

Phoney “cost-of-living” Australian election promises cannot hide the social crisis

Mike Head, SEP candidate for Oxley
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One of the biggest frauds—of many—in the official campaign for the May 3 election in Australia is that any of the puny measures proposed by the main parties of the political establishment—Labor, the Liberal-National Coalition and the Greens—will do anything to resolve the cost-of-living nightmare.

This social crisis has already inflicted financial misery and an historic cut in living standards for millions of working-class households since 2019, and much worse is to come, regardless of which parties cobble together the next government.

Not only are all the last-minute promises, such as minuscule tax cuts or a similar small temporary reduction in petrol prices, totally inadequate. That is obvious.

The Labor government’s pre-election budget promise of a \$5 a week income tax cut in 16 months’ time, with another \$5 a week a year later, would not even cover the cost of a cup of coffee, for example.

But even these pittance will be reversed once the election is out of the way.

All the cosmetic “cost-of-living” pledges will be blown out of the water by the shocks from the Trump administration’s vicious “Make America Great Again” trade and tariff war. It will crash the world economy, eliminate millions of workers’ jobs and send prices soaring internationally.

Virtually no one believes that the phoney election promises, even if they were to be kept, would make any real difference to the lives or prospects of workers and their families. According to one media poll, only 16 percent of those who responded thought that Labor’s sham pre-election budget last week would make them “better off.”

What is the real situation? Following on from the previous widely-detested Coalition government, Prime Minister Anthony Albanese’s administration has continued the biggest reversal in working-class living standards of the post-World War II era, enforcing the burden of the global inflationary crisis fully onto the working class.

Workers’ average purchasing power has declined by 9 percent since 2019, 13 interest rate hikes have driven up mortgage payments by an average of around \$1,500 a month, and rents have risen by an average of 36 percent, throwing record numbers of households into financial stress.

According to estimates by the EY consulting firm, food prices have risen by 27 percent since 2019. A supermarket trolley full of groceries that used to cost \$200 now costs \$300. Insurance costs have soared by 47 percent, fuel 27 percent and the cost of building a new home 40 percent.

So Labor’s promised six-month extension of a temporary energy bill rebate of \$75 a quarter will provide little relief. Household power bills have roughly doubled since the 2022 election, when Albanese cynically pledged a “better future,” including a \$275 a year reduction in electricity bills.

Central to Labor’s claims of providing cost-of-living relief are pronouncements that it is “saving Medicare” and assisting overwhelmed public hospitals. Most prominently, it has promised to increase incentive payments to doctors to “bulk bill” their patients, that is, to treat them without charging fees, by billing Medicare instead.

Albanese even waves a Medicare card at his media conferences. He is fancifully claiming that 90 percent of patients will be able to see a doctor fee-free—but only by 2030. The official figures, however, show that the percentage of patients being bulk-billed has fallen sharply since 2022 from 88.5 percent to 77.5 percent, despite Labor’s previous such promises.

Labor’s “cost-of-living” pittance are not just derisory. They will worsen the social crisis. For example, its “Help to Buy” scheme will offer financially-squeezed first homebuyers slightly easier access to huge bank loans, but only in return for the government part-owning their homes. This will further fuel rises in housing prices and the profits of the developers who control and manipulate the housing market.

According to analysis by the University of New South Wales and consulting firm Digital Finance Analytics, 82 percent of electorates nationally now have a majority of homes suffering household financial stress. In 2021, that figure was 8 percent—10 times less.

The financial pain is most acute in working-class areas. For instance, in the outer suburban Sydney seat of Werriwa, which Labor has held for decades, 87 percent of households are under mortgage or rental stress. In 2021, that figure was 61 percent.

The housing affordability crisis has deep economic and political roots. 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, for the benefit of the property developers and banks.

This process is taking an immense social toll. Homelessness services have reported 10,000 new people trying to access their assistance each month.

A growing layer of working-class families is threatened, even those working full-time. A recent report revealed that by 2022, between 2.7 million and 3.2 million people were at risk of homelessness—a 63 percent increase since 2016.

Contrary to the Labor government’s boasts that wages have started to grow for the first time in five years, they nominally rose by an average of just 3.5 percent in the year to September 2024. That was well below the real inflation rate, which was 4.7 percent year-on-year in November’s Australian Bureau of Statistics Living Cost Index for employee households.

The housing crisis has also exposed the Greens, the third party of the parliamentary establishment. In December, the party dropped all its remaining demands for modifications to Labor’s housing legislation, including for rent freezes and an end to tax concessions for property developers. It waived through Labor’s “Help to Buy” and “Build to Rent” bills, which will ensure the continuation of the speculative property bubble.

The Greens-Labor deal was part of Greens leader Adam Bandt’s appeal for Labor to accept a partnership alliance with the Greens if the election results in a hung parliament. The Greens are trying to prop up a Labor government that would continue to advance the interests of the corporations and the ultra-wealthy, along with militarism and war.

Moreover, the five million people trying to survive on sub-poverty unemployment benefits, single parent payments or aged or disability pensions will get no relief at all from most of the offerings.

Unemployment is rising. The number of people without paid work has grown by 85,000 since mid-2022. As a result, nearly 900,000 jobless workers are struggling to barely survive on JobSeeker or Youth Allowance payments of just \$56 a day. That is so low “it’s forcing people to skip meals, cut their medication in half and go to bed early to save on energy costs,” ACOSS reported.

Poverty is spreading. By 2022, according to the latest available Poverty In Australia report, one in eight people in Australia (3.3 million people), including one in six children (761,000), were living in poverty.

On the other side of the widening social inequality gap, the *Australian* newspaper’s latest Richest 250 list reports: “It is boom time for Australia’s richest billionaires, with our 10 wealthiest founders and business leaders worth almost a cool \$250bn combined this year—up from \$230bn in 2024.”

Altogether, the top 250 were worth \$689.52 billion, headed by iron ore magnate and far-right Trump supporter Gina Rinehart on around \$50 billion. Second on the list was

apartment baron Harry Triguboff, whose fortune rose to a record \$31.48 billion last year.

Triguboff epitomises the source of the housing crisis. He and about a dozen other Rich 250 members control hundreds of thousands of housing lots across the country, as well as a string of sites earmarked for apartment towers.

The deepening social crisis is an indictment of the capitalist profit system and all its political servants. The obscene wealth of the corporations and the billionaires continues to increase, while vast sums are allocated to the military and war plans. That underscores the necessity for the complete socialist reorganisation of society, to ensure that the social needs of all are met.

To fight for that perspective, the Socialist Equality Party (SEP) will stand candidates in the May 3 election, despite being denied the basic democratic right by the Australian Electoral Commission to have our party name on the ballot papers.

We will campaign throughout the working class for the only progressive alternative to capitalism’s plunge into war, genocide and dictatorial oligarchic rule—that is, a socialist program for the total overturn of this failed social order.

As outlined in our election statement, the SEP candidates will raise the following policies, among others, to resolve the cost-of-living crisis:

- Workers must receive immediate pay increases of at least 30 percent, to make up for the real wage cuts of recent years!
- Affordable housing for all! For a massive expansion of public housing and rent caps to ensure that everyone has a decent place to live.
- Place the banks and the major corporations under public ownership and democratic workers’ control!

We appeal to all workers and young people to become involved in our campaign. Above all, we urge you to join the SEP and build it as the new mass party of the working class.

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