

# A housing plan that doesn't add up



The Treasurer hopes to dodge the real reasons you can't afford a home.

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**O**f all of the political weasel words beloved by our current crop of government representatives, “reform” is possibly the most insidious.

It sounds great, after all – you know, it's about making stuff heaps better! – and that impression is deliberate since people are far more enthusiastic about happy-sounding “reform” than the more accurate “giving public assets and services to the for-profit sector”, which is what it invariably means.

Under the Abbott and Turnbull government, higher education reform has meant “let universities charge upfront fees while cutting funding for them”. Welfare reform has meant “cut benefits and shift responsibility to private providers”. And taxation reform has meant “cut taxes for businesses and high-earners while cutting services for those at the bottom, and also frame it as a moral victory for the Taxed over the Taxed-Not’s”.

The man responsible for that little bit of economic victim-blaming, Scott Morrison, is at present our Treasurer, and it would be fair to say that he's a lot better at making moral judgments about you idle taxed-not losers than he is at, say, basic arithmetic.

He is, however, keen to be seen to be doing something about housing affordability. And that's a conundrum, because anything that will increase housing affordability would, on the face of it, require house prices to go down – and obviously that's not even remotely an option.

Thus Morrison needs to magically find a way to make housing

cheaper while also still wildly increasing in value, which is irritatingly impossible.

However, he's hit upon a hot alternative plan which won't actually solve the problem in any meaningful way, but will neatly sidestep his responsibility for the matter while simultaneously handing public assets to a class who, traditionally, have had a keen interest in supporting Morrison's particular political party.

“Housing in Australia, especially in Sydney, Melbourne and Brisbane, is expensive and increasingly unaffordable, but that does not mean it is overvalued,” he confusingly said in a speech on Monday.

“State governments cannot do much about the physical geography occupied by our cities, [but] they could do a great deal to improve planning processes and the provision of infrastructure ...

“The government will therefore also be discussing with the states the potential to remove residential land use planning regulations that unnecessarily impede housing supply and are not in the broader public interest.”

In other words: states need to increase housing supply by handing more land over to property developers. What a bold idea!

It's based on the premise that the reason housing is so expensive has nothing to do with the fondness of multiple governments of both major parties for protecting and enhancing benefits such as negative gearing, which has turned property investment into an onshore tax haven, while simultaneously trimming pensions and warning that any Australian who retires without owning the family home should probably prepare to spend their twilight years huddled under a tarpaulin.

No, the problem apparently is that there are not enough houses, thanks to state governments preventing our nation's honest, decent, trustworthy property developers from accessing land to build upon. And where is this land? It's in two places.

The first is the city outskirts

where there's little-to-no infrastructure like schools or hospitals or shopping centres or public transport or sewerage, all of which Morrison seems to assume will magically pop up like mushrooms overnight once property developers have waved their magical subdivision wand.

The other is in places that do have all of that useful infrastructure stuff but where the land is being wasted on garbage like sports grounds or public pools or green spaces or national parks: community land which is priceless, and therefore without any value.

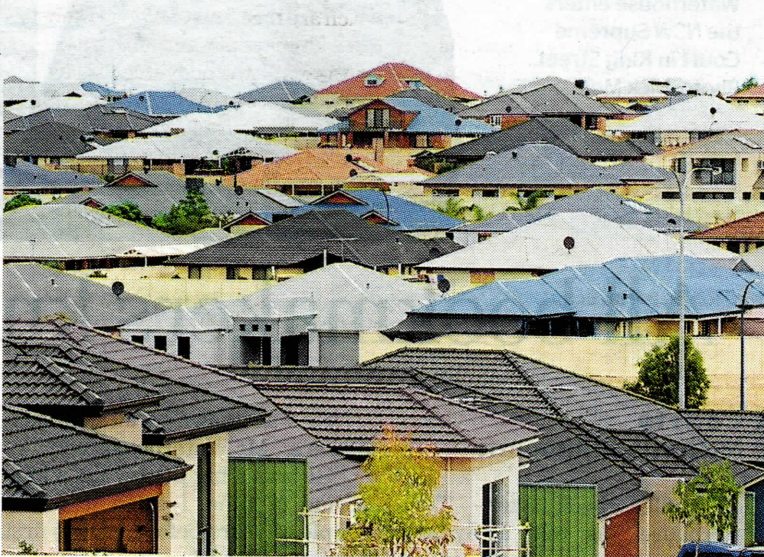
The edict that the state governments should give more public space to developers is unlikely to be news to most state governments, which are adept at selling off public assets for private gain, such as public housing in places clearly too nice for poor people to deserve.

Look, there's no magic bullet to solving housing affordability in Australia. Removing inequitable investment incentives is one obvious step, though, and changing our landlord-skewed rental market to give tenants more long-term housing security is another.

And let's be honest: we're going to need to swiftly do something pretty bold and clever unless we want to carve a stark, unbridgeable gulf between the haves and have-nots in our historically egalitarian nation.

However, creating new investment opportunities for the already wealthy while pumping more coin into the pockets of big political donors at the expense of the public good does seem, at best, to be an excitingly roundabout way to address the issue.

It's almost as though Morrison's not that fussed about it at all, in fact. But that can't be right, eh?



Scott Morrison says housing is unaffordable, but not overvalued.

Andrew P. Street is a Fairfax Media columnist. His book *The Curious Story of Malcolm Turnbull: the Incredible Shrinking Man in the Top Hat* is out now through Allen & Unwin.