

Submission to the Victorian Parliamentary Committee
Legislative Council Legal and Social Issues Committee

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Introduction

My name is Richard Cameron, and I am a retired architect with 40 years design and project management experience.

My first involvement with this inquiry's core business was as a convenor of a 76-member architectural consortium, **Habitat26+**, which sought to protect 20 Elgin Street and 141 Nicholson Street from demolition through heritage listing. We were unsuccessful because 2023 legislation, altering the Heritage Act, stated that we as architects were deemed not to have a real and substantial interest in these historic buildings and therefore had no right to seek preservation.

The submission we made required a detailed economic, and cultural assessment. to support our case, as well as an understanding of the current debate regarding the validity of the demolish and rebuild policy we are currently seeking to review.

I am responding primarily to the rationale and cost modelling for demolishing and redeveloping the 44 towers, however term of reference c) with also be commented upon.

Forward

Australia has the largest houses in the world and is in the top ten countries when comparing construction costs.

We also, like the rest of the world have a major housing crisis and ever-increasing debt burden.

Our youth are expressing doubt regarding the future be it climate change social unrest law and order and for many 'the meaning of life'

This inquiry is immersed in each of these areas and it is hoped that the contributions of the numerous participants will alert the government to our concerns and question the direction we are going to ensure a rational analysis of the housing crisis is endorsed and the fundamental rights to shelter safety and sustenance are maintained.

Synopsis.

- The Elgin Street and Nicholson Street towers were vacated in 2022 ostensibly on the premise that they were uninhabitable and presented a serious threat to health and safety.
- Reports were commissioned in January 2022 regarding non-compliance, and a further report prepared by Hayball examined four design options in their development feasibility study. I am not aware if detailed costings were part of the study, but they were not included in the Hayball report when evaluating the options.
- In 2021, the Department of Families, Fairness and Housing (the department) set up the Paving the Way Forward (PTWF) initiative. The aim was to find better ways of working with residents at the Flemington and North Melbourne public housing estates.
- This consultation continued in 2023 with the North Melbourne Residents Action Group and definitive plan outlined as 2022-2023 was reported in June 2023.
- In September 2023 the Federal and State Government announced that the Big Build was to demolish all the Tower Blocks in Melbourne with the Elgin and Nicholson towers to be the priority.
- Drawings and development data was issued by Homes Victoria in November 2024 which I used to assess the business case.
- Preliminary demolition of the towers commenced in August 2024, four months prior to the Heritage Council decision regarding my appeal for preservation.
- Demolition is still under way despite the inquiry we are attending which is due to report in December 2025
- My research reveals that the demolition of the two towers and their replacement by the development proposed by Architectus will see a net increase in residents of 30, and the increased cost, over and above the cost of the full reparation and reengineered of the existing towers, of \$155 Million. This equates to **over \$5 Million per additional resident.**

Recommendation.

'That this enquiry immediately advises the Parliament of Victoria to pass a motion to pause the demolition and any further planning of the public and social housing proposed in the current policy of Housing Victoria regarding the demolition and replacement of the 44 Public Housing towers and recommend the preparation and public release of an independent detailed cost benefit study managed under the auspice of the Auditor General.'

The Rationale and cost modelling for the demolishing and redeveloping the 44 towers.

As part of the federal, and state government's housing policy to increase the number of houses available to the Australian public. The federal government established the HAFF, a dedicated investment vehicle to provide additional funding to support and increase social and affordable housing, as well as other acute housing needs including, but not limited to, the needs of Indigenous communities and housing services for women, children and veterans.

Interest from that fund is designed to supplement state initiatives but the extent of the support is dependant upon the initiative Victoria is employing as well as demonstrated need.

It is understood that the basis for distribution is the projected number of new homes, but the prime minister has been reported as commending the restoration of existing homes in NSW as a positive move. It is not fully understood by the public whether restoration re-engineering and restoration attracts federal funding but if this strategy releases considerable money to be allocated to new housing it is to be seriously considered.

The replacement of existing housing stock without an increase in the number of available houses, or more relevantly the number of persons housed, is totally counterproductive, and to claim that replacement stock is an increase is disingenuous especially when claiming to be informing the public and transparent with the facts.

