

Australian Greens back Labor's grossly inadequate housing policies

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The Australian Greens last week joined hands with the federal Labor government of Prime Minister Anthony Albanese to ensure the passage of its housing policies through parliament. Given that the Greens effectively hold the balance of power in the Senate, their support was decisive.

With relatively minor cosmetic changes, the Greens pushed through policies that they have been denouncing for most of the year. Greens MPs have made the housing issue a central element of their campaigning. They have repeatedly condemned Labor's housing policies as a token sop that will do nothing to resolve the worst housing crisis in decades, and which may even worsen it.

The Greens posturing particularly focused on the fact that the Labor measures did not even pretend to address the rental crisis. The Greens proclaimed repeatedly that they were the "party of renters," and insisted they would not back the legislation until substantive measures were introduced to prevent further rental increases.

The Greens' policies on this front were themselves inadequate. They called for a cap on rent hikes and a temporary freeze. Neither of these policies would do anything to address the fact that rents are already at their highest levels ever. A cap would at best slow further increases, rather than ending them or resulting in price falls.

However, all of that is academic, because the Greens backed the legislation, despite the fact that it still contained no rental measures. Their complete capitulation on rent is all the more striking given the context.

Domain website figures indicated the fastest increase in rents on record over the past financial year. Median asking rents for houses increased by 11.5 percent across

the capital cities. For apartments, the hikes exceeded 26 percent.

In Sydney, the median asking rate for a unit skyrocketed from \$525 a week in June 2022 to \$670 a year later. That occurred amid a broader cost of living crisis, with inflation running at over 6 percent and the cost of essentials far higher. All measures of wage growth indicate rises well under 4 percent, meaning that workers across the board suffered real pay cuts.

Working-class and poorer families are being pushed to the brink. Figures released by SGS Economics and Planning earlier this year found that 42 percent of all low-income families that rent are in housing stress, defined as spending 30 percent or more of income on rental expenses. With social and public housing excluded from the measure, the rate rose to 58 percent of all low-income renters in the private market.

In addition to the general inflationary pressures, the increases are undoubtedly bound up with a degree of profiteering. Landlords, the majority of whom own more than one commercial property, are able to increase rents, largely with impunity, something the Greens' backing for Labor will ensure continues.

In this, landlords are directly benefiting from the massive shortfall of social and public housing stocks.

Labor continually raises that the issue in the housing market is a lack of supply. But its legislation will do almost nothing to boost stocks of social housing.

The centerpiece of the legislation is a \$10 billion Housing Australia Future Fund (HAFF). Labor claims that the program will result in "up to" 30,000 social and affordable homes over five years.

That is miniscule, compared with what is objectively required. According to housing advocates, the shortfall of social housing dwellings is already 524,000, and is set to exceed 670,000 over the next decade. Vulnerable

people, including the homeless, face the prospect of a years-long wait to find a dwelling, which they may never receive.

So-called “affordable” housing is a complete sham. It is generally pegged at 80 percent of market rents. Given that in a number of cities, such as Sydney, apartment rents have grown by over 20 percent in the past year alone, those granted the “affordable” housing will still be paying the equivalent of earlier, already exorbitant market rents.

The Greens, moreover, had repeatedly pointed to the fact that the HAFF may not result in the construction of a single dwelling. It involves injecting funds into the stock market. If returns are not forthcoming, dwellings will not be built.

To the extent that the various funds associated with the HAFF do see a return, the monies will be paid to non-government organisations and other entities to construct the housing, meaning that the government itself is building nothing.

The Greens have for months played a cynical double-game, on the one hand denouncing Labor’s policy, and on the other signalling their willingness to strike a deal with the government.

In June, the Greens indicated they could support the measure in exchange for \$2.5 billion a year in government funding for housing. That was half their initial call for \$5 billion. They also advocated greater federal funding, of \$1 billion a year, for the state housing programs.

After those inadequate demands were not met, the Greens continued to bend over backwards.

Labor finally agreed to a one-off \$1 billion payment to the National Housing Infrastructure Facility to fund social and “affordable” housing. Even if the scheme proceeds, that would likely only result in the construction of a few thousand additional dwellings, an unknown proportion of which would actually be social housing.

The Greens have nevertheless hailed the paltry concession as a major victory. At the same time, knowing they were on thin ice in accepting it, Greens MPs have adopted a “live to fight another day” pose.

The Greens’ capitulation contains important lessons for workers and young people, especially those who have illusions that the Greens offer a progressive alternative to the major parties. In reality, the Greens

are a capitalist party, fully committed to the parliamentary order and its agenda of war and austerity.

Their function, throughout the debate over the housing legislation, has been to promote the mirage that a faction of the political establishment is committed to action over the housing crisis. The Greens have peddled the notion that with more seats in parliament, they will be able to compel Labor and even the Liberal-National Coalition to implement “progressive” policies.

Instead, their real role is to put a “left” gloss on the right-wing policies of Labor.

The timing of the agreement is especially striking. Greens MPs had previously touted their refusal to back the HAFF as an important bargaining chip, with which to place pressure on the Labor government.

Instead, the Greens essentially came to Labor’s rescue, under conditions of a deep-going political crisis. All polling points to a growing hostility to the Labor government, especially over its rejection of any substantive measures to alleviate the cost of living and social crisis.

Likewise, Labor’s Voice referendum on October 14, is headed for a debacle, with all indications that the no vote is ahead and growing. The Voice, an advisory indigenous body to parliament, has been a centrepiece of the government, designed to put a progressive veneer on its reactionary program of escalating preparations for war with China and an austerity offensive against the working class.

There is, however, widespread scepticism over the policy—a reflection of hostility to the Labor government and indeed the entire political establishment. The real purposes of the Voice are to divide the working class along racial lines, elevate a privileged indigenous elite, and revamp Australian nationalism, including to better prepare for war.

With Labor on the ropes, the Greens have stepped in to rescue its housing legislation, while also promoting the bankrupt Voice policy.



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