

More Australians at risk of homelessness but missing out on vital support

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Australia is in the midst of a housing crisis, with rental inflation and mortgage repayments skyrocketing but wages remaining stagnant. Specialist Homelessness Services (SHS) however, are unable to meet the growing demand for help which puts more people at risk of becoming homeless.

A recent Impact Economics and Policy report for the national peak body Homelessness Australia revealed that in 2022, there were between 2.7 million and 3.2 million Australians at risk of homelessness. That represented a 63 percent increase between 2016 and 2022. Even just one negative shock could put these people at risk of losing their homes and seeking assistance from already over-stretched homelessness services.

This crisis is cutting across all demographics of the population, including women with children, those over 55 years old and full-time workers.

Another report, “Australian Homelessness Monitor 2024,” by the University of NSW (UNSW) and University of Queensland showed that there is a growing representation of people from the low and middle-income bracket who are finding that a full-time job doesn’t protect them from the risk of homelessness. More older Australians are being impacted by the housing crisis, with home ownership decreasing across all age brackets, including Australians at retirement age. This forces more older people to rent while being dependent on the paltry age pension.

This report noted that between March 2020 and June 2024 the median advertised weekly rent throughout the country rose from \$413 to \$624, a nominal increase of 51 percent. General inflation increased by 29 percent over the same period.

The combination of record low rental vacancies and

rents spiralling in prices led to higher rates of rental stress. The Impact Economics and Policy report estimated that those experiencing rental stress has increased by 141,000 across the nation since the 2021 Australian Bureau of Statistics (ABS) Census (a 17.9 percent increase).

The housing crisis has been exacerbated by Australian governments, including the federal Labor government, which together with the corporations and the unions have imposed historic cuts to worker’s real wages.

Contrary to the Labor government’s boast that wages have grown since 2022, wages nominally rose to just 3.5 percent in the last year to September 2024. The meagre increase was eaten up by inflation, while rental increases were well above the inflation rate and mortgage repayments rose by 155 percent under the Reserve Bank of Australia’s 13 interest rate increases, supported by the government.

The Australian Council of Social Service (ACOSS) Raise the Rate Survey 2024 showed again that Australians relying on welfare payments such as JobSeeker and Youth Allowance face a life of deprivation and isolation, well below the poverty line. Ninety-four percent of those surveyed who rent privately are experiencing housing stress, having to pay more than 30 percent of their income in rent. Fifty-two percent pay more than half of their income in rent, defined as severe housing stress.

The report on the survey stated: “Australia currently has the worst rental affordability on record and one of the highest rates of homelessness among wealthy countries. Australia’s supply of social housing is at a four-decade low.”

There have been decades of cuts by both Labor and Liberal-National governments to public housing,

reducing these dwellings to a tiny fraction of total stock. State Labor governments such as in Victoria are continuing this assault on the working class, with every high-rise public housing tower in the city of Melbourne targeted for demolition, to be replaced by primarily privately-owned apartments. A third are to be reserved for so-called social housing.

The Albanese Labor government claims to be addressing the housing crisis with its \$10 billion Housing Australia Future Fund (HAFF), with the aim to build 30,000 new “affordable” homes by 2029. However, this has as its primary purpose the increase of the wealth of major property developers. Even if the homes are built by 2029, this barely addresses the extreme shortage of social housing. The Housing All Australians organisation has stated that the current shortfall of affordable/social housing nationally is well in excess of 500,000 dwellings.

Under the National Housing Accord, Labor claims to be aiming for the construction of another 1.2 million new homes over the next five years to address the housing affordability crisis. However, data from the ABS has shown that the year 2023-2024 was the worst year for home building in more than a decade. Housing construction dropped 8.8 per cent.

The nation’s peak building and construction industry association, Master Builders Australia, stated that “if building continues at this pace, we’ll be in less than 800,000 new home starts over the next five years.” It described the target to build 1.2 million new homes as “impossible.” Regardless, Labor’s target has nothing to do with the construction of affordable dwellings, and is simply encouragement for the property development sector, which bears substantial responsibility for the crisis, to continue to profit.

It is clear that the housing crisis and the broader social crisis of which it is a part will only deepen.

Although over 250,000 Australians received assistance from a SHS between 2022-2023, thousands of other requests for assistance went unmet due to lack of resources and an increase in those seeking assistance. The Impact Economics and Policy report revealed some of the following statistics from a two-week survey that was completed of various homelessness services:

- 39 percent of services were forced to close their doors to people seeking help at least once during the

fortnight.

- 83 percent of services were unable to answer phone calls for some period, leaving people in crisis without immediate assistance.
- Families with children who had no accommodation were not assisted on 1 in 5 days.
- Unaccompanied young people and children with no accommodation were turned away on 1 in 9 days.

Those who do not receive help are frequently not included in official statistics measuring people requiring such assistance. In addition, services have been reporting increasingly complex needs, bound up with the lack of medium- and longer-term housing solutions.

The housing disaster is contributing to broader social hardships. A recent Red Shield report by the Salvation Army found that 94 percent of respondents could not afford essential living expenses such as housing, groceries and medical care, and 35 percent were unable to pay their rent or mortgage on time.

People are being forced to take drastic actions, with 22 percent saying that they either live in darkness or use candles and torches at night to cut down on their electricity costs. Forty-seven percent of respondents said that they had experienced severe food insecurity, going a whole day without eating because of financial difficulties.

The housing crisis is an indictment of capitalism. While the obscene wealth of the corporations and the billionaires continues to increase and vast sums are allocated to the military and war, the most fundamental social needs of the population go unmet. That is an argument for the socialist reorganisation of society, to ensure that the social needs of all, including to stable, affordable and decent housing, are secured.



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