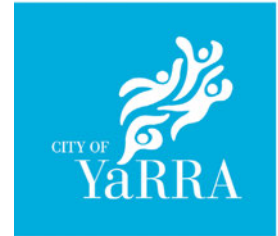


**Submission
No 592**

**INQUIRY INTO THE REDEVELOPMENT OF MELBOURNE'S PUBLIC
HOUSING TOWERS**

Organisation: Yarra City Council

Date Received: 26 March 2025



26 March 2025

Legal and Social Issues Committee
Legislative Council
Parliament of Victoria

Via Web Submission

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Dear Chair and Committee Members,

Re: Inquiry into the redevelopment of Melbourne's public housing towers

On behalf of Yarra City Council, I write to outline Council's position on the redevelopment of Melbourne's public housing towers and its impact on our community.

At its meetings on 12 December 2023 and 9 July 2024, Council resolved to oppose the planned demolition of the 44 public housing towers across Melbourne, including the twelve towers within our municipality at the Fitzroy, Collingwood, and Richmond Estates. Council urges the Victorian Government to fully assess the condition and redevelopment potential of each tower before proceeding, ensuring that viable alternatives to demolition are properly considered.

Housing is a key determinant of health and wellbeing. In Yarra, 8.1% of households rent from social housing providers, significantly higher than in Metropolitan Melbourne (2.3%) and Victoria (2.5%). The proportion is particularly high in North Richmond (14.6%), Collingwood (15.0%), and Fitzroy (15.5%). A reduction in public housing stock would have a significant impact on our community, particularly for those experiencing housing insecurity.

Council is deeply concerned by the lack of clarity on whether new housing will be public or community-managed. We strongly advocate for the majority of state-owned housing to remain publicly managed rather than transferred to community housing providers, ensuring rebated rent availability, stronger tenancy protections, and long-term housing security. Furthermore, we seek firm assurances that the 10% increase in social housing will include publicly managed housing with rebated rent, safeguarding secure and affordable tenancies for those most in need.

Council also advocates for joint master planning of the precincts that are affected. Councils were not consulted on the redevelopment program before it was announced. It is imperative that tower and estate redevelopments are positioned within the broader context of the State's long term growth targets and accompanying increases in demand for public housing, community services and infrastructure. The State must work in partnership with Councils to ensure that redeveloped sites and the broader precincts meet the needs of their growing

communities and, very importantly, support the specific needs of the diverse and often vulnerable tenant population in public housing and other forms of social housing.

Council has previously conveyed these concerns in correspondence to the Premier of Victoria and the Minister for Housing.

[REDACTED]

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[REDACTED]

Sue Wilkinson
Chief Executive Officer
Encl.

Impacts of the plans to public housing in Yarra

This section of the submission responds to the Terms of Reference section (b) *the impact of the plan, including the compulsory relocation and displacement of public housing residents on the future net availability of public community housing and the existing decanting plans and the department estimates on the number of people who will permanently leave the area being developed.*

Certainty of housing for those who need it most

While there is some certainty that current public housing tenants transferred to a community housing provider will remain on rebated rent, no such guarantees exist that future tenants housed in the additional 10% social housing stock will be very low-income households with priority needs.

The Victorian Government's planned uplift lacks assurances that new dwellings will be public housing or that rebated rent will be available to those most in need. Community housing providers may prioritise affordable rentals over rebated rent to ensure financial viability when leasing properties. Additionally, disparities in tenancy rights between public and community housing could leave many renters with fewer protections and limited avenues for dispute resolution. Without clear commitments, equitable access to secure, affordable housing remains at serious risk.

In Victoria, social housing includes both public housing, managed by the state government, and community housing, managed by registered housing providers. People on the public housing waiting list (Victorian Housing Register or VHR) can be housed in either public or community housing under a rebated rent agreement. Rebated rent is a rental subsidy calculated as the difference between 25% of a household's total assessable income and the market rent. This ensures that a household pays either 25% of their total income on rent or the market rent, whichever is lower.

Community housing tenants allocated from the VHR pay 25% of their total income on rent or the market rent, whichever is lower, plus Commonwealth Rent Assistance, which is paid directly to the housing provider. Both public and community housing tenants who are allocated through the public housing waiting list receive rebated rent. However, tenants allocated to public housing are not entitled to rent assistance, whereas tenants allocated to community housing are. Commonwealth Rent Assistance (CRA) is not provided directly to community housing tenants but is instead dispensed to housing providers. These funds help community housing providers cover overhead costs such as maintenance and tenancy management.

