and housing sector representatives. The panel defined stigma as:

Stigma is not natural or given. Stigmatisation is a particular response to disadvantage: rather than understanding disadvantage as a product of structural inequality, disadvantage is 'pathologised' and located as a problem within the individuals themselves. Disadvantage experienced within social housing neighbourhoods is explained as a consequence of deteriorating social values, and individuals are blamed for their predicament.

*The panel agreed that contemporary housing policies in Australia are largely underpinned by 'pathological' and 'reconstitutive' narratives, which attribute responsibility with residents and assume the effectiveness of bureaucratic fixes.*⁸³

In the context of:

*The stigmatisation of social housing neighbourhoods in Australia can be traced to under-investment in social housing, which contributes to poor maintenance, and allocation of housing to the most disadvantaged and marginalised tenants. These policies have unintentionally reinforced a sense of social division and undermined subsequent efforts to improve the welfare of residents... in Australia the problems of stigmatisation have been entrenched further by the valorisation of home ownership as the preferred housing tenure, as compared to both social housing and the private rental sector.*⁸⁴

An example of public housing resident's stigmatisation, in the context of the Carlton Redevelopment, was given by Stephen Pascoe in a 2010 opinion piece published by the Sydney Morning Herald:

A dangerous precedent has been set at the Rathdowne Street site: a heavy overbalancing of units in favour of private over public; and physical separation between the two components. Public housing residents were once treated as outcasts to be contained on dedicated sites; under this development model, they are

⁸³ AHURI, Keith Jacobs, Kate Arthurson, *Addressing the stigmatisation of social housing*. See: [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI_RAP_Issue_151_Addressing-the-stigmatisation-of-social-housing.pdf](https://www.ahuri.edu.au/sites/default/files/migration/documents/AHURI_RAP_Issue_151_Addressing-the-stigmatisation-of-social-housing.pdf)

⁸⁴ Ibidem



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*at threat of being interlopers on private land simply by walking the wrong way out their front door.*⁸⁵

Another example of discrimination and violation of human rights, this time recognised by a Victorian Ombudsman's investigation, was the lockdown of 9 public housing high-rise towers in North Melbourne and Flemington, at the start of the COVID-19 pandemic outbreak in July 2020. The Ombudsman's findings stated:

*The rushed lockdown was not compatible with the residents' human rights, including their right to humane treatment when deprived of liberty. In my opinion, based on the evidence gathered by the investigation, the action appeared to be contrary to the law.*⁸⁶

A comparable lockdown measure was not ordered to any of the private high-rise residential towers in Melbourne.

The Victorian Government has framed its redevelopment policy positioning public housing as part of a *Housing Continuum* framework, an economy-based concept identifying a presumed 'success path' through the range of available housing types that start with Crisis and emergency accommodation and continues with Transitional housing, Public housing, Council provided units, Community rental housing, Shared ownership, Private market affordable rental housing, Private market rental housing and finishes with the 'successful' end, Home ownership. This perpetuates stigma and discrimination against those whom find themselves homeless, in the need of shelter and a home. As if the need for suitable housing is a financial burden to the State and not a human right owed to everybody, not only those wealthy enough to own it.

Hidden costs of public housing estates redevelopments

There is an additional cost, ancillary to the Government's expenditure on its program of public housing estates redevelopments, that is understated and has not being properly analysed or considered in evaluating the benefit or efficacy of the renewal program: the Government's acquisition of properties from the 'housing market' for the purpose of housing public tenant households - evicted from their homes in the Estates being redeveloped – to be accommodated in private housing because there is no accommodation available in existing public or community housing.

