

Australian state Labor government plans to demolish 6,600 public housing units

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The state Labor government in Victoria is planning to demolish 44 public housing tower blocks in Melbourne, Australia's largest city. Last week the government reportedly signed a contract to bring down the first three towers, with most of the rest scheduled to be destroyed in the next decade.

Amid conditions of an acute housing crisis, the destruction of 6,600 working class homes is unprecedented. It represents an enormous assault by the Labor Party not just against the thousands of vulnerable public housing residents affected by the property redevelopments, but more broadly against the basic principle that governments are responsible for the provision of housing for impoverished and at-risk people.

Just days before he resigned as state premier last September, Daniel Andrews launched what was promoted as a policy package to address the acute affordable housing shortage. In reality, the strategy centrally worked to accelerate the dismantling of public housing and bolster profits within the property development industry.

The key feature of the state government's strategy is the planned demolition of 44 public housing towers to be replaced by privately developed higher density apartments. The majority will be private or "market" apartments. Most of the towers are in highly lucrative inner-suburban areas that will attract premium prices and result in windfall profits for developers.

In announcing the strategy, Andrews was flanked by representatives of the commercial property industry, underscoring the government's real agenda. In Carlton, to take just one suburb where the towers are located, the median house price is \$1.5 million and the median apartment price \$395,000.

The past two years have seen an unprecedented spike

in rental costs in all Australian capital cities. Melbourne rents have risen by around 14 percent each of the last two years, as landlords use the acute housing shortage to profit gouge. Rising interest rates and cost of living increases are squeezing more people into poverty and homelessness.

Nationally, public housing stock had dropped from 7.1 percent of all dwellings in 1991 to 4.2 percent by 2018. In Victoria, this proportion is the lowest in Australia, at only 2.9 percent of all dwellings. By comparison, European cities like Vienna and Paris have 25 percent public housing.

At least 58,000 Victorians urgently need housing, which means they are homeless or in unsuitable accommodation. Census figures revealed that the 30,660 officially homeless population in the state—which is undoubtedly a significant underestimate—is 24 percent higher than five years ago.

The first three inner-city towers facing demolition are in North Melbourne and Flemington. The government has signed a contract with construction company John Holland to bring them down early next year, despite a pending class action by residents opposing the demolition. A two-day court hearing date has been set for late October.

The demolition of the 44 towers rather than their renovation signifies the end of any government commitment to providing mass public housing as developed in the post-World War II period. The tower apartments could, with the necessary investment, be refurbished for young workers, students, older people and others in need. Their inner-city locations provide good access to public transport, education and health services and employment, including for numerous refugees and immigrants from non-English speaking backgrounds, for whom numerous services have been

developed over decades around the tower communities.

For decades after their construction from the 1950s to the 1970s, the towers were neglected by successive governments. They were built cheaply using pre-cast concrete panels manufactured in a factory converted from war time production. Basic maintenance and upgrades were postponed for as long as possible. The claims by the Labor government that the “towers fail against noise, sustainability, waste and recycling, bedroom area dimensions, room depth, ventilation, private open space, accessibility and minimum amenity standards” are self-serving, aimed at justifying the handing over of public housing estates to private developers.

The 44 public high-rise towers under threat currently house 10,000 people in 6,600 apartments. The government claims that after redevelopment, the total number of residents in these areas will increase to 30,000. However, the redeveloped housing sites will not be public housing but rather so-called social housing, which refers to non-government, not-for-profit housing associations owning the units with rents supposedly capped at 25 percent of tenants’ income. The term “affordable” is vague, with undefined below-market rents available.

Government promises that public housing residents will be able to return to these areas after redevelopment cannot be trusted. The overall number of social housing residents will only increase by 10 percent to 11,000, while there will be 19,000 new residents who will pay market price for new apartments. In similar developments already undertaken on a smaller scale across Australia, social housing tenants are usually hidden away from the private apartments so as not to impact their value.

The Labor government is moving to dismantle the remnants of post-war public housing with ruthless determination. The attack on vulnerable residents forms part of the government’s wider austerity agenda, with massive budget cuts to health and other basic social services being dictated by finance capital and big business (see: “Australian state Labor government austerity budget targets health, education, social services”).

The Labor Party’s callousness has already been demonstrated in the Victorian government’s destruction of the Barak Beacon Estate in Port

Melbourne. A community comprising 89 housing units is currently being dismantled, after residents were evicted last year. The government has authorised the construction of 408 new units—a mix of “social” and privately-owned.

Last year, long time Barak Beacon tenant, Margaret Kelly, 68 years old, took a defiant stance against the demolition of the public housing units. After receiving her eviction notice in late 2021, Kelly refused to leave. She told the ABC: “If they had been building more public housing that would have made a great difference to how I viewed it.” In opposing her eviction she explained, “Every single person who has made their way into public housing has been through some kind of trauma in their life in varying degrees... For some people it’s been a whole lifetime so their stability is very fragile.”

Her stance attracted wide support, including by sympathetic architects who designed an alternative scheme that would allow new buildings to be built between the existing homes and save money in the process. The government rejected this proposal and took legal proceedings that forced her eviction and allowed the demolition of the units surrounding her home.

The *World Socialist Website* encourages residents who face the demolition of their homes and supporters of public housing to contact us.



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