



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON ECONOMY AND GENDER AND ECONOMIC EQUALITY
Ms Leanne Castley MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair),
Mr Johnathan Davis MLA

Submission Cover sheet

Inquiry into Housing and Rental Affordability

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Statement of Behalf of the Communist Party of Australia – Canberra Branch

The Communist Party of Australia Canberra Branch welcomes this inquiry into housing and rental affordability.

The state of housing affordability across Australia is deeply troubling. Rents are uncomfortably high, and few places feel this more than Canberra.

The years of the selloff of public housing and the continued rise of the big landlords have squeezed the working class. As a result, our most vulnerable freeze on the streets while the 2021 census recorded 1 Million vacant homes on census night.

The 2021 Domain Rental Report found that the ACT has the highest rents in the entire country, with the median weekly rent sitting at \$630 for houses and \$500 for units, exceeding the national average by more than \$150 per week. Similarly, Anglicare Australia's 2021 Rental Affordability Snapshot found that those on working age social security (JobSeeker, Youth Allowance, Disability Support Pension) could not afford any of the 1,002 private rental properties listed at the time.

Canberra benefits from a relatively better occupancy rate compared to other major cities, yet the number of unoccupied dwellings is still measured in the thousands and vastly outnumbers the city's homeless population. This lower rate is no function of the success of housing in Canberra. Instead, demand is exorbitant, allowing landlords to raise their prices to worrying levels. As a result, it is not an uncommon sight to see twenty or thirty prospective renters at inspections, if not more. That even a single person should sleep rough through winter while houses go empty and unused is a crime.

There is nothing more fundamental to human dignity than shelter, and yet under monopoly capitalism, housing is commodified. A home is an 'investment.' We are encouraged to aspire to have our own little investment property so that we may escape the indignity of renting at the expense of someone else who wasn't quite so lucky. Few have the capital to achieve this dream, and most young people have given up hope of home-ownership.

Meanwhile, what little is left of public and communal land is privatised. The truth is no government can claim to support the cause of housing availability while cutting social housing expenditure during a housing crisis.

At its best, public housing decreases prices as private landlords compete with more accessible and subsidised accommodation. Sadly, there is nothing competitive about social housing in Canberra, both in terms of quality and availability.

A city once built almost entirely on public housing, now has one of the lowest levels of public housing in the entire country, it makes up only 6.7 per cent of residential dwellings as of 2020. This situation is part of a longer trend in the ACT, with the number of public

housing units decreasing by 874 during the 2011-2020 period while the territory population grew by 63,000.

According to the ACT Council of Social Services, the ACT is now more than 3,100 public housing properties short, with this shortage only set to increase due to the Territory government's unwillingness to expand public housing. The "progressive" Labor-Greens coalition has allocated more than \$500 million to the Public Housing Renewal Program in successive budgets, yet none of this funding has been used to increase the share of public housing. The Territory government has instead used the lion's share of this funding on the relocation of conveniently situated public housing developments to the outskirts of the city, leaving many without access to community services and public transport.

Working Towards a Solution

Addressing this problem would vastly improve the standard of living for all Citizens of the ACT.

Young people who have grown up in a world where the prospect of home-ownership seems like a distant fantasy may finally have the opportunity to afford the dignity of their own home without the constant fear renters face from the precarity of their situation. As much as the rich write opinion editorials condescendingly insisting young people should tighten their belts and eat less avocado toast, the reality is that our economy relies on the stimulus provided by the spending habits of the young. Controlling the artificially inflated housing prices would ensure money goes into productive businesses rather than unproductive landholders who contribute nothing of value.

Lack of affordable housing incentivises living further from city centres, lengthening commute time, contributing to higher carbon emissions and increased congestion.

High rents raise the barrier to entry for small business owners, ensuring only those with a lot of capital can hope to succeed in business, further entrenching class divisions. Controlling rents and increasing supply would also allow Canberra's universities to draw more students, and allow lower-income people a better chance at a world-class education while supporting one of the city's most important industries.

The solutions are out there. Public housing and rental controls are not alien concepts to Australia. They have been tried and tested before in times of crisis. Unfortunately, between the perils of climate change and the resultant effects on international instability, this is only the first of many crises our city is likely to face. Renters require relief because this problem is not going away. We need to save public housing, regulate rent-seeking and tax unoccupied homes. We need to set our city up as a city for the future, as an example rather than a warning.

CPA Canberra Branch 2022

“As soon as the land of any country has all become private property, the landlords, like all other men, love to reap where they never sowed and demand a rent even for its natural produce.” - Adam Smith.