This, notwithstanding the declaration that just completed housing redevelopments in Abbotsford Street, North Melbourne, Elizabeth Street, North Richmond, Bangs Street, Prahran and Victoria Street, Flemington, are being touted, in relation to the Tower demolitions, as:

⁸⁵ Stephen Pascoe: Another brick in the wall for public housing, SMH, July 27, 2010 — 3.00am. See: <https://www.smh.com.au/politics/federal/another-brick-in-the-wall-for-public-housing-20100726-10sjn.html>

⁸⁶ Tower lockdown breached human rights, Ombudsman finds, Date posted: 17 Dec 2020. See: <https://www.ombudsman.vic.gov.au/our-impact/news/public-housing-tower-lockdown/>
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*Relocation opportunities near high-rise neighbourhoods*⁸⁷

*Brand new social housing is complete and available close by to Flemington, North Melbourne and South Yarra. New social housing is underway on Elizabeth Street, Richmond and is due to be complete by July 2025.*⁸⁸

While the 'brand new social housing', originally intended for the temporarily-relocated tenants of those estates, and for some of the 60 thousand households languishing on the waiting list, many of whom either homeless or in severe housing precarity, will now be used (only in parts, one hopes) to accommodate households evicted from the Towers instead, as the example of the newly completed housing in North Melbourne indicates:

*Homes Victoria chief executive Simon Newport told the Supreme Court that 286 households, or 59 per cent of the total of 484 in the three towers, had already moved or had agreed to move. A number are being shifted to newly completed community housing in North Melbourne.*⁸⁹

Obviously, there will be not enough available 'brand new social housing' to go around, so the Government is either buying or renting vacant properties to bridge up the availability gap.

The latest example, published by the Herald Sun newspaper:

*As Victoria's housing crisis worsens the Allan government is stockpiling rental properties, in a move experts warn could force leases higher...*⁹⁰

and by the Australian Property Journal:

... Homes Victoria – which oversees public housing – leasing properties to provide additional social housing in the areas of greatest need.

Homes Victoria has been offering five-year fixed term leases to the builders and guaranteed rent increases of 5% per year. The agency has been targeting three-

⁸⁷ Homes Victoria, *What's happening in the high-rise projects?* See: <https://www.homes.vic.gov.au/high-rise-victoria-which-towers>

⁸⁸ Ibidem, <https://www.homes.vic.gov.au/relocating-renter-support>

⁸⁹ Testimony as reported by The Age, 29 October 2024, by Rachael Dexter: Public housing tower tenants gain more time from being evicted — 3.59pm

⁹⁰ Herald Sun, 16 October 2024: Where the Allan government is stockpiling properties. See: https://www.heraldsun.com.au/subscribe/news/1/?sourceCode=HSWEB_WRE170_a&dest=https%3A%2F%2Fwww.heraldsun.com.au%2Fnews%2Fvictoria%2Fwhere-allan-government-is-stockpiling-properties-in-a-move-feared-will-lead-to-rental-rises%2Fnews-story%2F49fbb72c3cfc777ebde91f12816b714&memtype=anonymous&mode=premium&v21=GROUPA-Segment-1-NOSCORE

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*bedroom homes in suburbs including Albion, Ardeer, Braybrook, Brunswick, Carlton North, East Melbourne, Kensington, Maidstone, Maribyrnong and Sunshine.*⁹¹

The irony of this rental stockpiling is that it creates a de-facto 'salt & pepper' setting, which the Government does not see fit to demand into the redeveloped public housing Estates.

The Example of North Melbourne ...

As a result of a Supreme Court of Victoria's dispute between the Government and the Demolition Contractor appointed to carry out public housing 'walk-ups' demolition at the Public Housing Estate in Abbotsford Street, North Melbourne' site, a Government Affidavit, by Ben Crawley, *Department Portfolio Lead for Stage One of the Public Housing Renewal Program*, revealed an estimate of costs the Government would pay for delays in the completion of the contracted demolition works. The affidavit identified 5 categories of costs the Director of Housing would be exposed to by delays in the works.

This estimate reveals the costs actually paid, for the period during which previous tenants of the Estate were housed in alternative accommodation prior to their potential return to the site.

