

New Zealand government, opposition housing policies grossly inadequate

Tom Peters
2 June 2016

Over the past fortnight there have been reports nearly every day on New Zealand's housing affordability crisis, fuelled by out-of-control property speculation.

Government figures show rents for three-bedroom houses in Auckland have increased 25 percent in five years. According to Trade Me Property, the median weekly rent in the country's largest city is now at a record \$520. This is roughly equivalent to the income of a full-time worker on the minimum wage after tax.

As temperatures plummet throughout the country, thousands of people, including families with young children, are living in appalling conditions in overcrowded or insecure accommodation, along with garages and cars. (See also: "New Zealand's housing affordability crisis worsens")

There is widespread anger in the working class over the National Party government's utter failure to address the crisis and its plan to privatise thousands of state houses. According to a Newshub/Reid Research poll published on May 24, 76 percent of people believe not enough is being done to control the housing market. Despite this, Prime Minister John Key has repeatedly denied the existence of a crisis.

The government's budget, announced on May 26, confirmed it would fund "community" organisations (which can include investors, charities and Maori tribal-owned businesses) to provide just 750 additional "social housing" rental properties, mostly in Auckland. Nationwide there are 4,500 people on Housing New Zealand's waiting list, who have been deemed eligible for public housing because they cannot afford market rents. This represents only a fraction of the need: the estimated housing shortage in Auckland alone is 30,000-40,000 properties.

The government also announced a policy of cash grants, of up to \$5,000, for homeless people to move

out of Auckland to vacant state houses in regional towns, many of which have even higher unemployment and poverty.

Writing in the *New Zealand Herald* on May 21, Social Housing Minister Paula Bennett feigned sympathy for the growing numbers of homeless people in Auckland and elsewhere, but asserted that "we have finite resources" and it was "challenging and expensive to house more and more people on the taxpayer dollar." This comes from a government that has delivered billions of dollars worth of tax cuts for the rich and plans to spend \$11 billion over 10 years on new military hardware to assist the country's integration into US war preparations against China.

The opposition Labour and Green parties have criticised the government over the housing shortage. Their own proposals, however, would do nothing to address the crisis. Like National, Labour and the Greens are pro-business parties committed to maintaining the ability of wealthy investors, landlords, and the banks, to profit from the housing bubble.

Policies such as forcing landlords to charge affordable rents, and constructing tens of thousands of quality public houses, have been rejected out-of-hand by the entire political establishment.

In his recent *Herald* column, Labour leader Andrew Little repeated Labour's xenophobic scapegoating of "foreign speculators." Labour and the Greens, along with the anti-immigrant New Zealand First Party and the Maori nationalist Mana Party, have called for foreigners to be banned from buying houses, even though they make up only about 3 percent of all purchases.

The calls for a ban are an attempt to divert anger over the social crisis in a reactionary direction. The repeated attempts to pin the blame on Chinese buyers in

particular are aimed at aligning the country with the US military encirclement and reckless provocations against China.

Labour has also called for the expansion of Auckland's city limits, supposedly to increase the housing supply and improve affordability. In fact, this proposal is designed to boost the profits of property developers by removing restrictions on where they can build. It received support from the National government and the far-right ACT Party.

The Labour Party's other main policy is its "Kiwibuild" scheme, which housing spokesman Phil Twyford has described as "a massive state-backed building program of affordable housing." In reality, the plan involves the construction of 10,000 homes per year, in partnership with private companies, which would be sold for profit at unaffordable market rates.

On May 19, the Greens announced a "Homes Not Cars" policy that would temporarily abolish the annual dividend of approximately \$200 million paid by Housing New Zealand (HNZ) to the government, freeing up money for the state-owned corporation to build more houses. Co-leader Metiria Turei said: "The Government has the power and the money to ensure every New Zealander lives in a warm, safe, dry home—it just lacks the will."

The policy, however, would only fund an estimated 450 new state houses—that is, about one tenth of the HNZ waiting list.

The most recent detailed study on homelessness, published in 2013 by Otago University, estimated that 34,000 people suffered from "severe housing deprivation." This included families living in vehicles, sheds, garages, boarding houses or in severely overcrowded conditions. Assuming an average of three people in each state house, the Greens' policy would accommodate less than 4 percent of those in need.

The 2013 study was based on data from 2006. Since then the crisis has become much worse due to the 2011 Christchurch earthquake, which destroyed thousands of homes, and sky-rocketing house price inflation in Auckland and elsewhere.

The miserable so-called "solutions" put forward by Labour and the Greens demonstrate that these parties have no real differences with the government's austerity agenda, designed to make the working class bear the burden of the economic crisis.

Notwithstanding their demagogic criticism of funding cuts, the opposition parties have pledged to keep a tight lid on public spending if they win next year's election. Earlier this year the Greens proposed a new unit within Treasury that would calculate the cost of each party's election promises, in order to promote fiscal restraint. The idea was warmly endorsed by the corporate media and the pro-National Party Kiwiblog site.

Neither party has promised to reverse National's tax cuts for corporations and the rich, or its increase to the regressive Goods and Services Tax in 2010. Far from opposing the allocation of billions of dollars to the military, Labour has attacked the government for not spending enough, calling for a stronger navy.



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