

Australian Labor government admits not a single house built by \$10 billion fund

Vicki Mylonas
11 March 2025

The federal Labor government has been forced to admit that virtually no new homes have been built under its \$10 billion Housing Australia Future Fund (HAFF), almost three years after promoting the fund as part of its platform at the 2022 election.

On February 26, the government said in a press release the HAFF was “building social and affordable homes at scale right across Australia ... 340 homes are complete.” This statement, clearly implying that these houses had been newly built, was reported uncritically by the Nine Entertainment newspapers and on Australian Broadcasting Corporation (ABC) television and radio.

In a Senate Estimates hearing later that day, Labor Finance Minister Katy Gallagher admitted that the homes had in fact been “acquired and converted.” That is, they had not been “built,” but purchased, renovated and redefined as “social housing.”

Under the HAFF legislation, “the phrase ‘completed’ can mean building, refurbishing or buying a dwelling,” Luke McIlveen, executive editor at Nine, noted in a March 7 statement.

Liberal MP Michael Sukkar and Senator Andrew Bragg said in a joint media release, “Labor has been disingenuously fudging the books on the completion rates under their HAFF scheme.”

The vicious debate and media storm over whether 340 houses were “built” or “acquired” only serve to underscore the total inadequacy of Labor’s housing policy. It amounts to less than 0.07 percent of the estimated affordable housing shortfall of more than 600,000 dwellings.

The Albanese Labor government boasts that the \$10 billion HAFF is “the single biggest investment to support social and affordable housing in more than a decade,” with the aim of building 30,000 (of an overall

“pipeline” of 55,000) “social and affordable” homes over five years—a drop in the bucket compared with the shortfall.

However, some 18 months since the legislation passed with the backing of the Greens, the government’s figures indicate that, besides the aforementioned 340, fewer than 5,500 homes are under construction and just over 7,800 are in the planning stages.

Moreover, these homes are not to be public housing, but an unspecified mix of “social housing,” often more expensive and precarious than public housing, and managed by non-government organisations, and so-called “affordable” dwellings, whose “affordability” is pegged to soaring market rates.

The primary purpose of the HAFF is to channel the proceeds of financial speculation into the hands of major property developers. It is one component of a bipartisan housing policy environment that is totally oriented to driving up property prices and further enriching the wealthiest layers in society. The Parliamentary Budget Office calculated last year that the cost of tax concessions granted to property developers and investors—negative gearing and capital gains tax discounts—would be more than \$12 billion this financial year and just under \$56 billion over the HAFF’s five-year plan. Some \$40 billion of this will go to the richest 10 percent in the country.

The Coalition has seized upon Labor’s questionable completion numbers in an attempt to discredit the HAFF and score political points ahead of the next election, which must be held by May 17. The Coalition has vowed to scrap the fund if it wins office.

The Coalition’s objection to the HAFF is not that it is failing to address the dire lack of affordable housing. Sukkar said on ABC radio, “96 percent of Australians

don't live in public or social housing," so building more of it was not "the main game." Their concern is that the Labor government has not done enough to facilitate the profit interests of big developers.

The Coalition's \$5 billion housing policy, endorsed by Master Builders Australia, will not build a single home but is aimed at subsidising the profits of construction companies. By fast-tracking funding for roads, sewerage and other infrastructure and freezing changes to safety, quality and environmental requirements, the Coalition claims it will "unlock up to 500,000 new homes."

The Socialist Equality Party said during the 2022 federal election campaign that, "Neither of the ruling political parties, Labor and the Liberal-National Coalition, that are responsible for the soaring cost of housing are offering any solution. Instead, they are advancing policies that will make the disaster even worse."

This statement, vindicated over the past three years, is equally applicable to the upcoming election. The intervening period has only intensified the financial stress confronting the working class amid skyrocketing housing prices and living costs.

The housing affordability crisis has deep economic and political roots. There have been decades of cuts by both Labor and Coalition governments to public housing, reducing these dwellings to a tiny fraction of total stock, for the benefit of the property developers and banks.

House prices have continued to accelerate, placing the possibility of home ownership out of financial reach for many workers. Sydney house prices have risen 28.2 percent over the past five years on average according to recent data from CoreLogic.

Polls have indicated that housing affordability and availability, as well as enhanced community and social housing initiatives are key issues voters are concerned about in the lead up to the next election. Working-class electorates held by Labor on narrow margins are among the most financially stressed in the country.

While the federal Labor government struggles to build even a single home, its state counterparts are proceeding rapidly with the destruction of what little remains of public housing.

The Victorian state Labor government plans to demolish 44 public housing tower blocks in Melbourne,

displacing some 10,000 residents from their homes. The state government's claim that the only solution to the deteriorating conditions of the public towers is demolition has been exposed as a lie by a report issued by OFFICE Architects who said that the housing towers could be refurbished. This makes clear that the purpose is to free up valuable inner-city land for private development, with only a small proportion of new homes to be allocated to "social housing."

A similar operation is underway at Waterloo South in Sydney, where 147 residents received eviction notices late last month, the first of around 3,000 to be turfed out from the estate.

The housing crisis is a stark expression of a capitalist system that allows a tiny minority to accumulate obscene wealth at the expense of the working class. This means the only way forward is through a struggle against capitalism and for socialism in which society's vast resources, currently controlled by the financial and corporate elite, can instead be used to meet human need, including decent housing for all.

Attend our upcoming public forum in Melbourne! Titled "Build a neighbourhood defence committee against public housing towers demolition!" it is being held Sunday, March 16 at 2 p.m. (AEDT), at Kensington Neighbourhood House, 89 McCracken Street, Kensington. Register here.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact