

T R A N S C R I P T

LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

Inquiry into the Redevelopment of Melbourne's Public Housing Towers

Melbourne – Tuesday 5 August 2025

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WITNESSES

Dr David Kelly, Research Fellow, Centre for Urban Research,

Dr Iris Levin, Senior Lecturer, Sustainability and Urban Planning,

Dr Akvan Gajanayake, Lecturer, Project Management, and

Dr Salman Shooshtarian, Senior Lecturer, Housing@RMIT Network, RMIT University.

The CHAIR: Thank you. Welcome back to the next session of the Legal and Social Issues Committee Inquiry into the Redevelopment of Melbourne's Public Housing Towers. I am Joe McCracken, Chair of the inquiry. We are going to go through our committee members.

Anasina GRAY-BARBERIO: Good morning. I am Anasina Gray-Barberio, MP for Northern Metro.

Aiv PUGLIELLI: Hi. Aiv Puglielli, a Member for North-Eastern Metro.

Ryan BATCHELOR: Ryan Batchelor, Member for the Southern Metropolitan Region.

John BERGER: John Berger, Southern Metro.

The CHAIR: We have got Rachel Payne, who is just joining us right now – Rachel, South-East Metro. And online –

Michael GALEA: Michael Galea, South-East Metro as well.

The CHAIR: Thanks very much. All evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information that you provide during the hearing is protected by law. You are protected against any action for what you say during the hearing, but if you go elsewhere and repeat the same thing, you may not be protected by that same privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript following the hearing. You will get a chance to correct any minor errors, and then it will ultimately be made public and put on the website.

Just for the Hansard record, can you please just say your name and the organisation that you are appearing on behalf of. I will start there and we will work our way up that way.

Salman SHOOSHTARIAN: Salman Shooshtarian, RMIT University, housing cluster.

Akvan GAJANAYAKE: Akvan Gajanayake, RMIT University.

Iris LEVIN: Iris Levin, RMIT, urban planning.

David KELLY: David Kelly, RMIT, Centre for Urban Research.

The CHAIR: Thanks so much for that. David, I understand you are doing the opening statement, so I will hand over to you to do the opening, and then we will go to questions. Welcome. Thanks very much for appearing today.

David KELLY: Thank you, Chair, and thanks for the opportunity to speak today. I am presenting on behalf of the Housing@RMIT research network, which is an interdisciplinary team consisting of researchers with expertise in social policy, environmental sustainability, urban planning and architecture, among others. We want to acknowledge that large-scale displacement programs are not new here. First Nations across Victoria – and here where we meet on the lands of the Boon Wurrung and Woi Wurrung peoples of the Kulin nation – are too familiar with the effects we highlight in our submission.

Our central concern is that this inquiry has been asked to assess a redevelopment program without access to the information required to do so. Government has not released the evidence base that underpins its decision to demolish all 44 of Melbourne's remaining public housing towers. There is no publicly available cost modelling, no comparative assessment of refurbishment options and no clear plan for how residents will be housed throughout this process. In short, it is not possible for this committee to make a fully informed assessment of a plan that has not been disclosed.

We raise four key issues. First, the decision-making process has not been transparent. Without the release of modelling and assumptions, particularly around cost, construction timelines and environmental impact, confidence in the process for tenants and the broader public cannot be restored. For an urban renewal program of this scale, which has significant social, economic and environmental implications for the future of Melbourne, the lack of publicly available information about how the government intends to proceed in a way that is fair, equitable and sustainable is alarming.

Second, the plan to relocate thousands of tenants is clearly proceeding without viable alternatives that preserve social and community continuity. Many residents have lived in these estates for decades. Their lives are embedded in local networks of care, kinship and survival. Forced relocation, especially for people with disabilities and chronic health challenges, will produce long-term harm, as both Housing@RMIT researchers and international scholarship demonstrates.

Third, consultation has been inadequate. Consultations and engagement with affected tenants about relocation are extremely important, but this has not been meaningfully done, as evidenced in research conducted by my own team. This is despite previous experience from which Homes Victoria could have learned, such as the case of the Carlton estate redevelopment where consultations were minimal and tokenistic without any real impact on decision-making, taking the form of information sessions rather than real empowerment of tenants and communities. Most tenants learned of this tower demolition through the media. Early engagement efforts by government were marked by an absence of interpreters, misinformation and unclear relocation agreements. This is not consultation, it is confusion under the guise of engagement.

