

End the blight of homelessness and housing stress

Patrick O'Connor, SEP candidate for Melbourne
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Every night, at least 100 people, mostly young, can be found living on the streets of central Melbourne or under the city's bridges. Other signs of poverty and distress are obvious. One only has to visit some of the dozens of charity outlets in and around the city centre. A single institution alone serves 1,000 lunchtime meals a week. Others dispense food parcels.

It is nearly five years since the incoming federal Labor government of former Prime Minister Kevin Rudd promised to cut the number of homeless in half, and provide shelter for all those sleeping rough, by 2020. In an attempt to prove their sincerity, cabinet ministers were sent to visit homeless shelters.

Labor's vow has proven to be a fraud. This year's Melbourne City Council annual StreetCount found 101 people sleeping without shelter on the morning of June 6, little different from the total of 112 in 2008. For the first time since the count began, volunteers encountered a pair of young people, aged under 18, sleeping in a train station.

Nationally, a recent Australian Institute of Health and Welfare report estimated 98,742 clients were helped by specialist homelessness agencies in the December 2011 quarter. Almost half were under 25. One in five was aged under 10. This total—which excludes those who obtained no assistance—indicates that the crisis has worsened since 2008, when the Labor government said 105,000 people experienced homelessness.

The roots of this social disaster lie in the pro-market agenda imposed by successive state and federal governments, Labor and Liberal alike. As part of this assault, they have deliberately slashed public housing, in order to boost the profits of private developers, and made life increasingly difficult for welfare recipients.

Under the federal-state housing agreements since 1983, when the federal Labor government took office,

public housing dwellings as a proportion of total dwellings have plummeted from 13 percent to less than 2 percent. As a result, nearly 200,000 people are on public housing waiting lists.

This decline has deepened under the current Labor government. There was a brief boost to public housing in 2009-10 via Labor's stimulus packages, but those measures have been axed as the government has imposed austerity measures as the global economic crisis has worsened. Spending levels for 2012-13 have been cut to \$51 million less in real terms than in 2000-01.

In Victoria, only 39 social housing units were approved in the first five months of this year. The Labor Party has accused the Liberal state government of attacking public housing. In reality, the assault is bipartisan. Just 172 publicly-funded dwelling units were approved nationwide in March.

One telling statistic sums up the priorities of the entire political establishment. The money allocated nationally for public housing—about \$1.5 billion per year in the Commonwealth-State Housing Agreement and \$1 billion over five years for affordable housing schemes—is dwarfed by the \$50 billion a year devoted to capital gains tax, land tax and negative gearing concessions for developers and wealthy homeowners.

The gutting of public housing, combined with the tax handouts to investors, and the predatory lending practices of the banks and finance houses, have sent housing prices sky-rocketing. It now takes eight times the average annual wage to buy a median-priced house in the Melbourne metropolitan area, far from the three-fold figure in the early 1980s.

The result is terrible levels of financial stress. Working-class residents in Melbourne City Council

area have been among the worst-affected victims, with 19 percent experiencing “housing stress” (spending more than 30 percent of their income on housing costs). This is not far below the highest level—21 percent—in the city’s outer suburbs where many former Melbourne residents have had to move, seeking cheaper accommodation.

Across Australia, more than a million households are in housing stress, and some 350,000 are in “housing crisis”—spending more than half their income on housing. Among renters and those paying off mortgages, the prevalence of stress is almost twice as high.

Yet, the 2011 census data revealed that 10.7 percent of Australia’s houses were unoccupied. That is 934,471 empty homes—up by more than 100,000 since 2006. Many of these dwellings have been kept off the market simply to maximise rents and capital gains.

According to a survey of the Melbourne metropolitan area, some of the worst instances can be found in this city, where an estimated 14.6 percent of homes are vacant in Essendon North and 14.1 percent in Docklands. Because of generous tax subsidies, “withholding properties from the market is a rational investor strategy,” explained a spokesperson for the Earthsharing group, which conducted the survey.

Young people, in particular, are finding themselves priced out of the housing market, intensifying the impact of the accelerating erosion of wages, jobs, working conditions and public services.

For all their pretences to offer a progressive alternative to the two established parties of big business, the Greens are equally committed to maintaining the capitalist housing market. The Greens’ candidate for Melbourne Cathy Oke has called for 29,000 more social housing properties to be built in the state of Victoria by 2014.

Even if this were carried out, it would only bring social housing to 5 percent of total housing, which is still inadequate. However, this promise will go the same way as other election pledges by the Greens. At the state and federal level, the Greens have supported austerity budgets that have cut back, not expanded, essential social services.

My campaign for the Socialist Equality Party insists that decent, affordable housing is a basic social right that must be guaranteed for all. There must be an

immediate halt to foreclosures and evictions. All rents, public and private, must be reduced to affordable levels, along with mortgage payments. Empty properties owned by wealthy investors and property corporations must be turned over to social use.

To secure these rights requires a political struggle against the capitalist system and all its political defenders, including Labor and the Greens. The right to decent housing can be assured only by placing the major construction and finance corporations under public ownership, and pouring billions of dollars in public funds into the construction and renovation of affordable homes and apartments. The subordination of urban planning to private profit must be ended.

A mass political movement of the working class, based on the fight for a workers’ government and socialist policies, must be built so that workers can take political power in their own hands and reorganise society to meet pressing social needs, not private profit. My campaign for the Melbourne by-election is part of the fight to develop this movement.

See the SEP web site for further information on our election campaign.

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