

# Greens offer Labor a rotten “compromise” on Australia’s housing crisis

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5 June 2023

Amid an intensifying housing crisis and rising homelessness across the country, the Australian Greens last weekend unveiled a wretched “halfway” offer to support the Labor government’s totally inadequate proposed affordable housing fund.

The Greens are anxiously seeking to rescue the Albanese government from what has also become a political crisis. Labor’s \$10 billion Housing Australia Future Fund has been stalled for weeks in the Senate, where the government lacks a majority.

Meanwhile, rents and home mortgage interest rates have continued to soar, threatening millions of working-class households with acute financial stress and evictions. Social unrest and political discontent are rising.

Labor claims that the fund, if invested on the share market, would contribute “up to” \$500 million each year to build “up to” 30,000 social and affordable homes over five years. Even if that were to eventuate, depending on the vagaries of the stock exchange, it would be a literal drop in the bucket compared to the rapidly mounting need, and would not see a home built until 2025.

According to several research reports, Australia’s shortfall in social-housing dwellings is 524,000 and is set to reach 671,000 over the next decade, adding to the already years-long waiting lists for such urgently-needed homes.

Such is the level of private rental and interest rate stress, and the overall inflationary cost-of-living crisis, that reports now appear daily of workers and families living in cars or tents, and depending on food charities to survive.

While the fund’s legislation has been opposed by the openly right-wing Liberal-National Coalition, the Greens have also, until now, rejected it, citing its obvious inadequacy and its incapacity to address the immediate social disaster. Now the Greens have proposed a supposed compromise.

Previously, the Greens called for direct government spending of \$5 billion each year, saying that was necessary to eventually end the affordable housing shortfall. Last Sunday, they halved their proposal to \$2.5 billion a year—far

too little even by their own standards—in return for voting for a modified form of the government’s fund.

The Greens also urged the government to offer the state and territory governments \$1 billion in incentives to enact a two-year freeze on rents and adopt rent caps. That is woefully inadequate as well, when average advertised private rents have already risen by around 10 percent or more in major cities over the past year, and are expected to further soar as mortgage interest rate hikes hit harder.

The Greens’ proposal received considerable promotion in the corporate media. An interview with the party’s housing spokesman Max Chandler-Mather was featured on Sunday’s Australian Broadcasting Corporation’s “Insiders” television show. After outlining the Greens’ “compromise” offer, he added that “the Greens are more than willing to negotiate.”

In a media release, party leader Adam Bandt also emphasised that the Greens were prepared to go further to strike a deal. “The Greens have shown we can negotiate with Labor and get significant outcomes for people and the climate,” he said. He was referring to the Greens’ pact with Labor to pass last year’s bill setting grossly inadequate greenhouse gas emissions targets.

Nonetheless, the government immediately rejected the Greens’ offer. Housing Minister Julie Collins claimed that it would not fix the “housing challenge.” She insisted that rent freezes would hit investment by developers and landlords, citing testimony to a parliamentary committee by Reserve Bank governor Philip Lowe last week.

That underscores Labor’s commitment to keep backing, and subsidising, the corporate property profiteers who have increasingly dominated the housing market for the past four decades.

In fact, Lowe’s comments highlighted the true character of the private housing market. He said the “rent market” would ultimately solve the housing crisis by forcing people to resort to house-sharing or finding boarders or flatmates if they had spare rooms!

That is totally in line with the government’s austerity agenda of inflicting the burden of the deepening economic

crisis on the back of the working class. With the help of the trade union bureaucracies, Labor is imposing sub-inflationary pay “rises” and cuts to social spending—including on public housing, health and education. At the same time, it is pouring hundreds of billions of dollars into income tax cuts for the wealthy and military spending, featuring AUKUS nuclear-powered attack submarines and other weaponry for a potential catastrophic war against China.

Minister Collins has previously argued that Labor’s housing fund would sit alongside a lift of “up to” 15 percent in Commonwealth Rent Assistance to welfare recipients over four years, \$575 million for the National Housing Infrastructure Facility to invest in rental homes, and \$350 million for 10,000 rental homes over five years.

But all this is a pittance compared to the rent hikes being experienced by renters, who now make up 35 percent of the population. Labor is also scrapping an earlier small National Rental Affordability Scheme, introduced by the 2007–13 Rudd-Gillard Labor government, that subsidised the private rentals of 24,000 tenants.

All Labor’s measures only tighten the grip of private property developers, landlords and investors, who also benefit by about \$12 billion a year from negative gearing and capital gains tax breaks maintained by the government.

Two sets of statistics released last week point to how this is fuelling the staggering growth of social inequality.

Firstly, data provided by the Australian Taxation Office dispelled the myth of “mum and dad” landlords. It pointed to the reality of property wealth concentration. It showed that only 15 percent of taxpayers had investment properties. Of those, just over 7 percent, or only 215,321 people, accounted for 25 percent of all property investments.

Secondly, the Australian Bureau of Statistics reported that monthly public sector building approvals had plummeted more than sevenfold from 1,434 in July 1983 to 194 in April 2023. That is, 1983, when the Hawke-Keating Labor government took office, marked an acceleration of the elimination of public housing.

In 1983, according to calculations by *Guardian* columnist Greg Jericho, 14 public sector residences were approved for construction for every 100 private sector dwellings. Today, it is 1.7 per 100.

The result is a deep-rooted social crisis created by the capitalist profit system. For decades, successive Labor and Liberal-National governments, federal and state, have decimated public housing to satisfy the demands of the financial oligarchy. That has contributed to soaring property prices and rising levels of household debt—among the highest in the world.

This decades-long process is now being aggravated by the

interest rate hikes by the Reserve Bank, backed by the Labor government, designed to drive up unemployment and further suppress real wages. An inflationary spiral has been triggered by the pouring of trillions of dollars into the money markets since the 2008 global financial breakdown, the unchecked COVID pandemic and the US-NATO war against Russia in Ukraine.

There is only one way to resolve the housing crisis. The Socialist Equality Party is fighting for a socialist program to completely overturn the power of the property developers, landlords and banks, and their governments, that have created it.

A workers’ government would redirect the massive wealth accumulated by the billionaires and financial speculators, and the billions being spent on war plans, to housing, health, education and other essential social programs. To do that, it would place the banks, finance houses and property industries under public ownership and workers’ control.

The Greens are absolutely hostile to such a struggle, and are no less committed than Labor to defending the capitalist system itself. In fact, they are seeking a closer partnership with the Labor government, just as it meets growing discontent in stepping up its preparations for war and its austerity measures at home.

For all their efforts to portray themselves as a progressive alternative, the Greens have become an increasingly pivotal component of the Australian political establishment. Their “compromise” housing offer is on a par with their vote last year, boasted of by Bandt, for Labor’s legislation to reduce greenhouse emissions by only 43 percent by 2030, a far cry from what environmental scientists have warned is necessary to avert irreversible global warming.



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