Two of the costs were related to accommodation of public housing residents. These costs were stated as:

First, previous public housing residents at the Molesworth Site have been temporarily relocated to either alternative public housing or to private accommodation leased by the Director. If the public housing dwellings are completed after the currently agreed completion date, there will be additional costs for the Director as a result of having to continue to temporarily accommodate these residents in a combination of private rentals and the Director's housing stock. The Director has assessed the cost of delays to completion of the housing under the Development Agreement at \$150 per dwelling per day, excluding GST. For the 112 households who were previously tenants of the public housing at the Molesworth Site, this amounts to \$16,800 per day (excluding GST).

*Second, there would be further costs for the Director associated with a prolonged period in which the Development Agreement and the temporary tenancies must be managed. My estimation of the Director's management costs would ordinarily be 1.5% of construction costs with an 18 month construction program (based on a five day working week). This would be an extra \$2,250 per day (excluding GST) beyond the 18 month period.*⁹²

⁹¹ Tom Briglia, *AustralianPropertyJournal*, 16 October 2024. Allan govt urged to lift social housing as waiting list balloons. See: https://www.australianpropertyjournal.com.au/2024/10/16/allan-govt-urged-to-lift-social-housing-as-waiting-list-balloons/?mc_cid=abd063d52a&mc_eid=a05d7dc965

⁹² Supreme Court of Victoria, Common Law Division, Major Torts List between Timothy James Snowden, Plaintiff – and – Director of Housing (and another according to the Schedule), First Defendant, *Affidavit of SPHC Submission to LSIC Inquiry into the Redevelopment of Melbourne's Public Housing Towers- SPHC Submission.docx*.



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The costs, a total of \$19,050/day, have presumably been paid from the start of the 112 tenants eviction (during the 2018 year) to the completion of redevelopment works (27 September 2024). This period (starting from January 2019) lasted 5 years and 9 months. If our calculations are correct, this represents a time of 2,096 days, and a potential cost of \$39,928,800. This without considering increases of market rent costs occurred in that period.

... and the costs of the other PHRP and BHB redevelopments?

The remainder of the Estates renovations underway, i.e.:

- Six Estates in the PHRP, (i.e., Bell-Bardia and Tarakan Streets in Heidelberg West, Dunlop Avenue in Ascot Vale, Gronn Place in Brunswick West, Stokes and Penola & Oakover Road and Railway Place West, and Walker Street in Northcote);
- Four Estates part of the BHB's GLM1 (i.e., Bangs Street in Prahran, Holland Court and Victoria Street in Flemington, and New Street in Brighton); and
- Four Estates part of the BHB's GLM2, i.e., Barak Beacon in Port Melbourne, Bluff Road in Hampton East, Essex Street in Prahran and Simmons Street in South Yarra

for which the cost of tenants' relocation in alternative accommodation is not known, if Abbotsford Street in North Melbourne is the parameter, must be a staggering, still hidden, figure.

Meanwhile, according to a piece published by The Herald Sun:

*Documents seen by the Herald Sun reveal the agency desperate for three-bedroom homes in suburbs including Albion, Ardeer, Braybrook, Maidstone, Maribyrnong and Sunshine as well as inner city hotspots Brunswick, Carlton North, East Melbourne and Kensington.*⁹³

These are homes, presumably, where the government is intending to relocate the larger households of the first inhabited towers intended for demolition (Flemington and North Melbourne) that cannot be fitted into the smaller apartments being provided by the BHB redevelopment program. What the long-term arrangement for the 'headleases' or 'purchases' of these homes will be it's not known and neither is known how impacted will be the larger households of the first 5 towers intended to be demolished (Carlton, Flemington and North Melbourne) would be affected.

