

# Australian housing crisis: Full-time workers forced into homelessness

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In a stark expression of the mounting social crisis confronting the Australian working class, a growing number of people in paid employment are becoming homeless. Workers are increasingly being forced to sleep in their cars, camp in local parks, or couch surf, as a result of the widening chasm between wages and rent prices, and the profound shortage of public and social housing.

Charity organisation Mission Australia reports that four in ten people who sought assistance from a major homelessness charity in the past three years were employed but unable to meet the soaring cost of rent and other basic essentials.

A spokesperson for the charity told the *World Socialist Web Site*, “Mission Australia’s frontline staff are seeing a new phenomenon of people who are employed needing our help. People can’t afford skyrocketing power bills while at the same time their rent is going up. People who have jobs are coming in, having a shower and breakfast, then going to work and going ‘home’ to sleep in their cars.”

“There are simply no long-term affordable options to refer people to. Too many people and families are forced into homelessness. Too many are missing out on important employment and education opportunities, often suffering in silence and experiencing immense distress or mental health challenges without the stability of a safe and stable place to call home.”

A 2022 University of New South Wales study found that more than 640,000 Australian households were homeless, living in overcrowded conditions, or facing unaffordable rent. This figure was expected to climb to more than 940,000 by 2041. This is likely to be a vast underestimation. According to Homelessness Australia, more than 1,600 people are becoming homeless each month.

Last year, wages increased (in nominal terms) by an average of 4.2 percent, while average rents rose 7.3 percent, according to the Australian Bureau of Statistics (ABS). But even this dramatically understates the soaring cost of housing confronting workers looking for a place to live. The median advertised rental price of apartments soared 18 percent over the same period, according to PropTrack.

A report last year by housing campaign group Everybody’s Home compared average weekly unit rents against award wages for 15 occupations. For full-time workers in aged care, early childhood education or nursing, there was almost nowhere in Australia where they could afford rent on a single income. For those employed in hospitality or meat packing, the average urban rent of \$572 per week (in April 2023) represents 81 percent of their income, far above the housing stress benchmark of 30 percent.

There is virtually no safety net between the unaffordable private rental market and the street. Australia’s social housing supply is more than half a million homes short of what is currently needed. Between 2016 and 2021, the number of social housing dwellings increased by just 2.6 percent, while the population grew by 5.7 percent and the number of households increased by 8.2 percent.

Labor’s Housing Australia Future Fund, introduced late last year with the support of the Greens, will do nothing to resolve this massive shortfall. The \$10 billion fund will result in the construction of, at most, 30,000 “social and affordable” homes over the next five years, depending on the vagaries of the stock market and the profit demands of the private developers contracted to build the dwellings.

Even in the unlikely event that the full complement of homes is constructed, it would not account for half of

what will be required to match the additional demand for social housing that accumulates over the five-year timeframe, let alone resolve the existing shortfall.

The states and territories, led by Labor everywhere except Tasmania, are likewise doing nothing to address the housing crisis. The “National Cabinet” last year denied calls to freeze or cap rents, instead using the situation as a pretext to further slash planning and building regulations to hand even greater profits to property developers and financial institutions.

Labor’s housing policy is in line with the broader pro-business agenda of harsh cuts to wages and social spending that has been carried out by Prime Minister Anthony Albanese’s Labor government since it scraped into office in May 2022, promising a “better future.”

With the full support of Labor, the Reserve Bank of Australia has hiked interest rates 13 times, resulting in sharp increases in mortgage repayments, which is flowing on to rents. This has nothing to do with “fighting” inflation, but is aimed at slowing the economy to drive up unemployment and keep wages down.

Labor governments across the country have been at the forefront of the attack on workers, maintaining punitive wage caps and imposing sub-inflationary pay increases across the public sector with the full support of the trade unions.

Labor’s recent rejigging of its Stage 3 tax cuts will do nothing to address the soaring cost of living and housing. Workers on \$40,000 a year are promised a \$654 tax cut, less than \$2 per day. Workers earning up to \$140,000 will get back around \$15.50 per week, while those with annual income of more than \$200,000 will receive \$87 per week in tax reductions.

These token “relief” measures stand in stark contrast to the escalating military expenditure of the Labor government. This includes \$368 billion for nuclear-powered submarines under the AUKUS agreement, part of preparations for a US-led war against China.

This demonstrates that the government’s refusal to resolve the issue of housing affordability and availability is not about a lack of resources, but the pro-business, pro-war agenda of Labor and all capitalist governments and parties.

Homelessness, like all other social crises, can only be resolved through a fight by the working class to establish a workers’ government to implement a

socialist program. This would include placing the major property developers and banks under democratic workers’ control and ownership, and carrying out a major public works program to provide high-quality housing for all.



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