

Grattan on Friday: Scott Morrison finds himself in a week of pain

Written by Michelle Grattan, Professorial Fellow, University of Canberra

It's been an unfortunate few days for Scott Morrison. First he blew up a key part of his media strategy, and then one of his options for tackling housing affordability turned very sour.

Morrison notoriously plays media favourites, and high on his preferred list has been 2GB's Ray Hadley, with whom he's had a regular Monday morning spot.

When Morrison's office last week told 2GB he couldn't do the usual spot because he'd be travelling, it wasn't a big deal. But then, on Monday, Hadley discovered Morrison was in the ABC Melbourne studio talking to Jon Faine.

A shockjock spurned is a dangerous creature. The reaction was swift. Hadley declared he'd been "lied" to and Morrison had been stripped of his spot; he twisted the knife by saying listeners had already been complaining Morrison was boring.

There was worse to come. Hadley announced that every fortnight Tony Abbott will occupy Morrison's former place. Abbott's revenge was added to Hadley's retribution – Abbott believed Morrison was disloyal to him in the leadership battle.

So, Abbott gets some prime time to spruik and comment with a sympathetic top-rating host who has broad coverage in New South Wales and Queensland, and Morrison is seen to have made a media mis-step in the run-up to a budget that's critically important for his own reputation as well as for the government.

But that was only the start of Morrison's pain.

It's been known for some time that he and his assistant minister, Michael Sukkar, were keen on letting young people use their superannuation to help them get into the housing market.

Then [Monday's Australian reported](#) that the government "will pursue a 'cradle to grave' housing affordability package in the budget likely to include a mutual-obligation superannuation plan for first-home buyers", among other measures.

The favoured model would "allow first home-buyers to divert superannuation contributions into a home savings account, to be matched dollar-for-dollar by contributions from personal savings".

Although the story noted the entire housing package had yet to be settled and signed off by cabinet's expenditure review committee (ERC), it gave the feel of a fait accompli.

The super-for-housing push had already produced sharp differences among ministers behind the scenes. Finance Minister Mathias Cormann was an opponent, as was Revenue Minister Kelly O'Dwyer.

But, after Monday's report and ahead of Thursday's ERC meeting, the debate exploded, with ministers and Coalition MPs lining up publicly on either side.

On Wednesday Malcolm Turnbull, who before he was prime minister described allowing the use of super for housing as "a thoroughly bad idea", delivered an apparently mortal blow to the plan. "I have expressed fairly strong views about it in the past," he told reporters travelling with him in India.

In the wake of Turnbull's comment, Christopher Pyne and Peter Dutton were quick to diss such a scheme.

The course of the super-for-housing affair has had more than a little resemblance to the GST debate of early 2016.

In that case, Morrison went out in front, only to be reined in by Turnbull.

Morrison likes to see himself as the man of big initiatives, and wants to leave a policy legacy. But being identified with propositions that are then cut down by the leader leaves a treasurer bruised – although some sources say, in Morrison's defence, that Turnbull had been willing to have the super scheme considered.

Relations between Turnbull and Morrison have frequently been tense, and the botched housing issue can surely only have worsened them.

While a vigorous policy debate might be fine in theory, to have ministers obviously split and canvassing positions publicly as the budget is being prepared looks very untidy.

Even more serious, allowing expectations to rise above what the government can realistically do on housing affordability carries major risks. As Morrison himself said on Monday, there isn't any single or easy solution.

The government had flagged putting housing at the centre of the budget, and people will likely be expecting more than can be delivered.

The Coalition is caught between the interests of first home buyers, and those of existing owners. It is frightened of a backlash from the latter if house prices slow significantly, as well as fearful of a wider economic fallout. It has rejected clamping down on negative gearing, and has been divided about whether to cut back the capital gains tax discount.

The issue is further complicated by regional differences, with affordability especially a Sydney-Melbourne problem, and quite a different story in Perth.

People feel under financial pressure generally and indeed many are. The Reserve Bank's regular [Financial Stability Review](#), released on Thursday, observed that "vulnerabilities related to household debt and the housing market more generally have increased, though the nature of the risks differs across the country".

Grattan on Friday: Scott Morrison finds himself in a week of pain

Written by Michelle Grattan, Professorial Fellow, University of Canberra

If whatever comes out of the May 9 budget falls flat, it will be very dangerous for the government. This week's [Essential poll](#) highlighted the negative public climate in which that budget will be delivered.

People were asked whether things were getting better or worse for themselves and their family on various fronts.

On housing affordability, a tiny 9% said better; 62% said worse.

The results in other areas were: cost of electricity and gas (better 6%, worse 74%); general standard of living (better 13%, worse 49%); income (better 13%, worse 36%); job security (better 14%, worse 31%); work-family balance (better 17%, worse 32%); overall quality of life (better 17%, worse 34%); the quality of political representation (better 7%, worse 60%).

What is so striking is the wide sweep of the discontent and pessimism. That negativity is the prism through which voters will look at whatever the government does on housing and other things.

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.

Authors: Michelle Grattan, Professorial Fellow, University of Canberra

Read more <http://theconversation.com/grattan-on-friday-scott-morrison-finds-himself-in-a-week-of-pain-76235>