The primary concern is the lack of transparency from the Victorian Government regarding the types of leased dwellings that will replace the demolished public high-rise estates. It has been recorded that there will be a 10% increase in social housing stock, which may be managed either by the state government or by community housing providers.

Through the Victorian Housing Register, housing is allocated based on priority, with the highest need given to people experiencing homelessness or escaping violence. As a baseline, community housing providers are required to allocate at least 50% of new tenancies in government-funded properties to applicants from the VHR waiting list. Notably, all public housing allocations must be drawn from the VHR and according to priority. It could be posited that there is an incentive for community housing providers to fill the remaining tenancies with affordable rentals — set at no more than 75-80% of the market rent for low- and moderate-income households — rather than rebated rentals, as this improves the financial position and viability of community housing providers. It is a highly problematic model to move forward with a model that extends guarantees that the 10% increase in social housing will result in rebated rentals for those who need it most.

Another matter of serious concern is tenancy rights. While all Victorian renters can seek dispute resolution through Consumer Affairs Victoria or VCAT, concerns exist about discrepancies in tenant rights between public and community housing. Justice Connect Victoria has highlighted that public housing tenants have stronger rights and protections, as government-run housing is subject to the Victorian Charter of Human Rights and Responsibilities Act 2006 (Vic). In contrast, community housing providers are not bound by the Charter and are not subject to oversight by the Victorian Ombudsman. The complaint processes for both public and community housing are complex and often inaccessible. In 2022, the Victorian Ombudsman investigated complaint handling in social housing and found that existing pathways were confusing and ineffective. The Ombudsman recommended establishing a single, two-tiered complaint system to support all social housing tenants, potentially as part of the Victorian Ombudsman scheme.

Public housing provides essential social infrastructure and is the only viable option for many people with very low incomes. Reducing public housing stock in Yarra would significantly impact housing pathways, particularly for people experiencing homelessness. While the Victorian Government has announced an increase in social housing through the Big Housing Build, concerns remain about whether this includes public housing managed by the government or only community housing managed by registered providers.

Recent redevelopment plans for Flemington and North Melbourne estates suggest that new social housing will primarily be community housing rather than public housing. The government has not provided a clear commitment to reinstating the existing number and configuration of public housing dwellings on each estate following redevelopment. While the state has pledged a 10% increase in social housing, much of this will be delivered in partnership with community housing organisations, reinforcing the shift from public to community-managed housing.

There are concerns that the consultation process around public housing redevelopment has been inadequate. Residents and advocacy groups have raised issues regarding a lack of transparency and meaningful engagement, with many feeling excluded from decision-making. While the government has framed the transition as necessary for expanding social housing, there has been limited detail on how public housing tenants will be impacted in the long term. The lack of clarity on whether redeveloped estates will retain the same number of public housing dwellings and how existing residents will be accommodated, has heightened uncertainty.

Council strongly advocates for increasing public housing within the municipality to ensure that those in greatest need continue to have access to secure and affordable housing. The future of public housing must be safeguarded through clear commitments, transparent consultation, and a guarantee that redevelopment projects will not erode public housing stock.

Relocation impacts

Low rates of return to redeveloped sites by relocated residents have been identified in previous state-run renewal projects.¹ Not returning to redeveloped sites extends and exacerbates the consequences of displacement felt through the redevelopment cycle and specifically impacts wellbeing, health and community connections (see further points below in 'Adequacy of consultations').

Further to these experiences of displacement, should residents return, they will likely face increased rental payments as they transition from public to community housing.

Health and wellbeing impacts

With the quality and liveability of existing high-rise housing cited as a key reason for undertaking such an expansive demolition project, it should be recognised that there is an urgent need to support public housing residents to have a basic

¹ OFFICE, RMIT University, The Retrofit Lab, University of Melbourne, Melbourne Centre for Cities (2024) Life Cycle Impacts of Public Housing Renewal in Victoria – Briefing Paper

level of comfort in their homes throughout the course of the redevelopment program. The redevelopment of Victoria's high-rise public housing is a long-term undertaking that spans decades. Ensuring that ongoing maintenance and essential housing upgrades continue for all existing public housing throughout the project is critical for tenant wellbeing.

People need to live in healthy and safe environments to maintain good health. Factors like indoor air quality and exposure to indoor temperature extremes can impact people's mental and physical health, with evidence supporting a direct association between poor-quality housing and health outcomes such as respiratory illness, cardiovascular disease and poor mental health.