141 Nicholson Street and 20 Elgin Street, Carlton.

The two towers which were built in the 1960's were designated by the state government to be uninhabitable due to noncompliance matters and health and safety concerns. The buildings had been vacant for several years prior to the general announcement that they would be the first of the towers to be replaced.

The assessment was supported by a report prepared by **Approval systems** who stated that the inspections were of a cursory level as stated below

Existing Conditions Review and Report
20 Elgin Street & 141 Nicholson Street, Carlton

Introduction

Approval Systems Pty Ltd has been engaged by Homes Victoria to undertake a review of the existing two residential tower buildings.

The scope of the engagement was to identify features in the existing building which do not comply with the current Building Regulations and to assess their impact on the proposed feasibility options that are documented in Hayball Architects report No 2594, dated January 2022.

The report will assist the Office of Housing with selecting an option for redevelopment of the residential accommodation on this site.

Scope/limitations

Due to time limitations and limited access to existing building design documents, the compliance assessment was confined to a high-level assessment only.

This information was included in the **Hayball Report** and described as Non Compliance

FIRE SERVICES

1. The fire stair widths are below the required 1000mm clear & handrail profile is not compliant. The clearance between the handrail and the wall is currently 927mm. Each stair flight needs to be widened by 73mm to be compliant.
2. The concrete floor slab is approximately 150mm thick. A 200mm thick slab is needed to provide the required fire rating between floors.
3. The balconies are not fitted with sprinklers.

MECHANICAL & HYDRAULIC SERVICES

4. The service risers currently house the hot & cold water, sewer and acts as the exhaust duct for the kitchen, bathroom, WC & laundry. The risers are inaccessible from the lift lobby. This arrangement is non-compliant. Each service needs to be in a dedicated riser with the appropriate acoustic and fire rating. The hydraulic risers need to be accessible from the lift lobby.

ACOUSTICS

5. The concrete floor slab is approximately 150mm thick. A 200mm thick slab, acoustic underlay to floor finishes and/or acoustic insulation within the ceiling space are needed to provide the required acoustic rating between floors.

STRUCTURE

6. The structure needs to comply with the current earthquake code. Further analysis is needed by a qualified structural engineer to determine compliance.

OTHER

7. All apartment doors are 780mm in width. Doors need to be 850mm clear to be DOA the compliant solution.
8. There is no hob or slab set down between the balcony and living room. A hob or a set down is required for waterproofing.
9. The current bin chute is too small for domestic waste. No allowance for separation of recyclable & general waste. The council requires waste to be separated.
10. The dryer fitted in the bin room on each floor could present a fire hazard.

DISCLAIMER

The above list of non-compliance is limited by our expertise in the various fields. For a more comprehensive list of non-compliances, Homes Victoria may consider the need to engage relevant qualified consultants to carry out further analysis.

B.A.D.S. NON COMPLIANCES

11. The typical floor to floor is approximately 2610mm. The height to the underside of the slab is approx. 2400mm. With floor finishes, acoustic installations, and mechanical services, the ceiling height will be reduced further. Please note that space under 2200mm, is not considered habitable under the Building Code of Australia.
12. The area of the 1beds are approximately 39m². A B.A.D.S. compliant 1bed apartment is typically 50+m².
13. The balconies area are approximately 75m². B.A.D.S. compliant balconies ranges from 8m² for 1bed to 12m² for 3beds + 1.5m² if the condenser are located on the balcony.
14. Although the laundry in the apartments are big enough to accommodate a washing machine and dryer, a dryer can not be fitted because of inadequate ventilation. A communal dryer has been fitted in the bin room on each floor to compensate.

Each of the items noted have been addressed in the retrofit proposal and exemption would be sought for the stair width. The floor-to-floor height is 2.6mtrs which indicates that the acoustic concern is also accounted for.

Architectus proposal Demolish and Replace.

The documentation publicly available to the public states that there are two towers with a total number of homes being 248 units and a gross area of 24,154 mtr²., and the bedroom accommodation is 427 beds.

A detailed chart outlining all the provisions in the design proposal is attached in the appendices.

