Homelessness soaring in Australia as corporate wealth surges

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This Christmas?New Year period in Australia is marked by growing numbers of working-class people experiencing financial stress, poverty and homelessness.

At the same time, the ruling class is celebrating a near-record bonanza on the share market and the top corporate CEOs are taking home huge increases in their annual remuneration packages.

This social divide is becoming increasingly explosive after more than 18 months of the Albanese Labor government, which scraped into office in May 2022, falsely promising "a better future."

As in the United States and other "advanced" capitalist economies, ordinary people are suffering the greatest cut to their living standards since World War II as a result of soaring prices, rents and home mortgage repayments.

This month's latest statistics from the Australian Institute of Health and Welfare indicate a sharp rise in homelessness. The proportion of rough sleepers seeking homeless services rose by 17 percent in 2023. The proportion of individuals who were already homeless when they sought help grew by 5.5 percent.

"These figures are a stark and alarming indicator of how the deepening housing crisis is pushing more Australians to sleep in their car, pitch a tent or couch surf," Homelessness Australia CEO Kate Colvin said.

"The data also reveals that homelessness service capacity hardly increased in 2022?23 despite surging demand, with the number of clients supported across the year increasing only 1.3 percent from 272,694 to 273,648."

That was a fall of 16,814 from those assisted when funding to homelessness services was temporarily increased during the first two years of the COVID-19 pandemic, only to be slashed again by the federal, state and territory Labor governments now in office across Australia's mainland.

Homelessness NSW (New South Wales) CEO Dom Rowe said: "Homelessness services are so stretched they are having to turn away one in two people who knock on their doors. And there are many more people who don't ask for help at all." Only 21 percent who needed long-term accommodation received it.

Charities are reporting massive rises in requests for help, many from households that have never sought it before.

• Anglicare Victoria reported a 50 percent increase in demand for its emergency relief services over the past year, with about 40 percent of clients asking for help paying the bills after exhausting all other options.

• St Vincent de Paul Victoria spent $2.6 million on its homelessness support in 2022?23 compared with $1.6 million the year before, a 62.5 percent increase. The charity's food insecurity support rose by 37.7 percent to $9.5 million, while cost-of-living support, which includes medical expenses, fuel, school supplies and utility bills, jumped by 51.2 percent to $6.5 million.

• Salvation Army Australia said nearly half of the people who reached out to it this year were new. The charity's survey of 2,000 people, released this month, found 31 percent had used a credit card for Christmas shopping, up from 18 percent last year, while 15 percent had relied on buy now, pay later—double last year.

Australian Council of Social Service (ACOSS) Acting CEO Edwina MacDonald warned: "The skyrocketing cost of rent and energy has created a tsunami of financial distress that is pushing people on the lowest incomes to the absolute brink. Community services are at a breaking point, unable to keep up with the demand from people in desperate need of support."

An ACOSS survey in September of people relying on sub-poverty-level unemployment benefits or other government income support reported that 73 percent were eating less or skipping meals, while 64 percent were cutting back on meat, fresh fruit, vegetables and other fresh items. In addition, 60 percent experienced difficulty affording the medicine or medical care they needed, 98 percent said the low rate of income support harmed their mental health and 93 percent said it harmed their physical health.

This is just the tip of the iceberg of a wider social crisis. This month's National Accounts showed that real household disposable income—a measure of living standards—fell 5.6

percent over the year to September 30 and 8.3 percent over two years. That is the biggest drop in decades. Even so, it underestimates the impact on working-class people, who are being hit hardest by the cost of living.

For the wealthy elite, by contrast, the Australian share market set a new 100-day high on the first day of trade after the Christmas and Boxing Day break. Yesterday, it came close to a record high, following the lead of New York's Wall Street.

Share prices are surging on expectations of interest rate cuts in 2024, making ultra-cheap money available again, combined with high iron ore and other commodity prices. Perversely, these price rises are being driven by the global economic dislocations and record military spending associated with the US war drives in Ukraine and the Middle East and against China.

The stock market bonanza is also based on booming profits extracted from the labour power of workers, whose real wages continue to fall, as they have for a decade.

Despite the Albanese government and the trade union bureaucrats claiming that "wages are moving again," average weekly wage growth for the year to June 30 was only 3.9 percent. That was far below the inflation rate, which peaked at about twice that level, while total shareholder return for the Australian S&P/ASX 300 index increased by 14.4 percent.

Most of the benefit went to the most affluent layers of society, reflected in soaring rewards for the top company chief executives.

According to the *Australian Financial Review*, Macquarie Group CEO Shemara Wikramanayake remained Australia's highest-paid chief executive for the third year in a row. Her reported pay in 2022?23 was boosted by almost 30 percent, topping $30 million for the first time. She was eclipsed, however, by the Macquarie Group's head of commodities and global markets Nick O'Kane, who received $57.6 million, after the investment bank reported a $5.18 billion yearly profit.

Victor Herrero, the chief of jewellery chain Lovisa, came second on the CEO list. He received $29.6 million in reported pay last financial year, despite an investor protest vote. Kogan.com founder Ruslan Kogan finished third, receiving $17.2 million in reported pay. Fourth was Greg Goodman of the property developer Goodman Group. He obtained $14.2 million in reported pay, plus an estimated $27.9 million in realised, or take-home pay, after taking into account the market values of shares he received.

The now departed CEO of Qantas, Alan Joyce, was only the fifth highest-paid CEO in 2022?23 with reported annual pay of $11.9 million, although his actual payout, including shares and options, was $21.4 million.

As elsewhere around the world, this expanding social gulf is the result of deliberate policies imposed by the ruling capitalist class through its political servants, such as the Albanese government. Backed by the Labor government, the Reserve Bank of Australia followed other central banks in repeatedly hiking interest rates, driving up unemployment levels to stifle workers' demands for wage rises.

Above all, the Labor government has relied on the services of the union apparatuses to block or shut down stoppages by workers and inflict sub-inflation and employer-friendly industrial agreements.

Calls by ACOSS and the charities for urgently-needed increased funding for homelessness and other welfare services have fallen on deaf ears. ACOSS has repeatedly urged the Albanese government to boost income support, lower the cost of energy bills, and scrap the planned "Stage 3" income tax cuts that will give wealthy households the lion's share of more than $350 billion over the next decade.

In this month's Mid-Year Economic and Fiscal Outlook (MYEFO), Treasurer Jim Chalmers again rejected calls for cost-of-living relief and reaffirmed the government's intent to drive up the official unemployment rate to 4.5 percent by mid-2024. That would throw another 150,000 people out of work, in order to keep downward pressure on wages.

The only major increased spending was for military operations. That was another sign of wider US-led war preparations, particularly against China. Workers and youth are being made to pay for the military spending via austerity measures, including deepening real cuts to health, disability, education and welfare programs, placing them on a collision course with the Labor government and the union bureaucrats.