

Australian rental crisis hitting workers

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The Anglicare Australia charity released a report on Monday which provides an insight into the dire situation facing renters. It is a supplementary report to Anglicare's annual "Rental Affordability Snapshot," released in April, which found housing had never been less affordable.

The Snapshot gives an indicative overview of the housing crisis, taking a record of all the rental properties listed on a given day in the year and comparing the asking prices to average incomes and welfare payments.

The Snapshot bases its assessment of whether a property is affordable for a given cohort on a maximum threshold of 30 percent of household expenditure going to housing costs.

On March 17 Anglicare reviewed 45,895 rental property listing all over the country. It noted that this is the lowest number of listings in the 14 years the report has been released, reflecting Australia's record low vacancy rate of just 0.8 percent.

It found that just 78 rentals, or 0.2 percent, were affordable for couples out of work, single parents on welfare and those receiving the Disability Support Pension (DSP). A single person on the aged care pension could only afford 162 of the properties and those on the minimum-wage 345.

Skyrocketing rent increases have fuelled the lack of affordable dwellings.

Average overall rents increased by 11 percent in the twelve months prior to the report, from \$570 per week in March 2022 to \$633 per week a year later. In four years, rents have increased by almost 40 percent overall from \$459 per week in August 2020 to \$642 per week in August this year according to SQM research.

Monday's supplementary report focused on 16 categories of essential workers whose net earnings were calculated based on guidance from the Australian Taxation Office. The results assumed that the workers

were single and earning the full-time minimum wage. They did not consider variables such as casualisation, part-time work or overtime.

The report found that of the 45,992 listings, not a single of the wage-earning cohorts among "essential workers" could afford more than 1,600 of them. School teachers and firefighters, among the highest earners of "essential workers," could afford only 1,507 and 1,459 respectively.

For those on the lowest wages the situation is disastrous. For an early childcare educator on the minimum weekly rate of \$878, their weekly affordability threshold is \$263.40. This means they could afford just 428 of the listed properties, or 0.9 percent. This same situation faces hospitality workers and meat packers. For enrolled nurses on the minimum weekly rate of \$1013.40 just 666 of the properties were affordable.

Speaking to the *Guardian*, Colleen Carina, a 60-year-old assistant nurse, explained that she had been forced into homelessness. "I've got a little camper van I was staying in," she said, "But when I'm working it's quite difficult." Carina was offered a permanent job at an aged care facility in Coffs Harbour, New South Wales (NSW), but was given casual hours once it was discovered she didn't have a rental.

"There's just no housing," she said, "I'm looking at rentals at \$460 a week. Say I'm making my average wage, maybe \$600 or \$700 a week, by the time you pay for fuel, you put money away for electricity, or even a car account, how do you live?"

The unaffordable rental prices are compounded by declining wages and rising inflation. There has been a significant decline in disposable income, with a poll conducted by Nine media recently finding that 51 percent of Australians would struggle financially if they had to cover the costs of an unexpected major expense such as the repair of a car or replacing a fridge.

This is driving a flood of requests for assistance from homelessness services. A report published by Homelessness Australia in early August revealed demand increased by 7.5 percent in four months, from 89,109 requesting assistance in December 2022, to 95,767 by March 2023.

“A 7.5% increase in demand in just four months is unheard of,” Kate Colvin chief executive of Homelessness Australia told the *Guardian*. “It forces homelessness services to make extremely tough decisions about who gets assistance,” she said. An average of 71,962 people are turned away per year, according to the report, 80 percent of whom are women and children. This does not include people who cannot reach a service over the phone.

The situation is concentrated in the most populated states with Victoria seeing 32,733 requests for service in March and NSW 27,730. The other states are witnessing spikes in requests with Queensland increasing to 16,225 requests in March, a 12.9 percent rise from December last year.

The housing crisis is an indictment of the policies pursued by successive Labor and Liberal-National governments which have overseen decades of cuts to public housing. At the same time they have funneled money into the coffers of private property developers who rush to build cheap and dangerous apartments, cashing in on Australia’s housing bubble.

The federal Labor government, which scraped into office last year based on promises of a “better future,” has offered nothing but sham relief. Its much touted \$10 billion “future fund” will purportedly build 30,000 social housing dwellings over the next five years. Even if this comes to pass, it is a drop in the ocean compared to the predicted 47,000 new social and affordable homes needed each year for the next two decades to meet demands.

A “National Cabinet” meeting called by Labor on Wednesday did not outline a single policy that would address the skyrocketing rents. Instead its focus was on various subsidies to property developers, and an onslaught on regulation, to further fuel the housing bubble.

While nothing is being provided to working families, the Labor government has launched a savage offensive against workers through cuts to health, education and public spending, while pumping billions into the

military and tax cuts for the rich.

The ongoing housing crisis is one component of the social disaster facing working families in Australia. It demonstrated that the basic needs of working people are incompatible with the capitalist system, which subordinates everything to the profits of the financial elite.



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