It is understood, however, that vital programs such as the high-rise cooling program have ceased within the towers identified for demolition. Given that the program involves installing portable cooling units, which would be removable and reusable at other locations, Council advocates for continuing the high-rise cooling program in all public housing towers, including those marked for demolition. This critical upgrade makes it easier for renters to control the temperature of their homes, particularly during hot weather.

Recently housed residents

However, Council is concerned that new public housing residents, particularly those placed into permanent housing after long-term homelessness and housing insecurity, could be re-traumatised by the need to relocate.

The need to relocate tenants during the process of demolition and redevelopment is also impacting the public housing supply, which is the only manageable housing option for many of the people exiting homelessness. Council is concerned about how the demolition of the public housing high rises will continue to impact the available housing options for people on the priority list of the Victorian Housing Register, particularly those experiencing homelessness or other urgent needs to support health and safety.

Recommendations:

- Council advocates for the Victorian Government to ensure that state-owned housing remains publicly managed, rather than transferred to community housing providers, to safeguard rebated rent availability, tenant rights, and long-term housing security for those most in need.
- Council advocates for the Victorian Government to guarantee that the additional 10% increase in social housing is publicly managed housing with rebated rent, ensuring secure, affordable tenancies for those most in need.

- Council requests the release of data and analysis on resident outcomes following compulsory long-term relocation, along with detailed plans outlining how these insights will be integrated into relocation projects.
- Council seeks for tenants be provided with localised options to relocate within or near their existing neighbourhood to avoid displacement from access to jobs, services, and social networks.
- Council urges consideration of best practice approaches to public housing renewal to minimise the consequences of displacement and maximise ongoing social benefits, such as localised relocation options to enable people to stay within their existing communities if they choose.
- Council seeks to ensure that the cooling program and other initiatives to maintain or refurbish existing stock continue, including in towers identified for demolition, to provide residents with reasonable living standards.

Alternatives to demolition

This section of the submission responds to the Terms of Reference section (a) the rationale and cost modelling for the decision to demolish and redevelop the 44 high-rise public housing buildings and associated sites ('the plan'), including alternatives to demolition, such as refurbishment and renovation.

Council continues to oppose the plans to demolish all 44 public housing towers and has previously requested that the Premier of Victoria and Minister for Housing consider alternatives to demolition. To date, the Victorian Government has not released any technical assessments, engineering reports, or compliance evaluations demonstrating that refurbishment or structural upgrades of the public housing towers in Yarra are unfeasible.

Until this information is available, it remains unclear whether there has been sufficient investigation to determine if refurbishment of existing housing stock in the high-rise public housing estates is an effective alternative to improve liveability. Redevelopment programs are already underway at some locations. If accompanied by additional housing builds, this could be a more efficient way to increase the quantity and quality of public housing in Victoria.

Another key consideration is the environmental and economic impact of demolition. Research shows refurbishment reduces carbon emissions by preserving embodied carbon and avoiding the high energy demands of new construction. It also enhances biodiversity and disaster resilience by maintaining green space and minimising ecosystem disruptions. Financially, refurbishment is often more cost-effective, avoiding high demolition, waste disposal, and material costs while creating jobs with lower labour demands. Pursuing refurbishment or

structural upgrades where feasible supports sustainability while delivering economic and social benefits.

Until there is demonstrable and adequate consideration of the conditions of each public housing tower, the potential options for redevelopment, refurbishment, and renovation remain unexplored.

Recommendations:

- Council requests that the Victorian Government publish information on building compliance, structural integrity, and any other matters to enable the consideration of options for refurbishment or renovation of each tower on a case-by-case basis.

Adequacy of consultations

This section of the submission responds to the Terms of Reference section (c) the findings and adequacy of consultations with: (i) public housing tower residents and their representatives; and (ii) relevant local stakeholders, such as health, community and education service providers, residents and councils.

Before announcing the Victorian Government's intent to demolish and redevelop all high-rise public housing, there was no consultation with public housing residents or relevant local stakeholders, including councils. Upon hearing the announcement, the confusion, uncertainty and misinformation experienced by public housing residents in Yarra caused considerable distress.

Research, including by the Australian Housing and Urban Research Institute (AHURI)² from November 2023, indicates that public housing residents can experience relocation as displacement, resulting in a loss of community and sense of place, each of which causes considerable impacts on their health and wellbeing. Specifically, potential impacts of the proposed redevelopment on public housing tenants include:

- Placelessness and loss of identity – the housing estates provide a pathway to build identity and belonging.
- Loss of community networks – social and cultural connections made through in-situ programs on the estate are significant for socially isolated people.
- Impacts on livelihood – relocation to housing that is further away from jobs and services can impact travel costs and work capacity.

² Porter et al. (2023) Understanding the drivers and outcomes of public housing tenant relocation, AHURI Final Report No. 413, 2023

- Gentrification – the proposed mixed tenure development of the public estates to include private housing could negatively impact Yarra's returning public housing residents if not carefully managed.
- Limited housing options – if there are limited available housing options for residents to relocate, tenants may be encouraged to take properties that do not meet specific needs.
- Impacts on homelessness – for many community members without a home, public housing represents the best and sometimes only feasible option for permanent housing making this cohort particularly vulnerable any impacts on public housing availability or supportive service provision.

Poor communication was an overarching theme in AHURI's research on the public housing renewal processes, indicating that initiatives aimed at improving communication channels could effectively build trust and mitigate the effects of displacement. Given that 26.8 percent of Yarra's residents in public and social housing speak a language other than English at home, or have limited literacy levels, ensuring that all information is accessible and, translated and communicated effectively across all community languages is particularly important in a local context.

Council also advocates for *joint master planning* of the precincts that are affected. Councils were not consulted on the redevelopment program in advance of the announcement. Continuing in this vein will not produce the best outcomes for public housing residents and the community, now and into the future.

The State *must* partner with Councils to ensure that tower and estate redevelopments are positioned within the broader context of the State’s long term growth targets and accompanying increases in demand for public housing, community services and infrastructure. This is especially important when it comes to the specific needs of the diverse and often vulnerable tenant population in public housing and other forms of social housing.

Recommendations:

- Council advocates for *tailored, localised and ongoing communications and support for tenants to be kept fully informed, including potential outcomes associated with public housing redevelopments.*
- Council advocates for the *joint master planning of precincts to ensure that public housing redevelopments are positioned within the broader context of the State’s long term growth targets and accompanying increases in demand for community services and infrastructure.*

Building standards and ownership models for the proposed developments

This section of the submission responds to the Terms of Reference sections (e) building standards for the developments, including whether there will be the same standards for public, community and private housing; and (f) how different development and ownership models will be integrated within each site to enhance community integration and achieve a diversity of tenants.

In line with Yarra Council's Social and Affordable Housing Strategy, Council supports quality affordable housing that is tenure blind and integrated with market housing. This position means that subsidised and private dwellings should not be able to be readily differentiated through either their appearance, quality or amenity. It should have equal access to all communal indoor and outdoor spaces. This can be accomplished through various configurations, such as unit-by-unit, floor-by-floor, building-by-building, or block-by-block mixing of public and private tenancies.

Further to this, Yarra Council seeks that all affordable housing dwellings promote accessibility standards by being in accordance with the *Liveable Housing Design Guidelines* Silver level or higher. Similarly, affordable housing dwellings are expected to be built to a high standard in terms of durability and energy efficiency to decrease ongoing maintenance costs.

Recommendation:

- Council advocates for releasing information from the Victorian Government demonstrating the intended model of integrating different housing types at each housing estate, including the proportions of each housing type and property management models.

Dwelling sizes and tenure

This section of the submission responds to the Terms of Reference sections (g) the likely impacts of the plan on: (i) the number of bedrooms currently at each location versus the proposed number of new bedrooms per site; (ii) the number of public and community housing homes at each location and how remaining public land will be used; (iii) the Victorian Housing Register and homelessness while the plan is being delivered; and (iv) the future of public housing in Victoria.

Council advocates for no net loss in the number and size (including number of bedrooms) of public housing dwellings within redevelopment sites.

Redevelopments should offer a variety of housing options suitable for singles, couples, and families, ensuring that people at different life stages can reside

within the same neighbourhood. This approach fosters social diversity, enhances community stability, and supports ageing in place. These communities would be further supported by community services and infrastructure that are equitably distributed across Yarra's public housing estates, tailored to the needs of the diverse tenant population.

A long-term supply of one-bedroom dwellings will provide much-needed housing stock for single-person households, an area of need identified in the data gathered through Yarra Zero, a functional zero homelessness project based on the Advanced to Zero approach to end homelessness.

Recommendations:

- Council seeks for public housing in Victoria to be significantly increased with dwelling types corresponding to data evidencing the types of housing required.
- Council advocates for delivering quality open space within a site and/or the surrounding neighbourhood to offset the loss of any open space resulting from the redevelopment and densification of public housing estates.
- Council advocates for precinct planning approaches to ensure that community services and infrastructure are equitably distributed across Yarra's public housing estates, tailored to the needs of the diverse tenant population.