

# Professor Frank Stilwell on the political economy of housing

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## **SUMMARY: ECONOMIC ISSUES AFFECTING HOUSING IN AUSTRALIA**

### **1. The housing situation**

- Owner-occupied housing; the issue of affordability; the related issue [for some] of urban marginality and transport distance
- Private rental housing; the issue of affordability; this sector is the primary focus of 'housing stress': Commonwealth Rent Assistance
- Public rental housing/social housing: Commonwealth–State Housing Agreement [now National Affordable Housing Agreement]
- The social problems arising from the residual status of this sector
- Emergency housing: coping with the fall-out; the problem of homelessness

### **2. Economic issues that set the context for housing problems and policies**

- The structure of the Australian economy; mining, manufacturing and services; the building and construction sector
- The distribution of income and wealth
- The role of government; fiscal and monetary policies
- The effects of the recent global financial crisis

### **3. Specific policies directly affecting housing supply and demand**

- Population policies; land-release policies
- Taxation arrangements favouring owner-occupation; capital gains tax and land taxes; first homeowner grants
- Negative gearing
- Investments by superannuation funds

### **4. The relationship between housing policies and other policies**

- Policies relating to population, urban planning and regional development: towards a more balanced situation?

- Policies towards land; universal land tax as a means of financing expenditure on public housing?

## **5. Concluding concerns**

- Can the economy be restructured to put more emphasis on sustainability, security and equity?
- How does housing policy fit into that scenario?

## **Readings**

Ben Spies Butcher, 'Restocking the economic toolkit: changes to social policy and the ability of the state to manage the economy', *Journal of Australian Political Economy*, no. 61, June 2008

Ian Manning, 'Urban land, household debt and overseas borrowing', *Journal of Australian Political Economy*, no. 64, December 2009

A. Hollows and T. Keenan, 'Homelessness', in *Equality speaks: challenges for a fair society*, Catalyst, 2009

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