



Moreland City Council

Submission from
Moreland City Council
To
The Parliament of Victoria

STANDING COMMITTEE ON LEGAL AND SOCIAL ISSUES

Inquiry into the Public Housing Renewal Program

1. Introduction

- 1.1 Moreland Council congratulates the Committee on its initiative to establish this Inquiry and welcomes the opportunity to contribute. The Moreland community is directly affected by the Public Housing Renewal Program (PHRP) as the Gronn Place estate in Brunswick West is in Phase 1 of the program. The scale of the proposed redevelopment of Gronn Place involves 73 walk-up units built in the early 1960s and 8 semi-detached houses on adjacent Kitchener Street. Council has been advocating with successive state governments for a number of years that the walk-up units were in need of renovation to improve conditions for residents.
- 1.2 The City of Moreland covers Melbourne's inner and mid-northern suburbs and is located between 4 and 14 kilometres north of central Melbourne. It is bordered by the Moonee Ponds Creek to the west, Merri Creek to the east, Park Street to the south and the Western Ring Road to the north. The City encompasses a total land area of 50.9 square kilometres and includes the suburbs of Brunswick, Brunswick East, Brunswick West, Pascoe Vale, Pascoe Vale South, Coburg, Coburg North, Hadfield, Fawkner, Glenroy, Oak Park and Gowanbrae. Small sections of Fitzroy North and Tullamarine are also part of Moreland.
- 1.3 Moreland's current population of 172,000 due to rise over 228,000 by 2036. The proportion of fully-owned homes declined from 45% to 28% from 2001 to 2016 and the proportion of renters is has grown from 28% to 38%, with a strong trend towards long term or lifetime private rental tenure. More than half of residents who are private renters report being in moderate to heavy housing stress (financial vulnerability). In the south of the municipality, suburbs like Brunswick and Coburg are becoming home to many high-income professionals, attracted by the proximity to the CBD, good public transport links and a rich cultural environment. The other side of the resultant vibrancy in the housing, particularly apartment, market is a lack of affordable and secure housing options for those earning below-average incomes. This means that lower-income people cannot afford to rent or buy in most instances, and those displaced from their rental properties cannot remain in their neighbourhoods. In 2004 more than a quarter of rental properties in Moreland were affordable to a family on Centrelink benefits. This figure is now under 2%. One in ten renters have reported periods of being unable to afford to buy food the previous year.
- 1.4 Three per cent of housing in Victoria is social housing (public and community), with more than two thirds of this State Government-owned public housing. This places Victoria lower than other Australian states and all comparable nations, except the US. Despite being a well-served municipality of established suburbs, Moreland has less than the Victorian average at 2.5% (approximately 2600 homes).
- 1.5 In the last 10 years nearly all the growth in social housing has been delivered by the community housing sector rather than by the state government through the Office of Housing. Most of this growth was funded financed under previous Federal Labor governments through the Nation Building Program. In 2016 60 per cent of the 64,663 public housing dwellings in Victoria were over 30 years old. Under the previous State Government the rule of thumb for renewing public housing was 'no nett loss'. The current government adjusted this to a 'plus 10%' rule of thumb for renewing public housing was 'no nett loss'. The current government adjusted this to a 'plus 10%' rule. However, this appears to be an arbitrary measure as it bears no relationship to any stated numeric targets for increasing the supply of social housing. On the demand-side of the equation, a report to Infrastructure

Victoria estimates the current shortfall of affordable homes for vulnerable and low income households at between 75,000 and 100,000¹.

2. Council's Engagement with PHRP

Council has established a specific set of positions regarding the Gronn Place redevelopment through Notice of Motion NOM20/17 (State Government Public Housing Redevelopment) at the May 2017 Council meeting and a submission to the Standing Advisory Committee on the related planning amendment process (D17/252766) in August 2017. Specifically, NOM20/17 advocates that:

- The state government replace all public housing currently at Gronn Place and add at least 50% more public housing on the site;
- The entire site remain for public housing only;
- Genuine consultation takes place with the residents of Gronn Place, the local community and Moreland City Council;
- Any redevelopment of the site be sensitive to the residential zoning of the site; and
- All dwellings at Gronn Place have at least a 7.5 star energy rating.