Financial comparison

The proposal for the retrofit of the two towers was prepared by a leading Melbourne Quantity Surveyor who has requested anonymity due to potential conflict of interest and the Architectus proposal is based upon the data supplied in their publication.

The cost comparisons are as follows.

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Elgin Street/Nicholson Street existing building (total Area 17,400 sq mtrs, and 192 units) like for like.

Retrofit	\$12,722,615/tower	total \$25,445,232
Cost per apartment	\$129,822	
Demolish /Replace	\$60,046,000/tower	Total \$120,093,000

Extra/over project cost to demolish/replace a 192 unit tower **\$94,646,667**

Architectus demolish and rebuild (total Area 24,154 sq Mtrs, and 248 units.)

Demolish	Total	\$9,661,800	
Build	Total	\$171,698,200	
Demolish/Replace			\$181,359.000
or			
Cost per apartment			\$746,333 per unit

The Median price of a 2bed apartment in inner metropolitan area is **\$730,000 per unit.**

This includes land and on costs as well as profit which are not applicable to public housing

The difference is explained by

- The demolition costs.
- Increased area due to area design standards and design layout
- Major reduction of multi bed units and increase in single bed units.
- Marginal increase in population due to doubling of 1bed apartments at the expense of 2bed.

If we consider the increased people provided for and assume 1 bed is a double bed/unit.

Retrofitted Elgin Street	588 persons	
Architectus proposal	665 persons	(a net gain of total 77 persons.)
The cost of providing the extra 77 persons is		\$155,913,768, or \$2,250,000 per tenant.

For each tower retained, and refurbished, we can retrofit 900 units and house 2700 tenants at no extra capital cost.

To reclad the building with solar panels and contemporary façade materials would cost approximately \$11Million making the retrofit cost \$35Million which would reduce the difference between the two proposals \$100 Million.

Q2 2024 – Melbourne Apartment Market

July 29th 2024 | UPA, Urban Property Australia

Values of Inner-City apartments increased by 0.5% over the year to June 2024, outperforming the broader metropolitan apartment market, albeit marginally. According to the REIV, Inner-City Melbourne apartment median prices faltered over the quarter, having decreased to \$597,000 as at June 2024. The values of 1-bedroom outperformed other sized Inner-City apartment values over the past 12 months, with median prices of 1-bedroom apartments rising to \$381,000 as at June 2024. Values of 2-bedroom Inner-City apartments also

increased over the past 12 months, whereas median prices of 3-bedroom apartments recorded marginally over the year having outperformed other apartments over the past three years. With solid rental growth coupled with a constrained pipeline, Urban Property forecasts that the strong values of Melbourne Inner-City apartments will be supported in the short term.

This indicates that the current proposal by Architectus is well within the third quartile of the apartment market, at \$143,000, or 25% above the median market price without any land cost nor profit which is certainly not classed as social housing, nor public housing affordability.

Conclusion.

From our investigation we have concluded that the demolition of the existing towers has the following consequences.

- An **order of cost penalty**, of \$94 million dollars per tower, on average, to replace the accommodation currently afforded to the existing residents.
- Based on the assumption that the development currently being followed on the Elgin Street site is the demonstration of the development principle to be adopted for the other 42 towers,
 - the increase in social/public housing population on the site would approximate 13%
 - this increase requires an extra 40% built space and
 - a cost increase of 638% over refurbishment.
- Each tower that is demolished produces land fill to the equivalent asset value of \$94 million.
- The \$94 million would retrofit 4.5 towers containing 588 persons per tower with 1750 bedrooms for our homeless citizens as quoted in the homeless data attached.

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This accommodation would house 90% of the rough sleepers and couch surfers which include our domestic violence victims and the destitute, recorded in the 1024 Victorian Housing Register, 2750 persons!

How can a Victorian Government

Set up an advisory Public Consultation which ran for two years, and six months, and after the conclusion of the consultation, ignore all the joint recommendations and expectations by announcing that all their houses are to be demolished.

Propose a housing solution which costs the state six billion dollars more than an alternative which would be at the cutting edge of recycling, social cohesion and energy conservation.