Additionally, in the period after the 2020 COVID-19 hard lockdowns of the Flemington and North Melbourne tower estates, the DFFH, in 2023, developed a Paving the Way Forward plan for both sites that emphasised residents' concern about a lack of government transparency and accountability towards tenants compromising trust. Both Paving the Way Forward plans do not appear to have informed the government's approach in 2023, further undermining estate communities' trust in government. Our recommendation is simple: planning must begin with open, supported and culturally appropriate engagement with residents in their languages and on their terms.

Fourth, the plan repeats the known failures of earlier redevelopments. Research shows that public-private partnerships result in poor returns to the public, permanent loss of land and housing capacity and minimal tenant return. The ground lease model is a variation of the same model, repackaged. The state's own commissioned evaluations at Carlton and Kensington warned against this approach.

Finally, we want to acknowledge the broader context in which we are seeing fast-tracked planning approvals for substandard private apartments and a housing policy landscape defined by secrecy, and we point to Professor David Hayward's recent citation in the *Age* newspaper. This undermines confidence in the government's capacity to deliver dignified, well-defined housing at scale. In a yet-to-be-published study by colleagues on this submission, our analysis shows that a significant delay in restored capacity on these sites will occur. On some sites it will take more than 30 years from the time a building is empty before the lost accommodation capacity returns to net positive. In other words, rather than solving the housing crisis, this policy will prolong it by decades. We urge the committee to take seriously the gaps between promise and practice and to centre the experience and rights of residents who have been excluded from this process from the beginning. Thank you.

The CHAIR: Thank you very much. I will ask the first set of questions, then we will go back and forth between committee members. You made a series of recommendations. One of them I think was to abandon social mix as a default redevelopment strategy. Why? What do you think that?

David KELLY: I will pass it to you, Iris.

Iris LEVIN: Thank you. Thanks for the question. Can you just repeat because I cannot hear you very well.

The CHAIR: You cannot hear me? Is that better?

Iris LEVIN: Yes. You just said, 'Why social mix?'

The CHAIR: You said abandon social mix as part of the default redevelopment strategy. Why?

Iris LEVIN: Social mix has been commonly used in many, many countries over the world since the 90s, I think, as a policy justification for redevelopment and rebuilding private housing alongside public housing. Many, many studies have been undertaken to assess whether social mix actually works and in what scale. I have done, myself, some studies; I will talk about them in a second. But I think it is pretty clear that social mix in such scale of an estate where you build a few buildings that are private and one building that is public, like the case in Carlton, the newest development, is not really working. It does not really achieve what maybe policymakers wanted it to achieve. Communities do not mix, and if we want them to mix, we need to plan and design it in certain ways. But I think studies have realised – by many researchers in many countries and also in Australia; in Sydney, Adelaide and Melbourne – that it just simply does not work.

Why is that? For example, when I spoke with tenants and private residents in Carlton, in the new building – do you all know what I am talking about? In the first big – or the second after Kensington – private–public redevelopment project in Victoria that started in 2006, the walk-up buildings in Carlton on Lygon and Elgin streets were demolished and new buildings, private alongside public, were built. I went to talk to residents – public tenants and private residents – about how it was going. Private tenants said, 'We don't mix with them because we don't have any opportunities.' 'We get up in the morning and go to work and then come back and there are no spaces for that.' And public tenants also say the same. They say that, 'We would like to, but why would they mix with us?' There are no spaces. In that whole complex there were no community spaces where people could mix. There was even a small courtyard that was an enclosed space that was built between the three buildings – the private and public – where only private residents had, and still have, access to, so public tenants could not access it, because it was not promised to them. And they accepted it because they said, 'You know, we didn't pay for our housing, so we don't deserve it,' in a sense, because that is what they have been told maybe – or maybe not; it does not matter. They did not access where private residents could access, but they did not like it, because they could see the private and public tenants from the balconies. They even had separate car parks, so they did not even mix in the car park.

The CHAIR: My time has run out, basically, but just quickly – if it was done properly, could it work, or do you think not?