Jamin Ben Crawley, 26 June 2020, paragraphs 105 and 106, pp. 24, 25. See: chrome-extension://efaidnbmninnbpcjpcglclefindmkaj/https://office.org.au/api/wp-content/uploads/2022/05/ABBOTSFORD-ST-DDHS-SUPREME-COURT-AFFIDAVIT.pdf

⁹³ Herald Sun, 16 October 2024. See: <https://chp.us1.list-manage.com/track/click?u=7462ad7117ca255a2a1cd11ea&id=dc6f81d9e5&e=a05d7dc965>



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5 - Related Matter Issues – Recommendations for a Plan to End Homelessness

a. How much homelessness is acceptable in Australia?

Housing is a Right, not a concession. Homelessness is a violation of Human rights and is recognised internationally.

There needs to be a *Plan to End Homelessness*, based on a ***Strategy*** to increase the proportion of **Public Housing** to the total housing to a minimum of 30% in the next decade. [Note: **Public Housing**, as **Community Housing** - with its already significant portfolio of properties - should be able to grow by its own resources, without pursuing transfers from the public sector]. Appropriate funding from the federal government to States and Territories governments is to be tied to concrete homelessness reduction targets to be planned, legislated, implemented, and monitored for effectiveness. All levels of government are to be involved and share the responsibility for the implementation of the *Plan*.

Standards of homelessness management time limits to be established for:

1. Assessment of new applications (2 weeks);
2. Provision, for Priority applicants, of secure temporary accommodation for up to 6 months (2 weeks). Provision to long-term secure accommodation before the expiry date of temporary accommodation.
3. Provision, for non-Priority applicants of long-term secure accommodation (1 month)
4. Provision of suitable long-term secure accommodation to Priority Transfer applicants (1 month)
5. Provision of suitable long-term secure accommodation to General Interest Transfer applicants (2 months).⁹⁴

No eviction into homelessness from any type of housing, Public, Community or Private.

Local Governments are to be given the ability to plan and implement measures to be applied to all residential, commercial, and industrial developments above \$1.00m cost to levy a proportion of at least 30% of the dwellings (or cost payment-in-lieu) as mandatory ***Inclusionary Zoning*** planning clauses. The levied cost is to be used for the provision of housing affordable to households on very-low to low-income streams, with ownership transferred to the State or maintained by Local Government Authorities.

In parallel to housing for the homeless construction, **adequate and long-term secured funding is to be budgeted and allocated for coordinated, integrated, supportive services** to housed former homeless persons who agree to receive such services, in line with the implementation of a ***National 'Housing First' Strategy***, faithful to the principle of providing housing as a first step, this provision should be non-conditional to acceptance of any or all supportive services.

⁹⁴ These deadlines are similar to the legislated obligations currently enforced in the UK by the *Homelessness Reduction Act 2017*. See: <https://www.legislation.gov.uk/ukpga/2017/13/contents/enacted>
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All existing government-owned parcels of land and Public Housing Estates land is to be retained in public ownership, not sold, leased, or licenced and is to be used for the **growth of Public Housing stock**.

Any redevelopment of Public Housing Estates is to adopt as a strategy the Retention, Reusing and Reinvestment of the existing building structures as a first option. The demolition option is to be adopted as a last resort, when demonstrably environmentally and economically viable.

Adequate and secured funding is to be budgeted and allocated **for a program of regular and required maintenance and upgrade** for environmental sustainability **of the existing public housing stock**.

Community Housing rent levels, charges, and performance to be uniformly regulated. Rent level **to be set as per Public Housing tenancies** (i.e., maximum 25% of household income).

Introduce legislation for 'Housing Stress' mitigation measures, such as a 2-year **rent freeze** and subsequent **rent-controls** indexed to cost-of-living changes, positive or negative.

Recommendations for defining and establishing minimum quality, quantity and duration criteria for rent and affordability

Introduce legislation for the Phasing out of:

1. **Negative gearing** provisions for investments in residential properties of more than one dwelling;
2. **Capital gains exemption** benefits;
3. **Franked dividends** and **franking credits**

Introduce legislation to strengthen tenants rental rights and allow affordable legal support and access to fast, transparent, and effective dispute-resolution.

