

Australian Labor government desperate to falsely claim action on the housing crisis

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Facing the prospect of defeat at the next election, which it must call by May, Prime Minister Anthony Albanese's increasingly discredited government is trying to portray itself as tackling the worsening housing disaster being experienced by millions of working-class households.

Most immediately, it is attempting to push through parliament two housing bills, labelled "Help to Buy" and "Build to Rent." Labor leaders are demagogically accusing the Greens of teaming up with the Liberal-National Coalition and far-right senators in a "Noalition" alliance to block the legislation in the Senate.

In reality, the bills would represent a drop in the ocean compared to the acute shortage of affordable housing, estimated to exceed half a million homes. They would only benefit the property developers that have a stranglehold over the housing market, as would similar schemes proposed by the Coalition.

As for the Greens, while posturing as champions of renters, they are begging for a compromise deal with the government on the bills that would do nothing to alleviate the immense housing and financial stress produced by soaring rents, house prices and home mortgage payments.

Workers and students are being priced out of both the purchase and rental markets. Homelessness is rising, with impossibly long waiting lists for public and social housing causing great distress.

Rents have gone up by an average of 30 percent nationally since Labor scraped into office in May 2022, with the greatest hikes in working-class areas. House prices have also skyrocketed and the Reserve Bank of Australia has lifted interest rates 13 times to impose the burden of inflation on working people. As a result, a household with a mortgage of \$750,000 is spending \$1,815 more on repayments a month—the equivalent of a wage cut of over \$450 per week.

This is a historic and deep-rooted social and housing crisis. There have been decades of punishing cuts by Labor and Liberal-National governments to public housing—reducing it to a tiny fraction of dwellings. This has fed into soaring residential property prices and rising levels of household

debt, which are among the highest in the world.

Labor's bills promise even-greater profits to the developers, landlords, banks and other financial giants that dominate the highly-inflated housing market, while ruling out any funds for public housing.

The Help to Buy "shared equity" scheme, despite being limited to just 10,000 first-home buyers per year over four years, would further drive up house prices. It would encourage rent-stressed buyers to purchase homes with as little as a 2 percent deposit, thus feeding more demand into the private housing market.

The scheme also sets price caps for eligible home purchases that are below the median dwelling values in most places, particularly Sydney, Melbourne and Brisbane.

Moreover, in return for underwriting such purchases, the government would acquire a stake of up to 40 percent in the market value in the case of a new building, or 30 percent for an existing residence. The government would profit if, as intended, the market value rises during the mortgage period.

The Build to Rent (BTR) bill promises property developers even greater benefits. It would offer substantially increased tax write-offs for financing developments of 50 or more residential dwellings that are made available for rent for the first 15 years.

Only 10 percent of the BTR properties would be for "affordable tenancies," defined as 74.9 percent of the market rent rate, and there would be no protection against rent hikes or evictions. The majority of the rentals would be beyond the reach of average workers, let alone social security recipients and the growing numbers of homeless people.

But investors would be assured of profits. A federal Treasury "impact analysis" in May predicted that the bill would generate rates of return of up to around 8 percent a year.

This would be on top of state government "fast track" development approval processes and investment incentives, such as those recently announced by the Labor government in New South Wales, which include a 50 percent reduction in land tax valuations.

Taken together, the two bills would increase the power of the property speculators and developers, personified by Meriton apartments mogul Harry Trugiboff. His personal wealth doubled from \$11.3 billion to \$23.3 billion between November 2020 and 2023 according to figures from *Forbes* magazine.

Greens leader Adam Bandt and the party's housing spokesman Max Chandler-Mather have rushed to emphasise that they are keen to help Labor pass the bills.

Bandt told the Australian Broadcasting Corporation's "7.30" program last week that the Greens were hopeful that "the government is prepared to stop bulldozing and start negotiating," adding: "We're prepared to work with them."

Chandler-Mather gave a similar message to the *Saturday Paper*, saying: "I have said to the housing minister directly in private, as I have in public, this is our opening set of asks, but I made it crystal clear as to how we're willing to move."

As their "opening set of asks," the Greens are suggesting a phasing out of landlord tax concessions, caps on rent rises and for 100 percent of BTR properties to be affordable, defined as the lower of 70 percent of the market rate or 25 percent of a renters' income.

These proposals would do nothing to resolve the housing catastrophe. At best, they would delay rent hikes. But even this is purely for show, designed to generate illusions that the housing crisis could be fixed by a Labor government, with the support of the Greens, within the existing capitalist profit system.

The Greens initially advanced similar proposals before striking a deal last year to vote for Labor's \$10 billion Housing Australia Future Fund (HAFF). To be invested on the stock exchange, this fund supposedly could result in "up to" 30,000 "social and affordable" homes being provided over five years.

Even that hopelessly inadequate promise is unlikely to be met. Albanese and Housing Minister Clare O'Neil admitted last week that just 700 social and affordable homes would be built through the HAFF scheme in the 2024-25 financial year.

They claimed that the government agency Housing Australia had selected preferred tenderers for 13,700 homes and construction would start this financial year on "almost 40 percent" of them. But no details were provided.

Labor and the Greens are both posing as coming to the aid of tenants and first homebuyers under conditions of a deepening political crisis.

Corporate media polls published this week reported a continuing slide in Labor's support below the near record low of 32.5 percent it obtained in the May 2022 election, but without any rise in support for the Coalition, whose vote fell by an even greater margin in 2022.

Australian's Newspann said Albanese had the negative satisfaction rating of minus-8, but he was still just ahead of Coalition leader Peter Dutton on minus-15, with housing topping the list of respondents' cost-of-living concerns.

This is producing great anxiety in the ruling class about the prospect of the looming election producing a "hung" parliament and a fragile government. It would be confronted by seething social and political discontent over sharp cuts to working-class living conditions, Labor's backing for the Israeli genocide in Gaza and wider war in the Middle East, and the intensification of Australia's involvement in the US-led plunge into war against Russia and China.

The Greens' manoeuvres with Labor on housing are part of a wider bid to form a de facto coalition to try to prop up a minority Labor government after the election. Bandt, the party leader, has repeatedly signalled his readiness to do so.

The Greens tried to perform a similar function in 2010. They signed an agreement to supply the parliamentary numbers to shore up the last right-wing Labor government for three years, as it cut single parents' benefits and other social spending and joined the Obama-Biden administration's "pivot to Asia" to confront China, before suffering a landslide defeat in 2013.

There is only one way to resolve the housing disaster, and that is through a socialist program, which is vehemently opposed by the Greens, as well as Labor and the Coalition. A workers' government would redirect the obscene wealth accumulated by the developers and speculators, and the hundreds of billions being spent on war, to public housing, health, education and other critical social programs. It would place the banks, finance houses and property industries under public ownership and democratic workers' control.



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