

Homelessness crisis in Australia exposes Labor-Greens housing deal

Mike Head
2 January 2024

Over the Christmas-New Year period reports continued to emerge of the intensifying impact of Australia's housing crisis on working-class households. Growing numbers of people, many of whom have never faced homelessness before, are living on the streets, or in tents, vans or cars, and depending on charities for food and other essentials.

Soaring rents and home mortgage repayments, combined with the widening gap between wages and the skyrocketing cost of living, are producing homelessness on a scale described by charities as the worst on record in Australia.

In August, Homelessness Australia figures suggested 1,600 more people were being forced into homelessness each month. By all accounts, that toll has only risen.

"We're getting people who are accessing service who have never been to homeless service before," Mark Donchi, the homeless program manager at St Mary's House of Welcome in Melbourne, told the Australian Broadcasting Corporation last week. "And they walk in and you can tell ... they're just confused."

The charity's staff tried to connect clients with housing services, but it was increasingly difficult to find available social housing. "You can walk into a homeless service and you're walking out with a sleeping bag, that is the best option," Donchi said.

Homelessness has been worsening in Australia for years, but it has accelerated since the Albanese Labor government scraped into office in May 2022, and this social crisis will deepen in 2024.

In a statement, Homelessness Australia, a peak body of charity services, said that between January and September 2023, an additional 5,600 people each month sought homelessness assistance compared with the same period in 2022.

That was a 6.2 percent rise to an average of 95,862 people per month—a shocking figure in a country of about

26 million people. Alongside record profits and wealth being extracted by billionaire property developers and the major banks, this is an indictment of the entire capitalist profit system and the governments, both Labor and Liberal-National, that serve its interests.

"Housing stress is the fastest-growing cause of homelessness, with an astonishing 27 percent increase from 2018 to 2022," Homelessness Australia said. "[T]he 640,000 households whose housing needs are not being met is projected to surge to 940,000 by 2041...

"Those living on the streets are only the most visible. The majority of homelessness is hidden—people in crisis accommodation, rooming houses, insecure housing, overcrowded dwellings or couch surfing."

According to the 2021 Census, on any given night, 122,494 people experienced homelessness. That was before the housing crisis deepened.

Since May 2022, the Reserve Bank of Australia has lifted interest rates 13 times. As a result, a household with a mortgage of \$750,000 is spending \$1,815 more on repayments a month. That is the equivalent of a wage cut of over \$450 per week.

For more than 18 months, the Labor government has backed the central bank in imposing the burden of the global inflationary spiral on the backs of workers and their families, while suppressing wage demands with the help of the trade union bureaucracy.

Since July 2020, rents also have soared by 30.4 percent, pushing the median weekly rental to an unprecedented \$588, far beyond any wage rise. The rent hikes are the greatest in working-class areas, particularly those with high numbers of immigrants and students.

Data from CoreLogic showed that over the 12 months to November, rents in Lakemba, one of Sydney's biggest immigrant suburbs, soared 28.1 percent, closely followed by neighbouring Wiley Park, which was up 28 percent. Kensington, a Sydney suburb with many university

students, had the highest house rent growth in the country, up 24.9 percent.

This is a social and political time bomb. It underlines the inadequacy and political cynicism of the housing deal struck by the Greens with the Albanese Labor government in September.

That agreement dropped all pretences by the Greens of advocating rent caps or freezes, which would themselves have done nothing but slow or delay the massive rent hikes. The Greens embraced Labor's proposed \$10 billion Housing Australia Future Fund (HAFF). To be invested on the stock exchange, this fund supposedly could result in "up to" 30,000 "social and affordable" homes being provided over five years, and none before 2025.

Even that depends on the vagaries of the share market, as well as the profit demands of the developers and construction companies that will be contracted to build housing units. And if the 30,000 figure actually eventuated, it would be a drop in the ocean compared to the rapidly growing need, already exceeding 600,000 dwellings.

September's Labor-Greens deal exposed the pretences of the Greens, after months of political posturing on the housing crisis, to be the "party of renters" or present any alternative to the right-wing, pro-business program of the Labor government.

The agreement was the result of anxious efforts by the Greens, in the face of the worsening social crisis, to prop up an increasingly unpopular government, which depends on their support in the Senate.

In June, the Greens had indicated they would support the HAFF, despite its blatant inadequacy, in exchange for \$2.5 billion a year in direct government funding for social housing. That "compromise" was half their initial call for \$5 billion, which the Greens had said was the absolute minimum needed to meet the pressing need!

Outside the Labor Party's national conference in Brisbane in August, the Greens' housing spokesperson Max Chandler-Maher urged protesters to put pressure on the government to negotiate with the Greens. At the same time, he demagogically declared that Labor "acts more like the party of the banks and property investors, than the party of the worker."

Chandler-Maher criticised a Labor-dominated "National Cabinet" meeting three days earlier for refusing to support a temporary freeze on rents. "While the banks make record profits, renters cop record rent increases," he said.

The "National Cabinet" of federal, state and territory government leaders—all Labor but one—rejected any policy to address the rental crisis. Instead, it unveiled measures to sweep aside planning and building regulations in order to further boost the fortunes of the developers, banks and the other financial institutions which dominate the housing market that has created the crisis.

Inside the Labor conference, the perspective of putting pressure on the government for a more progressive face was shown to be a fraud. "Left" trade union and "Labor for Housing" representatives dropped their token calls for a super-profits tax to fund the affordable housing shortfall and welcomed the outcome of the "National Cabinet" meeting.

By Chandler-Maher's own words, within a few weeks, the Greens too acted as a "party of the banks and property investors." With minor changes, the Greens' members of parliament agreed to help push through policies they had denounced for most of 2023.

To seal the pact, Labor agreed to a one-off \$1 billion payment to a National Housing Infrastructure Facility to fund social and affordable housing. That would only result, at best, in the eventual construction of a few thousand additional dwellings.

The Labor-Greens deal continued a history of the Greens shoring up Labor governments as they inflict policies of widening social inequality and war on the working class. The housing agreement helped pave the way for the Greens' equally cynical current role in imploring people at the mass weekly protests against the US-backed Israeli genocide in Gaza to direct their energies to trying to pressure this same government into modifying its full-throated support for the Zionist onslaught.

The housing disaster is rooted in the corporate profit system itself. It can be resolved only through a socialist program. A workers' government would seize and redirect the obscene wealth accumulated by the billionaires and financial speculators, and the billions being spent on war, to public housing, health, education and other critical social programs. It would place the banks, finance houses and property industries under public ownership and democratic workers' control.



To contact the WSW and the
Socialist Equality Party visit:

wsws.org/contact