Establish that granting of housing construction funding is to be based not on an 'operating subsidy' model but on an 'up-front capital grant' model, as it is demonstrated that this is the most efficient and cost-effective way to procure housing.

Promote and provide incentives for net-zero housing design and construction and for increased energy conservation standards.

b. Housing as a Human right

The United Nation Universal Declaration of Human Rights (UDHR) states:

*The General Assembly, Proclaims this Universal Declaration of Human Rights as a common standard of achievement for all peoples and all nations, to the end that **every individual and every organ of society**, keeping this Declaration constantly in mind, **shall strive** by teaching*



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and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance, both among the peoples of Member States themselves and among the peoples of territories under their jurisdiction. ⁹⁵

The Right to Housing in the Declaration is explicit:

Everyone has the right to equal access to public service in his country. ⁹⁶

And:

*Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, **housing** and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.* ⁹⁷

Which Australian jurisdictions recognise housing rights?

The Australian Human Rights Commission states:

The Universal Declaration is not a treaty, so it does not directly create legal obligations for countries.

*However, it is an expression of the fundamental values which are shared by all members of the international community. And it has had a profound influence on the development of international human rights law. **Some argue that because countries have consistently invoked the Declaration for more than sixty years, it has become binding as a part of customary international law.***

Further, the Universal Declaration has given rise to a range of other international agreements which are legally binding on the countries that ratify them. ⁹⁸

The following international agreements, all ratified at various times by the Australian Government, include Covenants:

- the *International Covenant on Civil and Political Rights (ICCPR)*, which states:
*No one shall be subjected to arbitrary or unlawful **interference with his** privacy, family, **home** or correspondence, nor to unlawful attacks on his honour and reputation.*
Everyone has the right to the protection of the law against such interference or attacks. ⁹⁹ and

⁹⁵ Universal Declaration of Human Rights, Preamble

⁹⁶ Ibidem, Article 21.2

⁹⁷ Ibidem, Article 25.1

⁹⁸ Australian Human Rights Commission. What is the Universal Declaration of Human Rights?

<https://humanrights.gov.au/our-work/what-universal-declaration-human-rights>

⁹⁹ *International Covenant on Civil and Political Rights, Article 17*



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- the *International Covenant on Economic, Social and Cultural Rights (ICESCR)* which states:

*The States Parties to the present Covenant recognize **the right of everyone to an adequate standard of living** for himself and his family, **including** adequate food, clothing and **housing**, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent.*¹⁰⁰

and other binding Conventions, which expand on the rights contained in the *Universal Declaration* and include:

- the *Convention on the Elimination of All Forms of Racial Discrimination 1965* which states:

*In compliance with the fundamental obligations laid down in article 2 of this Convention, **States Parties undertake to prohibit and to eliminate racial discrimination in all its forms and to guarantee the right of everyone**, without distinction as to race, colour, or national or ethnic origin, to equality before the law, notably **in the enjoyment of the following rights**:
... **The right to housing.***¹⁰¹

- the *Convention on the Elimination of All Forms of Discrimination against Women 1979*, which states:

States Parties shall take all appropriate measures to eliminate discrimination against women in rural areas in order to ensure, on a basis of equality of men and women, that they participate in and benefit from rural development and, in particular, shall ensure to such women the right:

*... To enjoy adequate living conditions, particularly in relation to **housing**, sanitation, electricity and water supply, transport and communications.*¹⁰²

- the *Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment 1984* which states:

*States Parties, in accordance with national conditions and within their means, shall take appropriate measures to assist parents and others responsible for the child to implement this right and shall in case of need provide material assistance and support programmes, particularly with regard to nutrition, clothing and **housing**.*¹⁰³

- the *Convention on the Rights of the Child 1989*, which states:

