



## **RAHU and SPHC condemn the Victorian State Government's "innovative Ground Lease Model"**

The Renters and Housing Union (RAHU) its members, and the Save Public Housing Collective (SPHC) condemn Victorian Minister for Housing, Harriet Shing's recent announcement that public housing towers in Flemington and North Melbourne - the subject of an ongoing class action lawsuit - will be demolished and redeveloped with no new public housing.

On Tuesday March 11, amongst a flurry of 9 media releases, The Premiers office announced an expansion of their "[innovative Ground Lease Model](#)" (GLM), where public land in Flemington and North Melbourne will be handed to privately managed firms for 40 years to come.

The government's "Ground Lease Model" effectively gifts these essential public assets directly to the hands of private "not-for-profit" and untaxed charities. In Flemington, and other parts of Victoria, so-called "social housing" will be organised and controlled by The Building Communities (BC) consortium. [The term 'social housing' encompasses both public and community housing](#). Public housing is managed by the state government and rent is capped at 25% of your income (no matter what that income is, including Centrelink). Community housing is less secure and run privately. Importantly there is no plan for how this "lease" at the end of 40 years will re-enter public control.

This lease has been granted to a special purpose vehicle, Building Communities (Vic) Ltd (BCVL), led by [Community Housing Limited, with Tetris Capital serving as financial advisors](#). The consortium was set up in 2020 and [selected by the state government to undertake a second stage for the GLM1 project](#). These decisions were made without community consultation, and firmly behind closed doors. Residents living in public housing will be evicted and unable to return to their communities.

While previously Premier Jacinta Allan has suggested that retrofitting these towers would force residents to live in a construction site, the residents will be forced to relocate regardless, with the towers being wholly demolished. RAHU argues that these relocations could be temporary while retrofitting and renovations take place, as per the [NFP architects' firm OFFICE's alternative design for the Flemington site](#).

RAHU views this as an unacceptable risk to the community, and especially to public housing tenants facing eviction to allow these homes to be handed to private investors. The Ground Lease Model acts only to obscure the fact that this public land will be functionally privatised for a generation to come and beyond. With an end of lease set decades in the future, tenants in these "affordable homes" will find themselves in increasingly neglected residences before they are handed back to the state, when the process will start all over again.

### **The Renters and Housing Union calls upon the Victorian State Government to:**

- Actively consult with tenants in public housing,
- Halt the impending evictions of these public housing residents,
- Allow any public housing tower residents wishing to stay in their homes to do so,
- Retrofit and refurbish all public housing towers scheduled for demolition, and
- Build new public housing in favour of privately owned "socially affordable housing" wherever possible.



**Quotes attributable to Renters and Housing Union Secretary Harry Millward**

*"Public housing helps to create downward pressure on the private market, keeping rents low. The neglect and impending demolition of these towers completely undermines that."*

*"Without public housing, the private rental market will continue to exploit renters across the state. They'll have little choice but to accept rising rents, which are outpacing wage growth several times over."*

*"These policies are an attack on everyday working people. On renters, on disabled people, on Black and Brown people, on families, and on anyone who wants secure housing. Without public housing federal rent assistance will go directly to so-called "Community Housing Providers" and private landlords."*

**Quotes attributable to Renters and Housing Union Communications Officer Flora Smith**

*"These towers are iconic parts of the city skyline. Tearing them down not only destroys the communities that have been created there, it erases part of our collective history, and destroys tax payers' valuable assets."*

*"Not only should existing public housing be preserved for the future, new public housing assets should be built wherever possible."*

*"The Ground Lease Model acts only to obscure the fact that this public land will be functionally privatised for a generation to come."*

**Quotes attributable to the Save Public Housing Collective - <https://www.savepublichousing.com/>**

*"We've had several well-attended residents' meetings at Flemington and a culturally-diverse range of residents have powerfully expressed how they feel they've been robbed of their rights, agency and dignity. During COVID severe lockdown measures were imposed on these towers and now the residents are being retraumatized by forced relocations"*

*"It's baffling how the State Government could agree to such a revenue-negative paradigm as The Ground Lease Model. Over at least 40 years, as best as we can make out, the government pays the consortium to manage the tenancies, they keep the rents and collect service payments as well. Instead, if the government created a public housing developer, the costs would remain inhouse as would the rental revenue".*

*"In [The Age's article of March 11](#), the government committed to "giving current residents a right of return". However, so far, when requesting a written 'right of return', we are aware that residents have either received a straight-out refusal, or a non-committal response from Homes Victoria."*