Iris LEVIN: I think studies have shown that the scale is critical, and usually the scale is just bigger in a neighbourhood scale.

The CHAIR: Yes.

Iris LEVIN: Not in an estate scale.

The CHAIR: Okay. I appreciate that. Thank you. I am going to hand over to Mr Galea now.

Michael GALEA: Thank you, Chair. Thanks very much all for joining us this morning. I would just like to go to the comparison of different economic models that you have touched on in your opening remarks. The GST applicability varies, whether it is public or social housing. Social housing does not have GST costs applied to it in the same way that public housing construction does, thereby immediately inflating the cost of new builds by 10 per cent. I am just wondering if you have any commentary on that, if that is something that you have identified as a particular taxation barrier and that is something that our federal colleagues should be looking at, or if there is any other commentary you have on that disparity.

David KELLY: In relation to the economic and tax framework or modelling that has been done here, we do not claim to be experts in any of that, and so we would not be able to speak to that specifically. However, if we are talking about the ground lease model more broadly, we could elaborate on some of the sorts of arrangements that are present within that.

Michael GALEA: Sure. If you can talk to me maybe about the recent examples in my colleague's electorate in the inner south, whether it has been in Prahran in Bangs Street or New Street in Brighton. Can you talk to me about some of the examples of where a ground lease model has been shown to be effective?

David KELLY: I cannot show any examples where the ground lease model has been proven to be effective. We only know of the ground lease model 1 with any degree of certainty. Ground lease model 2 has been rolled out on more sites. We know now that there is a further iteration on the high-rise walk-up estates. But we do know that immediately it starts costing more money, the ground lease model, with quarterly service payments over the life of a 40-year ground lease arrangement totalling anywhere from \$600 million at ground lease model 1 sites to \$800 million at ground lease model 2 sites, so it does cost quite a lot to the public purse. Capital investment will also total around a quarter of a million across both phases. So it is a very costly model to government, yes.

Michael GALEA: And is that something that you nevertheless endorse? Recommendation 9 of your submission advocates for use of the ground lease model.

David KELLY: Sorry, our recommendation advocates for the use of the ground lease model – is that what you are saying?

Michael GALEA: That is my understanding of it. Have I got something wrong?

David KELLY: I do not think that to be the case.

Michael GALEA: Okay. Thank you for clarifying. So you are not necessarily in favour of the ground lease model?

David KELLY: We think that there are significant concerns with the ground lease model, not least of which is transparency. It provides what we would call a black box form of urban governance where we cannot look inside and see what is going on in terms of the financial arrangements, for one, the taxation arrangements as well, but also the subsidy arrangements where this displaces responsibility for funding social housing to the federal government. So, yes, that is what I would add to that.

Michael GALEA: You have talked about the best way to avoid prolonging the housing crisis. The alternative to the current redevelopment plan is to not have the minimum 10 per cent increase in social housing, is it not? Would that not exacerbate the housing crisis if we are not doing everything we can to not only renew and ensure that social housing is habitable but also increasing in quantity?

David KELLY: My colleagues can add to this as well, but the research that we are referring to there is unpublished research, which has been conducted by colleagues and me at RMIT, in which we measure the amount of nights lost in terms of dwelling capacity on the sites from the point of decanting to rebuild and return and then calculate how many years it will take for that net positive to be realised. What we have found is a period of decades on each site. That was just to clarify that, but if anyone else wants to add –

Michael GALEA: I am just mindful of my time. I am very happy to have it –

The CHAIR: Sorry, your time is up, Mr Galea.

Michael GALEA: I do have one [Zoom dropout].

The CHAIR: All right, because I am feeling generous today.

Michael GALEA: Thank you for your generosity. Page 6 of your submission, I believe, recommendation 9 states:

That any public housing high-rise tower renewals be undertaken with either capital funding or under a Ground Lease Model, which will ensure maximal housing benefit without the loss of valuable public land.

Do you wish to amend that?

David KELLY: We believe that the ground lease model is a response to the critique from the public around the loss of public land and is a correction that has been made in order to retain, at least in appearance, a public

tenure over the land. We advocate for the retention of public tenure as a principle. We do not advocate for things that we cannot even know, which include most of the governance and financial arrangements within the ground lease model and the special development vehicles more broadly.