This submission was authorised by a resolution of Council made on 11 October 2017 (DSD37/17).

3. Policy Settings

Moreland's overarching vision in its Council Plan 2017-21 that 'Moreland will be known for its proud diversity, and for being a connected, progressive and sustainable city in which to live, work and play'. Managing the changes associated with an increase in population and development, a changing economy and a different social mix is a key part of Council's remit.

Outcome 3 of the Moreland Municipal Public Health and Wellbeing Plan 2017-21 states:

Recognising that housing is a fundamental human right, Council will continue to advocate on behalf of the community with all levels of government, the not-for-profit and private sectors, to increase the numbers of affordable and public housing stock.

Moreland is committed through the Moreland Affordable Housing Strategy 2014-2018 (the Strategy) to increase the stock of affordable housing in the municipality. Specifically, the Strategy commits to seeking opportunities to work in partnership with the State Government to increase well-located public housing in Moreland.

4. Addressing the Terms of Reference

4.1 The adequacy of a proposed 10% increase in public housing (or 1,100 public units) on the sites given the size of the waiting list for public housing.

- 4.1.1 Council questions the figure of 1,100 additional units being provided under the PHRP. This would suggest that approximately 10,000 units are due for replacement in the PHRP sites. However, figures provided through the DHHS Registration of Capability prospectus list a total

¹ Affordable Housing Outcomes, *Improving access to affordable housing for vulnerable Victorians*- Report to Infrastructure Victoria, 2016. Accessed at: <http://www.infrastructurevictoria.com.au/document-library>

of 736 current units are to be demolished and replaced under the program². This suggests that the 'plus 10%' target would be met by delivering only a total of 74 new units across eight sites.

Council has been shown information by the DHHS that proposes 90 public housing units will replace the 81 dwellings currently at Gronn Place and the adjacent Kitchener St site. On the face of it, this delivers an 11% increase. However, the proposal for 90 units included only 5 three bedroom units with the remainder being made up of 54 one bedrooms and 31 two bedrooms. When converted to bedrooms the proposal delivers 131 bedrooms. While Council has not been provided with the full breakdown of size for the 81 existing units, it is aware that there are significant numbers of two and three bedroom units currently at Gronn Place and that the numbers of current residents is at least 150. This points to this program delivering housing for *less* people than at present. Meanwhile the ABS records a net reduction of 45 social housing dwellings in Moreland overall between 2011 and 2016.

- 4.1.2 As of September 2017 there are 58,158 people on the Victorian Housing Register ("the waiting list")³. Of this 2819 are in the Hume Moreland region which encompasses the cities of Moreland and Hume. The Register is divided into "Priority Access" and "Register of Interest" applicants.

Priority Access applicants need to be on a very low income and also have specific circumstances such as being homeless; escaping family violence; have a disability; require significant support or have special housing needs. The latest figures available (2014/15) indicate that only about 30% of the 1220 on the Priority Access list in Hume Moreland will be offered social housing in any one year⁴. For those on a low income on the Register of Interest list, only 7% were offered social housing in 2014/15. Given that less than 2% of private rentals advertised in Moreland are affordable to those whose income allows them to be on the waiting list, this points to a significant unmet need. Recent research undertaken for a group of metropolitan local governments supports Council's concern that the PHRP targets for new housing are very far from adequate⁵.

