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30 October 2017

The Hon Margaret Fitzherbert MP
Chairperson, Legal and Social Issues Committee
Parliament House
Melbourne

Dear Ms Fitzherbert

Public Housing Renewal Program Inquiry

This submission addresses the Committee's Public Housing Renewal Program Inquiry Terms of Reference numbers 1-8.

For much of my life I lived with my family opposite a low-rise public housing estate in Northcote. I am still a half-owner and often stay there with my family. The estate, on the corner of Walker Street and High Street, is on a fabulous spot along the Merri Creek, adjacent to the magnificent 19th century twin-arch brick and bluestone bridge that connected Northcote to Melbourne in 1872.

But the State Government wants to kick the low income people who live there out of their prestigious location and hand over the land to private developers. They will no doubt make sure that only private buyers get the new apartments with views of the bridge, the city skyline and the Merri Creek.

There is already a glut of apartments available on the private market and a shocking dearth of accommodation for low income families near the city. But for low-income families hoping to live near the city, where large numbers of unskilled jobs such as office, hotel and shop cleaning can be found, the Government's proposals offer almost nothing.

An abridged version of a PowerPoint presentation I delivered to the SHRP Steering Advisory Committee that expands on the issues presented here is appended to this submission.

While State Government policies may aim to increase social housing and reduce homelessness, the population of low income people is growing much faster than the general population. This is clearly evidenced by the rise in inequality over the past several decades as revealed by the latest ABS data on the Gini coefficient (see slide 37 in attached PowerPoint document for details).

This means that public housing opportunities need to increase much faster than housing opportunities for the wider population. But the Government's plan slashes the area of inner and near city land allocated for public housing by selling off the best parts of the sites to private owners. Once sold it will be forever lost for this vital public purpose, which is one of the core functions of Governments of most countries around the world. This runs counter to what is needed – an increase in the effective inner suburban land area available for public housing, especially for families with children.

A small increase in public housing is proposed, but the new apartments will have fewer bedrooms and so less capacity to house people than the current dwellings.

The Minister has promised that existing residents will be able to move back in, but since most of the dwellings are intended to be smaller this may not be possible.

The site at Walker Street presently contains 85 public housing apartments, in a configuration that allows a quasi-village 'sense of place' to develop. It includes a well-used basketball half-court and a very convivial central play and conversation area.

Increasing the public apartment density, as the Government proposes, while simultaneously providing a profitable number of additional apartments for private sale, means that a substantial increase in density is required. At present the tallest buildings on the site are four stories, but for the Government's goals to be met building heights – other than those fronting Walker Street itself – will be 6 storeys and 8 storeys on High Street. Such pockets of open space as are created, will be vastly inferior to the space that now exists and utterly compromise the amenity of the site for the public tenants.

One of the arguments mounted by the Government is that the land is 'underutilised'. Yet less than 20 years ago, in 1998, the Kennett Liberal Government regarded the site, which at the time contained 103 apartments as overdeveloped. The Liberal Member for Mordialloc at the time, Geoff Leigh, is on the Hansard record as saying that "the estate is a particularly dense site and has limited privacy and open space"¹. To its credit the Kennett Government, in consultation with residents, demolished one of the buildings to create the eminently liveable space that we now have.

Suddenly, and with no explanation, we now find that a Labor Government regards the site as under-developed!

But there are three major legislative issues that apply to the proposed developments and come under the Committee's Terms of Reference that I wish to highlight:

1. The immorality, if not illegality, of selling public housing land to private developers that was acquired compulsorily by the former Housing Commission, for the purposes of public housing.
2. The contravention of a key objective of the Housing Act (1983)
3. The contravention of the objectives of the Planning and Environment Act

The immorality, if not illegality, of selling public housing land to private developers

In the early 1950s with massive post-war immigration and housing construction having largely ceased during the war, the former Housing Commission of Victoria, under the Cain (senior) Labor Government, accelerated its program of 'slum reclamation' to build public rental apartments.

However what may then have been regarded as slums then would, in many instances, now be regarded as high-value heritage. The Walker Street estate is a particularly good example of this given the acknowledged heritage value of the nearby housing and surrounding area. It is most unlikely that it was a slum when, in 1958, it was compulsorily acquired for public housing².

