



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

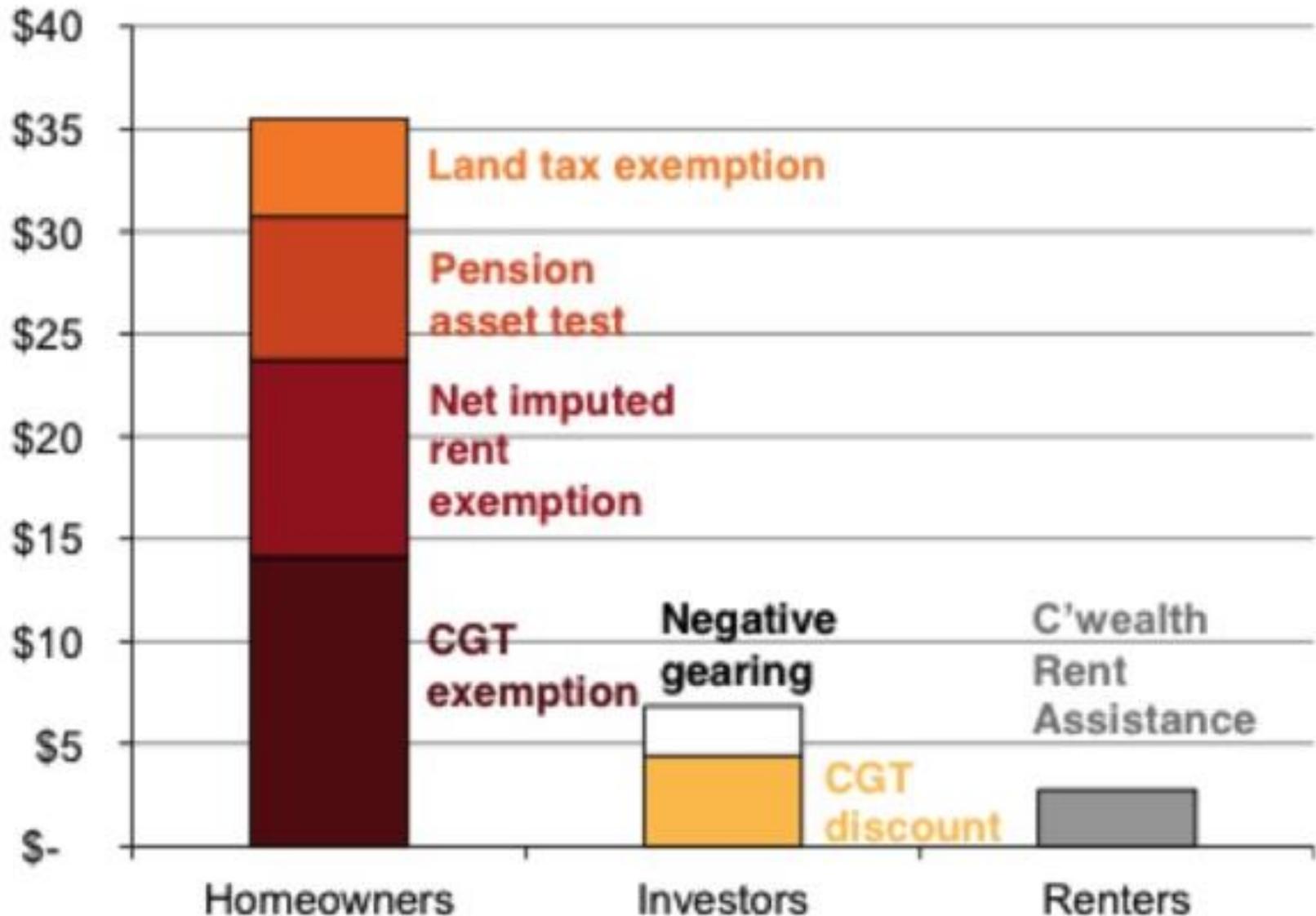


Source: IMF

- 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)

Annual expenditure (\$billion)



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.



Source: Getty Images

References

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