4.2 The ability to cater for all demographics including families, couples and singles with the proposed housing mix.

- 4.2.1 As noted in 4.1.1 above, it is concerning that the proposed provision of new units at Gronn Place will be completely different from the existing mix which includes many two and three bedroom units. DHHS officers have repeatedly informed Council that previous redevelopments have shown that only 30% of residents return to new homes on the same site. However, an analysis of why this has been the case has not been provided. Concern has been raised by residents and advocates that there will not be the right kind of housing for residents to return to. In addition, the community connections fostered through proximity in

² State of Victoria, Registration of Capability, Public Housing Renewal Program Stage 1, May 2017. Accessed at: <http://www.theage.com.au/cqstatic/gwc77k/housing.pdf>

³ DHHS Public Housing Register. Accessed at: <http://www.housing.vic.gov.au/public-housing-waiting-list>

⁴ Hume Moreland Forum Presentation June 2016. Accessed at:

http://www.dhs.vic.gov.au/data/assets/powerpoint_doc/0006/967965/Hume-MorelandArea-Forum-presentation-June-2016.ppt

⁵ Sensing Value/NERA Consulting, *Analysis of the Potential Shortfall of Social Housing in the Cities Of Bayside, Boroondara and Stonnington by 2022*. Accessed at:

<http://www.smh.com.au/cqstatic/gzahyx/PotentialShortfallInSocialHousingReport.pdf>

the existing estate is unlikely to be replicated in a development where the 90 social housing units will be amongst approximately 160 private apartments. There are currently significant numbers of children resident at Gronn Place and the “salt and pepper” approach where the housing type is dominated by single people and childless couples will make it a place that families may not wish to return to.

- 4.2.2 A key objective of the PHRP should enable existing households to return to their respective estates. This requires a like-for-like housing commitment (i.e. replacing a three-bedroom with a three-bedroom dwelling) so that current households are not disadvantaged and each has a genuine option to return.
- 4.2.3 A recently released report on an investigation of the DHHS (Office of Housing) by the Victorian Ombudsman provides little comfort that there is sufficient strategic capacity to plan for the diverse needs of existing and future public housing residents. The report states:

Despite capturing a large amount of personal data relating to its tenant group, the department is unable to meaningfully use that data to understand the demographics of its tenants, such as age, gender, income, or the number of those with a physical disability or mental health condition⁶.

4.3 effects on current public housing tenants, including: Whether they will be moved to accommodation that is secure, stable and fit for purpose; whether they will be moved to accommodation that is close to existing social support networks, educational, health and welfare services; whether current tenants will be able to return to the estates

- 4.3.1 Council is concerned that the DHHS has not followed up on repeated commitments to keep it informed of its plans for relocation of residents and availed itself of offers from Council specialist staff of assistance to ensure the ongoing welfare of Gronn Place residents. It is also unclear whether DHHS staff are seeking to coordinate with other community health and social support services that have significant relationships with residents.
- 4.3.2 A number of residents of Gronn Place and other PHRP sites have expressed concern in public forums that they do not trust what they have been told by DHHS staff that they will be guaranteed as right to return. One resident described the situation in terms of “living in limbo”⁷ Perhaps in an attempt to ameliorate such concerns, it is noted that the Minister for Housing Martin Foley MP signed a public pledge on 27 July 2017 which makes a specific guarantee to existing residents on the right to return to their estates.
- 4.3.3 Residents of Gronn Place have expressed concern that the redevelopment will spell the end of a strong community. In a recently produced short video a long-term resident stated that he may refuse to leave. He goes on to raise concerns about the future for his neighbours: “A lot of the people here are single mums, one’s got five kids another four. They’ve been promised three bedrooms but they’ll only get two”. Another resident reflects a distrust of

⁶ Victorian Ombudsman, *Investigation into the management of maintenance claims against public housing tenants*, October 2017, p.7. Accessed at: <https://www.ombudsman.vic.gov.au/Publications/Parliamentary-Reports/Inv-into-mgt-of-maintenance-claims-public-housing>

⁷ Green Left Weekly, *Public Housing tenants oppose eviction plans*. Accessed at: <https://www.greenleft.org.au/content/public-housing-tenants-protest-eviction-plans>

what she has heard at consultations with residents: “I heard that they are going to build new houses here and move us back- I don't believe what they said. This is where I was born, I don't want that taken away from me”. Oral and written submissions to the Standing Advisory Committee revealed that neighbours in privately-owned homes backing on to the estate have long and enduring links with their neighbours in Gronn Place, with some having originally lived there. One neighbour from Peacock St says:

Neighbours are neighbours, we support each other, swap vegetables, and preserves etc and when it's Ramadan, Christmas or Devali, we offer some celebratory conversation and socialise. The area reflects what originally was initiated by the DHS back in the 50's when these maisonettes and flats were first designed. A place where low income families could live and flourish

- 4.3.4 Council is concerned that an existing culture within the DHHS of poor responsiveness to residents' concerns, in particular at local housing office level, will have an exacerbated impact due to the relocation process. In 2010, the Family and Community Development Committee inquiry into the quality of service and workforce capacity of the Office of Housing noted: “Often staff do not have the qualifications or skills to respond to people with a diverse range of support needs”⁸. The Victorian Ombudsman has recently reported on an investigation into the management of end of tenancy maintenance claims that the DHHS as “failing to live up to its commitment as a ‘social landlord’ and wasting public resources”⁹. With regard to the operations of the public housing bureaucracy, The report made the concerning finding that: “The information held by the department about public housing tenants, their tenancy history and property history, is disjointed, decentralised and cumbersome for staff to access and draw together”¹⁰.

4.4 The allocation of parts of the sites between the proposed new public and private housing units.

Council's position is that, if Gronn Place is to be redeveloped, it should remain 100% public housing. Research on the concept of ‘social mix’ in high density public/private developments show that that changes alone in the tenure mix of redeveloped estates are not sufficient in and of themselves to generate the intended benefits. Dr Kate Shaw has suggested, based on her research of both the Kensington and Carlton redevelopments in the last decade, that the ‘social mix’ argument has been used by the state government as a ‘fig leaf’ for a weak public/private development model:

Gentrified inner Melbourne is not Brixton or Baltimore – these estates are surrounded by private housing and excellent public services and community facilities where opportunities for interaction are plentiful. Let's dismiss the fig leaf of increasing social mix on estates in privileged inner cities. We should concentrate instead on providing as

⁸ Family and Community Development Committee, Parliament of Victoria, Inquiry into the Adequacy and Future of Public Housing in Victoria (2010)

⁹ Victorian Ombudsman, *Investigation into the management of maintenance claims against public housing tenants*, October 2017. Accessed at: <https://www.ombudsman.vic.gov.au/Publications/Parliamentary-Reports/Inv-into-mgt-of-maintenance-claims-public-housing>

¹⁰ *ibid*, p.8.

much low-income housing as we possibly can for people who desperately need somewhere decent to live.¹¹

4.5 The lack of public condition assessments of the estates or alternative options such as refurbishment of all or part of the existing housing units.

Council would generally agree that the housing at Gronn Place is certainly not up to a standard that we believe all residents of our municipality deserve. However, no documents have been seen by Council that support the possibility that any kind of business case was undertaken to consider options such as staged refurbishment based on an audit of current condition. A recent report by the Victorian Auditor General's Office "Managing Victoria's Public Housing" was highly critical of the effectiveness of the DHHS 2014 asset management framework, describing it as "disjointed, poorly communicated and lacking in a comprehensive understanding of asset performance". This leads Council to further question the rigour with which decisions were made in designing the PHRP.

4.6 The proposed significant increase in density and heights and any local environmental impacts, such as the loss of open space and mature vegetation.

4.6.1 Council's position is that any redevelopment of the site be sensitive to the current residential zoning of the site- General Residential Zone. Thus, Council does not support a development that leads to increased density or change in character relating to built form and height. Council has proposed to the Standing Advisory Committee regarding Amendment C170 that any new development does not exceed the current maximum building height and is sensitive to the current single storey residential character on the northern and eastern boundary, and that density only be increased to allow for an additional 50% more public housing (that is, to replace the existing number of dwellings, and add 50% more dwellings). It is Council's submission that private housing should not be proposed on this site, and higher densities are not supported where this is to allow for the provision of private housing on public housing sites.

4.6.2 The Gronn Place Estate has highly sensitive residential interfaces and is located in an established low density residential neighbourhood. All directly adjoining buildings to the Gronn Place site are single storey dwellings except 13 Peacock Street which is a 2 storey building containing 10 apartments and 23 Peacock Street which contains three two storey units. The broader neighbourhood is primarily single storey dwellings, with some older and contemporary medium density development of two storeys. There is an area of significant redevelopment to the south of the site across Albion St at Olive York Way (a redeveloped redundant industrial site), however the context of this site is completely different to Gronn Place as there are no direct residential interfaces, and the higher density redevelopment at Olive York Way was supported by Council's Industrial Land Use Strategy. Thus Olive York Way and Gronn Place are not direct comparisons as Gronn Place does not enjoy the same policy support for higher density development as Olive York Way.

4.6.3 Council has recently adopted its *Urban Forest Strategy 2017-2027* which will guide the future management of Moreland's urban forest, aiming to create a municipality where healthy trees and vegetation are a core part of the urban environment. The Strategy aims to deliver practical measures that guide the planning and protection of vegetation across Moreland

¹¹ Kate Shaw, *Why should the state wriggle out of providing public housing?* The Conversation 20 June 2017. Accessed at: <https://theconversation.com/why-should-the-state-wriggle-out-of-providing-public-housing-79581>

and complements the Urban Heat Island Effect Action Plan which aims to mitigate heat stress in the community during long periods of hot weather. Most affected are the elderly, the very young and those with pre-existing medical conditions.

4.6.4 Council is concerned that large specimen trees on the Gronn Place estate should be retained in the redevelopment as they are of high significance. There are several trees of some significance rated as 'medium retention value'. These should also be retained and incorporated as part of any proposed development as the retention of medium valued smaller trees is equally important. The provision of new trees should be increased across the site, especially along major linkages and along all edges of buildings. The current placement of trees as indicated in the Design Framework documents are uncertain. It is integral that the Landscape Plan for the redevelopment incorporates new suitable plantings to revegetate the site and that a maintenance plan is incorporated into this to ensure the new plantings survive.

4.6.5 Through its *Early Years Strategy 2016-20* Council together with other organisations that provide early years services in Moreland works collectively to better address the needs of Moreland's children, especially those who are vulnerable. Our approach to implementation includes actively involving children in decision-making forums and advocating for the importance of creating child friendly environments in the municipality. The proposed provision of two play spaces within the Gronn Place site seems to create a very private space and a divided one at that. Council would like to see consideration given to consolidating the play spaces to provide for a significant area of open space within the site, to allow gathering of the community around a 'hub' of activity (the open space could be activated by surrounding community uses). A consolidated open space would also provide for ample area for passive recreation and tree planting.

4.7 The removal of planning controls from local councils, and planning implications surrounding communities including existing neighbourhood character, traffic flow and provisions of services. Council's position is that it is imperative that Council be the Responsible Authority for the site, for approval of both the development plan and subsequent planning permit applications. While nominating the Minister as the Responsible Authority may expedite approvals, this will not result in outcomes that allow for essential community consultation and good governance for publicly owned sites. Councils are the custodians of the policies and strategies that contribute to community wellbeing and liveability such as the Council Plan, Municipal Strategic Statement and the Municipal Public Health and Wellbeing Plan. Local government is best placed to guide and support the process to consider the design of new public housing developments in partnership with the Department of Health and Human Services and other government bodies.

4.7.2 In Council's experience, when Council has not acted in a Responsible Authority capacity for planning permit applications, the level of scrutiny applied to the assessment (including quality of development such as internal amenity and the public realm, Environmentally Sustainable Design measures etc.) has resulted in disappointing results. Council officers have the appropriate resources and tools to communicate and work with the successful developer in establishing quality outcomes.

4.8 The proposed loss of third party appeal rights.

The Development Plan Overlay (DPO) provision proposed by the DHHS allows for not only the Development Plan to be approved without consultation, but for changes to the approved

Development Plan to be made without consultation. Both the approval of the Development Plan, and any changes to the plan should not occur with the input of surrounding residents and the community, particularly given the very sensitive residential interfaces at Gronn Place, and the very flexible nature of the DPO schedule proposed. It is appropriate for the community surrounding Gronn Place to be involved in its planning and its future, to ensure a successful integrated redevelopment.