Present a proposal which claims massive additions to the public and social housing supply and fails to state that 80% of the existing accommodation is to become landfill.

Exhibit such disdain and arrogance toward our disadvantaged, distressed and destitute citizens by minimising additional shelter for the homeless and domestic violence sufferers.

Ignore numerous reports and recommendations from academics, social engineers, professional institutes and international experience of the highest calibre.

It is easy when it is not held accountable.



Jon Fleetwood | 26th February, 2025

Despite two studies confirming the benefits of retrofitting Melbourne’s public housing towers, the Victorian Government is pressing ahead with its demolition plan following a recent Supreme Court ruling.

As part of a class action on behalf of 479 public housing households, Inner Melbourne Community Legal sought to obtain cabinet documents that could explain the reasons behind the government’s decision to demolish all 44 towers.

However, at a hearing on February 10, the Supreme Court ruled that the documents were immune from disclosure and couldn’t be used in the class action lawsuit.

The decision comes after a new independent report refuted the Victorian Government’s claim that knocking down and rebuilding the 44 public housing towers is the only option.

The study, conducted by Nigel Bertram, an architect in practice and Professor of Architecture at Monash University, concluded that retrofitting the towers was not only possible but also cheaper.

Bertram’s research found that retrofitting could result in up to 30 per cent savings in capital costs, a significant reduction in embodied carbon emissions, and a considerably shorter construction timeframe.

“We know retaining and reusing existing structures saves energy and other resources, ultimately reducing greenhouse gas emissions,” he told *Inner City News*.

Across 44 buildings, this could also save around \$1.5 billion in construction costs.

The findings reaffirm those of an earlier study by Simon Robinson from *OFFICE*, a not-for-profit architecture and research firm, which suggested that retrofitting was “cheaper” and “less disruptive”.

Under the *OFFICE* proposal, the public housing towers would remain in place and be progressively retrofitted, while five mid-rise social housing buildings would be constructed in and around the towers on land currently used for car parking.

Simon Robinson said that, under the proposed demolition and rebuilding approach, residents would be forced to relocate, which he believes has major social and health implications for vulnerable tenants.

"Our study shows that this relocation can be avoided by building new dwellings in and between the towers prior to refurbishment," Mr Robinson said.

Kerrie Byrne, a public housing tenant and member of the Save Public Housing Collective, struggles to understand how people can have "confidence" in the government's approach if it refuses to release the assessments that are believed to support the case for demolition.

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Currently, there are 10,000 people living across the 44 towers, but after all the sites are rebuilt, the state government has said 30,000 people are expected to be housed. However, it is reported that only 11,000 would be public housing tenants, with the remaining 19,000 residents living in a mixture of social and market housing.

Because of this, according to Ms Byrne, the project cannot be regarded as a "solution" for the 60,000 households languishing on the waiting list, or for the 30,000 homeless Victorians.

"Rather, as these estates all sit on prime inner-city land, it will create a massive windfall for property developers," she said. "They are the winners, while thousands of tenants forced to relocate have little choice."

Despite the demolition plans being announced over a year ago, the government has not detailed any costs for rebuilding the public estates. However, it has signed off on a \$100 million contract with John Holland to demolish the first five towers in Carlton, Flemington and North Melbourne. •

Homeless in Melbourne

The most recent data on homelessness in Australia is from the 2021 Census, published in 2023. In Melbourne, there were 30,660 Victorians without a home during the 2021 Census. This represents 27% of the total number of homeless people in Australia, which was 112,494. Council to Homeless Persons

While the 2023 Census is mentioned in some sources, the actual data collection and release of results from the census are conducted by the Australian Bureau of Statistics (ABS). The most recent data available is from the 2021 Census.

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The Council to Homeless Persons (CHP) also provides data on homelessness, but it's important to note that their data is often based on information gathered from specialist homelessness services, which may not perfectly align with the census data.

