The politics of Australian housing

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The Australian housing system

• Viewing the Australian housing system as dysfunctional is a category error.

• The system is a **hugely successful** vehicle for the wealthy to increase their capital.

• Housing shortages **necessary** to maintain the value of property and ensure that greater profits can be extracted.
Housing as a source of income for banks

Image from G. McKenna, 2015, ‘By global standards, Australian banking has a scary concentration in housing loans’, Business Insider, 26 August.
Annual government expenditure on housing policy (Kelly, et al. 2013)
Understanding housing policy

• ‘Ambulance’ and ‘service counter’ conceptions
• Punishing the poor – the state ‘produces inequality and marginality upstream, before it manages them downstream’ (Wacquant 2013).
• The state practices laissez-faire at the top, at the level of circulation of capital and production of inequality, but it turns interventionist and intrusive when it comes to managing the consequences of inequality at the bottom, for the life spaces and life chances of the precarious fractions of the post-industrial working class’ (Wacquant 2013).
Commodification and Housing

• Speculative forms of capitalism has undermined the idea that the home is primarily a place of shelter. It is now treated as a commodity to be bought and sold like other products.
Why commodify housing?

• Bulwark for democracy!
• Owner occupied and investor dwellings perform as a wealth producing asset.
• Confers a sense of social order and societal hierarchy that is necessary for the workings of capitalism. ‘Dream’ of homeownership is a narrative construction rather than anything primordial or innate.
• Notion of the responsible homeowner/investor furnaces a powerful imaginary in relation to modern identity (Glynos 2011).
• By framing homeownership and landlordism as a pathway to achieve personal success, governments provide a steer away from collective modes of sociality.
Public housing

• Public housing stands in the way of a wider political project to commodify welfare provision.
• Therefore needs to be cast as a failure to disparage any notion that there is a viable alternative to homeownership.
Private rental housing

• A *misnomer* – PR market relies on taxpayers subsidies to boost the profits of landlords.
• CRA amounts to $3.6 billion per annum and is received by 1.2m households to pay their rent.
• Imputed tax subsidies to investors around $5.4 billion per annum (Yates 2008).
• Artificial scarcity (Harvey 1974) established by landlords and developers to maximize profit – leads to a crisis e.g. rising prices or housing bubbles.
The myth of the ‘mum and dad’ landlord

• 1.9 million individuals who declare income from rental properties

• Housing Industry Association claim that 75% of investors earn $80k or less.

• BUT 60% of investment housing debt held by top 20% of income earners. (source Janda 2014)
The ‘Renter nation’: consequences

• Contemporary housing system can be viewed as both a *symptom* and *cause* of social inequality
• The layout and composition of cities.
• Urban sprawl, squalor in the private rental sector.
• Encourages us to act more instrumentally by prioritising wealth-creation activities over and above collective endeavours.
• The home/investor property now used as collateral to borrow against and leverage investment (accentuating inequality).
The future?

- What has happened to public housing provides a foretaste of what we can expect for remaining forms of welfare provision (education, health, social services, aged care).
- Government actively promoting housing as an investment good through generous tax arrangements which has accentuated the crisis.
- ‘For profit’ sector will increasingly be the primary option for low income households.
Priorities for Tasmania

Boost the stock of public and community housing stock;
Use planning system to ensure new city developments have a social housing component;
Commit resources to protect tenants & root out exploitative landlords who disregard tenancy laws.
References