Council would like to see that the DPO schedule includes a requirement for full public notification of the Development Plan as part of the Development Plan approval process. Council also considers that it is necessary to ensure that any future changes to the Development Plan be undertaken in consultation with the community. It is also important that there be a guarantee that feedback received during consultation be properly considered and incorporated into the approved Plan by the Responsible Authority.

Further to the Development Plan approval process not allowing for consultation, third party appeal rights are also proposed to be removed for planning permit applications. Council does not support this removal of third party appeal rights, and considers that all planning permits, regardless of any approved Development Plan, should go through the standard planning permit notification process to ensure community input into and awareness of the redevelopment.

4.9 The transparency and genuine community consultation with affected residents, neighbouring communities and the broader Victorian community regarding the short, medium and long term implications of the PHRP model as currently proposed.

From the outset that use of the word “renewal” in the program name has led to many to initially assume that this is a renovation and improvement program rather than a “knock down and rebuild” scheme. Council is concerned that the communication by DHHS about the redevelopment of Gronn Place has been poorly designed and managed.

The poor consultation undertaken by the DHHS was remarked upon by many residents at the Gronn Place Amendment C170 Committee Hearing. Many residents stated to the Committee that they were not able to understand the documentation produced by the DHHS and stated that it was not well explained at DHHS consultation sessions. The Framework Plan (prepared by Hayball Architects) and the 3D montages provided as part of the consultation process, do not match what is allowed through the proposed DPO. It was not made clear to residents that the more conservative outcomes of the Framework Plan and 3D montages did not represent what was proposed by the DPO, and that it was the DPO that would guide the future development, with the Framework Plan and montages being only one potential development outcome. The DPO allows for lesser setbacks and greater heights than were shown on the Framework Plan and montages.

4.10 Previous Victorian public housing renewal projects, including but not limited to the Kensington, Carlton and Prahran public housing estates.

While they may be attractive to economists in reducing direct capital funding for major projects, there is a widely-held concern that governments over promise on the social benefits of ‘public private partnerships’ (PPPs). In fact, it appears that instead of leading to material gains for the community, PPPs often generate quick political gains and short-term revenue relief. Transparency and clarity of process, something missing from examples such as Carlton and Kensington, has to date been also lacking in the PHRP.

5. Conclusion

- 5.1 Moreland Council has genuine concern that any opportunity to address both the existing and future needs of Victorians in need of subsidised housing should be approached with a clarity of purpose and contain the elements required to build trust in government to do this well. Even the very best intentions can fail for the lack of good design. Council, the community and potential active participants in the PHRP have been presented, to have appropriate safe and secure homes for residents in a community setting which provides the maximum opportunity for everyone to thrive.
- 5.2 The PHRP project is about housing and housing should fundamentally be about the people for who it provides home. We have seen from submissions and public comments that Gronn Place and the surrounding neighbourhood is a place where many have deep and meaningful connections. Public housing residency are often unfairly characterised by transience and dysfunction but it is clear that the opposite may be the case. This makes the assertion by DHHS to Council that only 30% of residents have returned in similar circumstances very concerning. While latterly the Minister did make a public pledge in relation to essentially a right of return on the same tenancy conditions, the concern remain high that many will find up the loss of a home for at least two years highly disruptive.
- 5.3 Council cannot built communities and do its share to manage the population growth if it cannot exercise its skills and expertise both through the planning scheme and through its engagement with its community.
- 5.4 While it is recognised that the PHRP is only part of the state government's commitment to increase the levels of social housing in Victoria, the program falls far short even on its own terms. An investment of \$185m should see more Victorians in secure affordable housing than before but Council is far from convinced that will happen in Gronn Place or more broadly. Therefore we restate the position that Gronn Place should remain a public housing estate on publically-owned land and any redevelopment should see an increase of 50% in the numbers of public housing residents housed.