Michael GALEA: Do you stand by your recommendation 9?

David KELLY: I will have to take that one on notice.

Michael GALEA: No problem. Thank you very much.

The CHAIR: Thanks, Mr Galea. I will hand over to –

Iris LEVIN: May I add something?

The CHAIR: Sorry?

Iris LEVIN: Can I add to that?

The CHAIR: Just quickly, but we have got to go on to the next speaker.

Iris LEVIN: Maybe I speak for myself, but I think the ground lease model was somehow an improvement of the PPP model, as David said, to retain land. However, it has been done in a very non-transparent way. We do not really know what is going on behind the scenes. It is better than PPP I think, and that is what we meant. But it is not better of course than capital funding.

The CHAIR: Thank you. Ms Gray-Barberio.

Anasina GRAY-BARBERIO: Thank you, Chair. Dr Kelly, based on your research with relocation staff, what framework does the government apply to the relocations process?

David KELLY: Thank you. I have been conducting, along with colleagues at RMIT, research on the relocations process during the public housing relocations program since 2018. We were awarded, in a hurry, a funded grant to investigate the drivers of public housing relocation, and through that process we interviewed both tenants and relocations officers within DFFH. The model, we understand, from those interviews and focus groups with relocation officers, is a negotiated framework, which is their terminology, in which there is a high degree of discretion in what sorts of tactics can be employed to make the relocation happen. That ranges from care and actually providing a careful and caring approach to some cases where we have heard from tenants where a relocation officer has pulled up realestate.com and said, 'Take your pick.'

So there are carrots in the system. Then we have heard of a lot of sticks, where those sorts of narratives trickle down to other tenants and where they might be afforded a very, very good deal if they were to go early, and the tactics change as that process unfolds. Tenants then report that they were not afforded the same sorts of privileges as tenants who went early in the process, so it does change; it is highly variable. It is a negotiated model in the sense that tenant relocations officers are afforded a high degree of autonomy and discretion in what they do.

Anasina GRAY-BARBERIO: That is very unsettling to hear. Are relocation staff being directed by Homes Victoria management to treat residents in this way? I know you mentioned they have got high discretion, but are there instructions coming from above regarding this?

David KELLY: We can speak to the testimony and evidence given by relocations officers. However, as part of our broader research agenda this has involved two of our research team members being present at all of the days of the Supreme Court class action trial and hearing evidence from Simon Newport in his testimony to the intellectual consideration of human rights. It would follow then that in that intellectual process he would have had some understanding of the relocations process, considering that is where the rubber hits the road in terms of human rights. So whilst we do not have any direct, causal chain of command coming dancing to employ a negotiated framework, we do understand that is either accepted as the norm or directed.

Anasina GRAY-BARBERIO: As far as you understand or could see, senior staff and the CEO of Homes Victoria were aware of these practices by the relocations staff?

David KELLY: Yes, they were. Relocations staff as well as their managers, who were included in the focus groups and follow-up interviews, were aware of the range of activities or tactics that can be employed by a relocations officer in order to ‘make it happen’, as they say.

Anasina GRAY-BARBERIO: Thank you. Your submission also talks through different renewal models such as public–private partnerships, ground lease models and capital grants funding. We know the ground lease model is the delivery model for the first towers. Why do you think that delivery model in particular has been introduced?

David KELLY: Perhaps others can also speak to this, but I think first we will go back to the point about policy correction to the critique of loss of public land. First and foremost, that would be the process. But also, this is a very big program. The ground lease model provides a set of opaque relations that exist between financiers, landlords and the government. We really are concerned about the range of relations that are brought directly into relation with each other and how housing, in particular social housing, is brought closer to market logics through this process. We do think that is part and parcel. What we are seeing here is a transfer from public to community housing in order to bring in those market logics and mechanisms in order to displace risk on the part of the government.

Anasina GRAY-BARBERIO: Thank you very much.

The CHAIR: Thank you. I will now hand over to Mr Batchelor.

Ryan BATCHELOR: Thanks, Chair. Do you think that one of the reasons why things like the ground lease model and a leasing arrangement for the community sector are more advantageous is because there is not a public housing penalty – there is not a GST penalty – for the community housing sector compared to the public housing sector? This committee in a previous inquiry into rental affordability had evidence from the CEO of Homes Victoria that one of the things that public housing construction in this state and all states suffers from, vis a vis the community sector, is that the state, when it constructs directly, pays this input tax – it pays GST – on everything that it builds. But the community sector does not; it receives that as credits. So in effect public housing construction costs for the same build would be 10 per cent more expensive. So if you have the same envelope of funds, you could either get 10 per cent more by putting it in the community housing sector or it costs 10 per cent more to build it as public housing. Do you have any reflections on that or any comments on that? Do you think that is one of the reasons why things like a ground lease model are preferable?

Iris LEVIN: I think you are right in that community housing can get the 10 per cent saving in the cost. But the problem is that community housing has all sorts of agreements with Homes Victoria or the state government, and if they get some funding, then they do not need help to build. And I agree that it is good – well, maybe not everybody here agrees – to have community housing, but it is also very important to retain public housing, because community housing organisations have a different financial model. They cannot get to a point where all the tenants do not earn money and only get welfare payments and their rents are 25 or 30 per cent of welfare. It is not enough for community housing organisations to survive. Whereas public housing can accommodate these tenants. We see it. You know, you go to talk to community housing CEOs, and it is a different population. They do not need to take the bottom, the most in need. Where will they go, these people, if everything is becoming community housing?

Ryan BATCHELOR: I agree that there should be a mix, and of the seven towers proposed for redevelopment, two are being redeveloped as public housing, so far announced, and five under the ground lease model. The other consideration that you have obviously got to have is whether we can achieve greater inroads into the waiting list building more housing. Do you think that the public housing sites that we have are places where we could have more density – whether it is public or community – of social housing on those sites?

Iris LEVIN: As an urban planner, I think 100 per cent. It does not have to be towers. It can be high-density, but low-rise – not detached housing of course but low-rise. Do you want to add?

Akvan GAJANAYAKE: I think what I would like to add is the crux of our argument is: think about renovation and rehabilitation of the current structures, because structurally they are fine – most of them. And yes, we can go into arguments and discussions about GST and taxes and costing, but the first step should be: can we maintain, rehabilitate and renovate these buildings, which will obviously cost less?

Ryan BATCHELOR: Maybe. You do not know that.

Akvan GAJANAYAKE: Sorry?

Ryan BATCHELOR: Maybe.

Akvan GAJANAYAKE: Maybe. We do not know because that costing has not been done. But generally where it has been done in other parts of the world, it costs less. It is also better for the regional economy because it generates more employment – three to four times more employment than a new build. Environmentally, socially and economically, generally it would cost less. So that is the crux of our argument, of our submission. I think we would like to speak to that without going into the details of the 10 per cent for the GST and taxes.

Ryan BATCHELOR: A 10 per cent cost difference makes a difference. But my time has expired.

The CHAIR: Ms Payne, over to you.

Rachel PAYNE: Thank you, Chair. Thank you for your submission and presenting before us today. Just following on from what you were talking about there around refurbishment, what are the most viable examples or case studies of successful high-rise refurbishment projects that Victoria could learn from?

Akvan GAJANAYAKE: There are a few from Europe. There is one which was done in the 2000s in the UK – 25 per cent less environmental impact. There is one from Norway which can give those same benefits. There are a lot that happen in Hong Kong. We did not submit all of those, but we submitted the research that we did based on that research.

Rachel PAYNE: Included in your research you talk a lot about transparency and accountability. What mechanisms do you propose for ensuring accountability and independent oversight throughout the redevelopment process if the current plan proceeds?

Akvan GAJANAYAKE: I think our research cluster got to know about this once it happened. I think it is always good to say, ‘This is what we are doing. This is what we plan to do. We want to renovate. The public housing is not in a good condition. What can we do?’ So what are the options we have, without jumping into a conclusion and then saying, ‘We’re going to do this,’ and then finding reasons to justify that decision? I think more evidence-based decision-making would be better, without thinking about jumping to the conclusion and decision and then how we justify this. Accountability-wise, we see this with the residents in the towers as well. They do not know what is happening. We as researchers do not know the cost modelling of any of those decisions that have taken place, so transparency in that way – it is saying, ‘This is all evidence based, and then we can discuss whether that is applicable or not.’