LAUNCH HOUSING CAPITAL CITIES
HOMELESSNESS INDEX 2023

Launch
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HOMELESSNESS

APPENDIX: CITY PROFILE MELBOURNE, AUSTRALIA

Overall homelessness Across Victoria

Overall homelessness Across Victoria, overall homelessness increased by 24%, from 24,817 people in 2016 to 30,660 people in 2021.¹¹ In Greater Melbourne, homelessness increased by 3,507 people (17%) from 20,541 people in 2016.¹² The different forms of homelessness experienced by people in Greater Melbourne on census night in 2021 are detailed in Table 2. • Overall, close to 500 people were homeless per 100,000 residents in Greater Melbourne on census night 2021. • Rough sleeping represents a relatively small proportion (3%) of overall homelessness. The vast majority of people experiencing homelessness were in some type of insecure or precarious accommodation. • Around a quarter of people counted as homeless on census night in 2021 were staying in specialist homelessness services; but close to two-thirds were living in boarding houses or in severely crowded dwellings. • Severe overcrowding¹³ can potentially lead to other forms of homelessness, including sleeping rough, through forced exits.¹⁴

- This category, usually dominated by recently arrived migrants and international students, is lower than previous years (39% in 2016) due to COVID-19 border closures.
- Greater use of administrative data by the ABS was able to provide more accurate estimates for the number of people in boarding houses; indeed, the numbers of people in this category were almost double the 2016 census estimates (3,955 people).¹⁵
- Further, people staying in temporary accommodation increased by 1,092 people (from 84 people in 2016), reflecting additional government funding that enabled people experiencing homelessness to be moved into hotels and motels.

Table2.

**Type of homelessness (point-in-time) Greater Melbourne
(2021)**

People living in improvised dwellings, tents, or rough sleeping)	695 (3%)
People in supported accommodation for the homeless	5,671 (24%)
People staying temporarily with other households	1,539 (6%)
People living in boarding houses	7,289 (30%)
People in other temporary lodgings (hotels/motels)	1,176 (5%)
People living in 'severely' crowded dwellings	7,681 (32%)
Total number homeless	24,048 (100%)*
Rate of homelessness per 100,000 population	489 people**

Source:
GCCSA.

2021 Census of Population and Housing, Table Builder—Person's Place of Usual Residence by

Plan to demolish, rebuild public housing towers savaged by urban experts



By Bianca Hall September 22, 2023 – 5.00am
Extracts from the above article,

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Six academics from RMIT's Centre for Urban Research – Libby Porter, David Kelly, Priya Kunjan, Iris Levin, Kate Shaw and Liam Davies – released a joint paper on Thursday arguing that the government had failed to justify its claim the towers were no longer fit for purpose.

2,

Former Liberal premier Jeff Kennett criticised the decision on social media platform X (formerly Twitter), posting: "They are solid buildings, close to all services, and accommodate thousands of families. In fact the govt should build more to meet the immediate needs."



The view from the old tower at Racecourse road of the under-construction new housing towers. *CREDIT: CHRIS HOPKINS*

The first towers to be demolished will be two redbrick towers in Carlton – 20 Elgin Street, and 141 Nicholson Street – which are empty and scheduled to be rebuilt by 2028. Two towers in Flemington (120 Racecourse Road, and 12 Holland Court), and one in North Melbourne (33 Alfred Street) are also among the first towers to go.

RMIT sustainability and urban planning lecturer Iris Levin, one of the paper's authors and who has researched public housing estate renewal projects in Melbourne, said the process as announced would place great strain on the city's already strained housing market.

"In the midst of a housing crisis they are going to relocate those living in public housing towers, find them other properties to live in, and then demolish the towers, instead of first building new public housing properties?"

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Public housing wait times top 20 months for Victoria's most vulnerable

Levin researched the fate of residents relocated from the Carlton walk-up flats, which were redeveloped from public housing to a mix of private and public housing between 2006 and 2011.

"Because it took five years [to rebuild], 80 per cent didn't come back ... it's a long process."

Housing expert Dr Katrina Raynor, principal social consultant at Umwelt Environmental & Social Consultants, said Housing Victoria's task of relocating public housing residents must be undertaken with great care.

"These towers are incredibly tight-knit communities in ways that private high-density buildings are not," she said.

"They're really tight-knit, and the demolition of buildings has to be done very, very carefully, or you demolish incredibly important ecosystems and social connections."

with Rachael Dexter