

Bogus housing promises from Labor and Liberals at Australian election launches

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Yesterday's official launches of the governing Labor Party and the opposition Liberal-National Coalition for the May 3 Australian election were desperate and cynical attempts by the major parties to offset their deep-going political crisis with phoney housing promises and meagre tax cuts.

Even the timing of the events underscored the dire straits of Labor and the Coalition. They usually hold their official launch a week before polling day, in order to exploit public funding for de facto election campaigning.

The earlier launches this year were partly because there are two long weekends between now and May 3. But they were also a response to the fact that neither party is on track to form a majority government, more than two weeks into the campaign.

A Newspoll released by the Australian this morning predicted a minority Labor government. It showed Labor's primary vote at 33 percent, similar to the historic low it received in the 2022 election. The Coalition primary is at 35 percent, beneath even its 2022 level when the Liberal vote collapsed, allowing Labor to cobble together a government.

As with the entire campaign, there was an air of complete unreality about the launches. Labor Prime Minister Anthony Albanese and Coalition leader Peter Dutton each promised a "better future" amid massive global shocks and upheavals.

Both are trying to conceal the reality that the Australian economy, heavily dependent on exports to China, will be battered by the global trade war unleashed by US President Donald Trump, which is centrally targeting Beijing.

The economy would already be in recession, but for population growth. With a decade of federal budget deficits forecast, massive spending cuts are on the agenda, whichever party takes office.

Since 2019, working-class living standards have fallen more rapidly than at any time in at least the past seven decades. Due to the deep unpopularity of their real program of austerity, Albanese and Dutton are campaigning on the basis of vague slogans, empty boasts and minimal policies.

Speaking in Perth, the capital of Western Australia, Albanese claimed that the economy was improving, the cost-

of-living crisis easing and wages rising.

All of this is utterly fanciful. The slight reduction in the headline inflation rate goes nowhere near making up for the average 9 percent fall in workers' purchasing power since 2019. And the real increases in the price of goods, including all essentials, far exceed the 3.2 percent average wage growth recorded in the 12 months to December.

While trying to bury the ongoing cost-of-living disaster as a thing of the past, Albanese paid lip service to it. Labor, he claimed, was committed to ensuring that all young people had the opportunity to buy a house.

The two housing policies he outlined, however, will do nothing to address the housing crisis, and will in fact exacerbate it.

Labor, he stated, will ensure that for first home buyers the deposit to purchase a dwelling is reduced to 5 percent. A Labor government would guarantee, to the banks, a portion of the remaining deposit, in the event of a mortgage default.

Labor ministers, however, have declared that all the standard mortgage repayment obligations will remain. Under conditions where average house prices in the capital cities are above \$1 million, and in the case of Sydney, more than \$1.5 million, this is simply a mechanism for funnelling more debt slaves to the banks.

Mortgage repayments have increased by an average of more than \$1,000 a month as a result of 13 interest rate rises by the Reserve Bank of Australia, backed by Labor. Rates of mortgage stress in working-class areas generally exceed 50 percent of all those paying off a house, a figure that will only increase as a result of Labor's policy.

The other measure Albanese unveiled is similarly a transparent attempt to maintain the inflated housing bubble, and to funnel even greater profits to the property developers that have benefitted from the crisis. Labor will spend \$10 billion to construct 100,000 new homes over the next eight years, which will be available to first home buyers.

While vaguely talking about the dwellings being on the "entry level" side of the housing market—i.e., affordable for first home buyers—Labor leaders have made clear these will

be private homes, pegged to private valuations. They have emphasised, moreover, that Labor is not proposing to establish any sort of federal construction entity. That means the vast bulk of the \$10 billion will be disbursed to private developers.

Whether any such construction would eventuate is entirely unclear. One of Labor's central housing policies during its last term in office was the establishment of a Housing Australia Future Fund (HAFF), which would supposedly serve to construct 30,000 "social and affordable" dwellings over five years.

Not a single new dwelling has been built under the HAFF. It is based on a convoluted stock market scheme which is on the brink of a liquidity crisis amid the market upheavals produced by Trump's trade war measures.

Meanwhile, state Labor administrations are presiding over the destruction of what remains of public housing stock. That includes the demolition of 10,000 apartments in Melbourne's public housing towers, by the Victorian Labor government, and the eviction of around 3,000 public housing residents from Waterloo, in inner Sydney, by the New South Wales Labor government.

At his launch event, Coalition leader Dutton unveiled a policy that will similarly do nothing to address housing demand. A Coalition government would allow first home buyers to claim interest repayments on their mortgages as a tax deduction.

The Coalition would also reinstate a one-off tax refund for low- and middle-income earners, capped at \$1,200 over one year. For its part, Labor would allow people to claim an automatic tax deduction of \$1,000 on work expenses, up from the current \$300 available without receipts and other proof.

These tax measures have been widely described in the press as "sugar hits." They are transparent vote-buying policies that will do nothing to address the soaring cost of housing, groceries, energy and every other essential item.

The threadbare promises were combined with rank nationalism from Albanese and Dutton. Albanese stood in front of a placard declaring a "Future Made in Australia," and again declared that Australia is "the greatest country on earth."

Albanese waved around his Medicare health insurance card and pledged that the health system would not be "Americanised." But Labor has presided over the deepest crisis of public health in the post-World War II period. The public hospitals are in meltdown and Medicare bulk-billing rates are at their lowest levels since the state-subsided system was established.

Dutton declared that Australia would have to "reindustrialise" to cope with the deepening global

uncertainty.

Neither he nor Albanese outlined any policies to increase manufacturing jobs. That sector has been decimated by successive Labor and Coalition governments, working with big business and the corporatised unions.

In addition to promoting nationalism, such statements, to the extent that they have any substance, mean funnelling government funds to the corporate elite in sectors of the economy associated with "national security" and militarism. Completing Australia's transformation into a frontline state for a US-led war with China has been the central policy of the Labor government, implementing a wide-ranging military build-up that has full bipartisan support.

Dutton again scapegoated immigrants for the social crisis and pledged to slash migration. Labor, however, has repeatedly retorted that it is already carrying out such a policy, including through the bipartisan passage late last year of a Trumpesque policy providing for up to 80,000 deportations, cuts to international student enrolments and the ongoing persecution of refugees.

What is to come after the election was indicated by the response of the financial press to the launches. Columns in the *Australian Financial Review* and the *Australian* bemoaned what they described as the empty "populism" and vote-grabbing of the launches. These were a distraction, they complained, from the "structural reform" required after May 3—i.e., a massive onslaught on social spending and an offensive against jobs, wages and conditions to drive up "productivity."

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