Rachel PAYNE: With your academic research, you talk about that there has been little transparency and information about the government’s decision to demolish the public housing towers, and a poor pattern of engagement with tenants. Through your experiences and research, what impact has that had on the community and the tenants more broadly?

David KELLY: I think that the main thing that concerns us is the broadscale production of fear that has happened on the estates and the impact of that, which we might not know about for years, if at all, because we do not have a very strong ethic within the public sector of performing evaluations that are independent and appropriate. We are concerned that a lot of the things that are happening now will produce long-term effects that will not be measurable for another decade or so. In previous iterations of large-scale renewal projects that hold displacement as a foregone conclusion, such as the HOPE VI project in the US, population-level studies have shown that life expectancy decreases through the entire process. Whilst people’s experiences of individual dwellings might improve, such as the conditions of those dwellings, overall the impacts at a population level are negative. We are concerned that we will not know what those effects are for some time to come, but the international evidence is clear that they are coming.

Rachel PAYNE: Thank you. Thank you, Chair.

The CHAIR: Thanks very much, Ms Payne. I will now hand over to Mr Berger.

John BERGER: Thank you, Chair, and thank you all for your appearance this morning. I am interested just to go back to your recommendation 9 in relation to the ground lease model arrangements. If I look at Bangs Street in Prahran, I think that is a perfect example of an outcome that has been significantly, overwhelmingly enjoyed by the residents themselves. I just wonder if any of your studies that you have conducted did anything prior to the Bangs Street redevelopment, and then further studies afterwards, after the redevelopment, and how people have fared beyond that.

Iris LEVIN: I have not done research of before and after in Bangs Street in Prahran. We are now starting to engage with tenants who live there. I actually have a project, but not the before and after. The question is – I mean, that is a really good question to think about and to ask tenants – whether there is a difference from their point of view in the lived experience of their life that is related to the management model. There may not be. It might be that they are very happy with the new building. Also, we need to talk to people who have been relocated and have not returned, which is probably the majority of tenants, and look at the long-term and short-term effects of relocation. We have not done a study?

David KELLY: Pre-post evaluation studies in Australia are extremely rare, especially with displacement – it is in the name ‘displacement’. People are usually scattered from their geographical beginning point, and it is extremely difficult to follow up with individual tenants once they are scattered.

Iris LEVIN: Also, funding. It means longitudinal research that needs to be funded over 10 years, because you have to contact the people before they move out and then after five years or maybe 10 years to see. When I spoke with the research team in Carlton, we came just when people started to move back, and there was probably 20 per cent of tenants returning. So 80 per cent moved out, some to the outer suburbs, some to nearby community estates – very difficult to find them. The department, DHS at the time, did not want to even give us any access to details to contact people, and so we could not.

John BERGER: Okay. Also in your submission, it talks about how 39 per cent of people make up the disability component in the housing area. These towers were built in the 1950s. Back in the 1950s they did not envisage some of the disabilities that might have come in recent years and the capacity for these buildings to now be retrofitted to make sure that they deal with all of the complexities that are available or are around the disability area. I just wonder how you think that might work, trying to retrofit things beyond their scope and the building’s capacity to be able to do it.

Iris LEVIN: I think, again – maybe you can talk to it – there are examples.

Akvan GAJANAYAKE: There are examples globally where it has been done with retrofitting for disability. There are examples that we can look to and see ‘this is how we can do it’ or ‘this is a possibility that we can do it.’ So those examples are there, especially within Scandinavian and European countries, where there is a focus on keeping structurally safe buildings and then retrofitting and refurbishing them for the new tenants or for newer changes in accessibility.

Iris LEVIN: There is a very famous example in Paris where they built while tenants stayed in their apartments, and they built an additional facade and then moved, so people did not have to relocate at all – in public housing buildings. So if you are interested, we probably can send you some material about these examples.

John BERGER: Certainly with people with mobility issues it would be extremely hard to start changing levels of floors, widening doors – all the internal reconstruction that would need to happen to do that. Have you ever thought that a more modern, up-to-date, compliant facility would work better for them?

Iris LEVIN: I just want to say I do not think we are completely against retrofitting or changing or updating the buildings – we are not against that – or even if some buildings need to be demolished, that is okay, as long as communities stay around, even on the same site. Like in Brunswick Street, Fitzroy, on the same site there is a community housing building that was built. These are huge, huge sites. You could build there before people move out, put the people there and then demolish old buildings if they cannot be retrofitted. I think things can happen and have been done in other places. It is just very, very rigid here and it is, probably, financially maybe better or easier for the government to understand, but what we are saying is it is really not good for residents and not fair on residents to relocate them.

The CHAIR: We might finish up there. Thank you, Mr Berger. I will now hand over to Mr Puglielli.

Aiv PUGLIELLI: Thank you. And good morning. Your submission outlines some differences between the ground lease model and earlier public–private partnership models. So can I ask: from your perspective, is there anything that we should be learning from those earlier approaches that have been taken? Are there any course corrections that we should be making?

Iris LEVIN: Learning.

David KELLY: I think the previous evaluations that have occurred at Kensington and Carlton spell it out quite well in terms of what the government can learn from public–private partnerships. There are notable examples around the world where they have been banned from this sort of thing, such as the UK.

Aiv PUGLIELLI: Why have they banned these approaches?

David KELLY: Carillion, a major developer consortium, went into administration and it required a multibillion-dollar bailout by the government just to save the project.

Aiv PUGLIELLI: Are we exposed to similar risks in this country if we pursue these models?

David KELLY: Absolutely. Public–private partnerships inherently bring the market to bear on what is happening, on housing

Iris LEVIN: For example, the Carlton redevelopment started in 2006. Buildings were demolished and then the government tried to engage developers. But then the GFC started and developers did not want to take the risk, so the government had to give them more and more. We do not know what exactly was given to them and how much, but definitely the land was sold and they got a lot of building rights. I think there are maybe less than 300 public units all over Carlton estates and 900 private units, something like that I think. And also they promised the developers to have the courtyard only for private residents. So relying on the market is problematic when we need to deliver some services for people in need or those in most need.

Aiv PUGLIELLI: I absolutely agree with you there. Can I ask further: what is the likely long-term impact of transferring management of public land into non-government control through, say, community housing providers or consortiums?

David KELLY: We will not know for some time, and also we cannot know now because of the lack of transparency in this process. We cannot FOI a community housing provider. They are not subject to the same regulations or responsibilities to the *Human Rights Charter*, for instance. We really do not know so much about the risks that are involved. Did you want to add anything on it?

Akvan GAJANAYAKE: Broadly, globally where public–private partnerships or variations of that for social housing, maintenance post occupancy has been the major issue, where government have no oversight or they lack the resources to have that oversight and there is a disconnect between the objectives of the social housing aspects of government and the private providers. So this has been the major issue globally, and across most of the studies that we have looked at that is a common theme that comes along.

David KELLY: I also want to add on that that community housing requires ongoing subsidies and financing by government and by the public and those will grow over time, such as Commonwealth rental assistance, and the minute any of those are wound back under any sort of new conditions or new funding arrangements by the government, that will leave the community housing industry exposed and they will need to find a partner, and that will likely be their partners already in the private market.

Aiv PUGLIELLI: I am just about out of time but I have one further question. The government commissioned consultants Ernst & Young to evaluate developing commercial and retail properties on various estates, and in particular I understand it looked at turning the Gertrude Street aspect of Atherton Gardens estate in Fitzroy into a shopping strip. It is currently a beautiful green space that holds a stolen generations marker and a statue of Archie Roach and Ruby Hunter. What do you make of this proposal?

David KELLY: I think more generally one of the broader critiques of this entire process has been the disingenuous nature of it in regard to treaty and ongoing treaty and how there should be an ongoing moratorium

on the transfer, sale and leasing of public land when we have an active negotiation underway. This, I would say, is a continuation of that sort of logic or disregard for First Nations sovereignty and the ongoing legacies of displacement and dispossession that have happened, particularly around sites like Fitzroy. But without knowing the particulars of that actual thing, I cannot say more than that.

Aiv PUGLIELLI: Thank you. That is my time.

The CHAIR: All right. Thank you very much. That brings this session to a close. I want to thank everyone for appearing and their evidence given today. As I said, you will get a proof version of the transcript, and you will be able to make any minor corrections if you need to. Thank you very much. We appreciate it.

Witnesses withdrew.