States Parties recognize the right of persons with disabilities to an adequate standard of living for themselves and their families, including adequate food,

¹⁰⁰ International Covenant on Economic, Social and Cultural Rights, Article 11.1

¹⁰¹ International Convention on the Elimination of All Forms of Racial Discrimination, Article 5 (d)(iii)

¹⁰² Convention on the Elimination of All Forms of Discrimination Against Women, Article 14.2 (h)

¹⁰³ *Convention on the Rights of the Child*, Article 27.3



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*clothing and **housing**, ... and shall take appropriate steps to safeguard and promote the realization of this right, including measures:*

*... To ensure **access by persons with disabilities to public housing Programmes** ...*¹⁰⁴

- the Convention on the Rights of Persons with Disabilities 2006, which states:
Indigenous peoples have the right, without discrimination, to the improvement of their economic and social conditions, including, **inter alia, in the areas** of education, employment, vocational training and retraining, **housing**, sanitation, health and social security.
*... Indigenous peoples have the right to determine and develop priorities and strategies for exercising their right to development. In particular, indigenous peoples have the right to be actively involved in developing and determining health, housing and other economic and social programmes affecting them and, as far as possible, to administer such programmes through their own institutions.*¹⁰⁵

These agreements impose a legal as well as a moral obligation to comply with the spirit and the letter of these international undertakings. Yet only the ACT, Victoria and Queensland have enacted limited human rights legislations.

The Victorian *Charter of Human Rights and Responsibilities Act 2006*

The 2006 Victorian Act, in relation to Housing, states that:

A person has the right—

(a) not to have his or her privacy, family, home or correspondence unlawfully or arbitrarily interfered with; and

*(b) not to have his or her reputation unlawfully attacked.*¹⁰⁶

and:

*A right or freedom not included in this Charter that arises or is recognised under any other law (including international law, the common law, the Constitution of the Commonwealth and a law of the Commonwealth) must not be taken to be abrogated or limited only because the right or freedom is not included in this Charter or is only partly included.*¹⁰⁷

¹⁰⁴ Convention on the Rights of Persons with Disabilities, Article 28.1, 28.2 (d)

¹⁰⁵ United Nations Declaration on the Rights of Indigenous Peoples, Articles 21.1, 23

¹⁰⁶ <https://www.legislation.vic.gov.au/in-force/acts/charter-human-rights-and-responsibilities-act-2006/015>
Part 2 – Human rights, Section 13, p. 13.

¹⁰⁷ Victorian Charter of Human Rights and Responsibilities Act 2006, No. 43 of 2006, Version incorporating amendments as at 6 April 2020, Part 1, Section 5, Human rights in this Charter in addition to other rights and freedoms.



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The Victorian Charter does not explicitly mention rights established by the international covenants and conventions, but by referring to 'international law' it makes an implicit reference to agreements that Australia has ratified, however, this does not automatically translate in an obligation to fully comply with those rights' observations.

At State level as at Federal Government level in Australia, as explained by the United Nations' Special Rapporteur 2006 Report:

*the power to make and ratify treaties is given to the executive, while the power to legislate is given to the houses of parliament. Therefore, **the international human rights treaties ratified by the Australian federal Government are not automatically incorporated into domestic law and are not self-executing. It is for the parliament to incorporate Australia's human rights obligations into the domestic legal order.***¹⁰⁸

The situation is unchanged, to date, after 18 years.

The Victorian Charter of Human Rights and Responsibilities Act 2006 urgently needs to be amended and specifically recognise Housing as a Human Right.

¹⁰⁸ United Nations: Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, Miloon Kothari. Addendum, MISSION TO AUSTRALIA* **, (31 July to 15 August 2006), A/HRC/4/18/Add.2, 11 May 2007- IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 60/251 OF 15 MARCH 2006 ENTITLED "HUMAN RIGHTS COUNCIL". Page 2

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