¹ Hansard, Legislative Assembly, 21 April, 1999, p.467

² See Victorian Government Gazette, March 31, 1958

So, in a sense, it was confiscated from the local community, but for the clear public good of providing safe housing for people in desperate need. For the Government to now take advantage of that past ‘public good’ action by seeking to massively overdevelop this site, and other sites with a similar history, and sell most of it privately is a betrayal of trust and morally, if not legally, indefensible. Public housing land in the inner suburbs can only get scarcer and if sold it can never be public housing again so the proposal is also financially and socially irresponsible.

The contravention of one of objectives of the Housing Act (1983)

One of the objectives of the Housing Act 1983 is to expand and develop the role of the public sector in the provision of housing, while another objective is to promote the integration of public and private housing.

The latter of these two objectives is based on the desirability of avoiding the creation of large communities dominated by financially disadvantaged families which can exacerbate other aspects of social disadvantage, such as poorer educational opportunities. The Government is clearly relying on this latter objective in its formulation of the SHRP, while ignoring the former. However, it can be compellingly argued that the Walker Street site already reflects the integration of public and private housing, being a relatively small site with only 87 apartments and surrounded by private dwellings. Many other SHRP sites are likely to be in a similar position.

However apart from that consideration, there is an obvious way of allowing both these objectives to be met. This would entail the sites being redeveloped by Government alone – no land sold – but with a small minority of new apartments put onto the private rental market by the Director of Housing

Such a move would be entirely consistent with all the Housing Act objectives. The fact that the Director of Housing would collect market rents from some tenants would increase the financial returns from the developments and make the prospect of using Government debt funding – appropriate for long-term social infrastructure investment – more financially attractive.

Furthermore, this model leaves open the prospect that as demand for public housing in the inner and middle suburbs continues to grow over coming decades – as it surely will – then these privately rented apartments can be resumed, with appropriate long-term notice, for public tenancy purposes. Such a model pays regard to the needs of future generations rather than the short-term political and financial imperatives that underpin the current design of the SHRP.

The contravention of the objectives of the Planning and Environment Act

S. 4 of the Planning and Environment Act states that the objectives of planning in Victoria are—

- a) to provide for the fair, orderly, economic and sustainable use, and development of land;
- b) to provide for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity;
- c) to secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria;
- d) to conserve and enhance those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value;
- e) to protect public utilities and other assets and enable the orderly provision and co-ordination of public utilities and other facilities for the benefit of the community;

- f) to facilitate development in accordance with the objectives set out in paragraphs (a), (b), (c), (d) and (e);
- g) to balance the present and future interests of all Victorians.

The planning proposals being developed under SHRP, certainly as they apply to the Walker Street estate in Northcote, contravene most of these objectives, specifically (a), (c), (d) and (g).

The proposed Walker Street development will be totally out of keeping with the low rise and heritage surroundings of this area, which is one of the 'gateways' to Northcote and the City of Darebin. In the past two decades there have been three major factory re-developments on the east side of High Street between the Merri Creek and Westgarth Street, all of which have been constrained – as a result of action by local residents - to a height of no more than four stories, although one facing Walker Street on the east side of High St has a fifth storey, but well setback.

DHHS intends that the building fronting on High Street could be as high as 8 storeys with ground floor shops or cafés. The big plane trees will go, as will the old peppercorn trees beside the footpath near the High Street bridge. DHHS also intends the building along the Merri Creek boundary to be 6 storeys, now just 3. The higher buildings proposed along the Merri Creek will also tower over the rehabilitated area on the south side of Merri Creek, to the detriment of the many people who use this area for their daily walks or commutes.

The proposed proximity to the Creek will also contravene the Merri Creek Development Guidelines which are incorporated into the local planning scheme. And it will lead to irresistible pressure to re-zone the large Amalgamated Stone site at the end of Cunningham Street beside the Merri Creek so it can be similarly overdeveloped.

Under the proposed planning scheme changes, once the re-zoning is approved no further public input or notification will be required. This is totally unacceptable given the extreme lack of development detail contained in the proposed planning scheme overlays.

Major changes to the SHRP are essential:

1. Retention in public ownership of all land and interest therein that was compulsorily acquired for public housing
2. Proposed developments to be in keeping with local neighbourhood characteristics and properly respect the surrounding public realm
3. Councils to be the responsible authorities for both any necessary re-zoning and for subsequent building approvals

I would be happy to appear before the Committee should that be considered appropriate.



Nick Legge

Attachment: Abridged version of PowerPoint presentation delivered to SHRP Steering Advisory Committee on 10 October 2017