

# Australia's housing crisis needs a socialist solution

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Housing affordability, along with the broader cost-of-living crisis, is a key issue for working-class voters in Australia's May 3 federal election. Both Labor Prime Minister Anthony Albanese and Liberal-National leader Peter Dutton made housing a central feature of their official campaign launches on April 13.

However the policies proposed by the parliamentary parties will do nothing to address the acute and worsening shortage of affordable homes. Instead, they are aimed at further inflating property prices, increasing the level of debt hanging over the heads of workers and their families, and funnelling even more wealth into the coffers of developers and big finance.

Labor's plan would allow first home buyers to take out a home loan with only a 5 percent deposit, trapping them in unaffordable mortgages. Labor has also vowed to hand over \$10 billion to property developers to build 100,000 new homes over eight years, to be sold on the private market, supposedly at prices "affordable" for first home buyers.

The Liberal-Nationals, meanwhile, would allow first home buyers to claim interest repayments on their mortgages as tax deductions—another plan that would do nothing to address the massive shortage of affordable housing.

The Greens, while occasionally posturing as proponents of social and public housing, rent caps and other measures to ameliorate the crisis, in reality are completely oriented to forming a coalition with Labor, and have joined with the Albanese government to pass its housing legislation.

Since the Albanese Labor government scraped into office in 2022, the median price for a house or unit across Australia has increased by 15.63 percent to \$799,000. This is more than 11 times the median annual wage of \$72,592, according to the Australian

Bureau of Statistics (ABS).

Sydney remains the most expensive state capital, with a median dwelling price of over \$1.1 million. But the sharpest price rises were in Perth (up 46.95 percent to \$770,000), Adelaide (up 43.17 percent to \$796,000) and Brisbane (up 35.81 percent to \$876,000). This means that even in those cities previously considered somewhat more affordable, home ownership is increasingly out of reach for workers.

Moreover, the Albanese government has overseen the imposition of 13 interest rate hikes, increasing mortgage repayments by an average of \$1,500 per month.

Rents have also soared around the country since the last federal election. Across the state capital cities, the median weekly house rent has risen 26.21 percent to \$650, and the median apartment rent has gone up a whopping 41.3 percent to \$650, according to *Domain*.

Meanwhile, the Wage Price Index increased by just 10.62 percent between the March quarter of 2022 and the December quarter last year—the most recent figures published by the ABS. Nor is the massive discrepancy between the rising cost of housing and the growth of wages a recent development. Over the past 27 years, while wages have increased by 127.5 percent, the price of housing has rocketed a massive 483 percent.

As a result, the number of available private rental properties that are affordable to low- and middle-income workers, including in aged care, early childhood education, nursing and hospitality, is practically zero. A report last year found that the number of Australians in rental stress had increased by 17.9 percent since 2021.

More than two-thirds of retirees who rent, and one-quarter of those with a mortgage, live below the poverty line, as the rising cost of housing has vastly

outstripped increases in the aged pension. Others who rely on welfare payments, including students, single parents and people with disabilities, face a similar predicament.

More and more workers, increasingly including those with full-time jobs, as well as young people and the elderly, are being forced into homelessness.

Public housing is almost non-existent, after decades of government cuts. Some of this has been replaced with “social housing,” often more expensive and precarious than public housing, and managed by non-government organisations, and so-called “affordable” dwellings, whose “affordability” is pegged to soaring market rates.

A key element of Labor’s sham “better future” platform in the 2022 election was its \$10 billion Housing Australia Future Fund (HAFF). This was supposed to pay for the construction of 30,000 social housing properties within five years, only around 5 percent of the estimated need.

In fact, no new homes have been built under this scheme, as the federal government was forced to admit in February. Even the paltry 340 social homes Labor claimed to have constructed were in fact “acquired and converted.”

While this was seized upon by the Liberal-Nationals, in part to justify their policy of scrapping the HAFF, the Coalition has no plan to address the massive shortage of public and social housing.

The phoney debate that erupted over the question of whether a few hundred homes were freshly built or simply repurposed was little more than a distraction from the evisceration of what little remains of existing public housing, which is taking place at a far more rapid pace.

In Victoria and New South Wales, the state Labor governments have ordered the demolition of major public housing estates, which will displace thousands of residents. The purpose of this is to hand over large sections of valuable inner-city land to enable the further enrichment of the big property developers and financial institutions.

In Melbourne, where 44 public housing towers are slated for destruction, the Socialist Equality Party (SEP) has worked with residents to form a neighbourhood action committee through which to turn out to the broadest layers of the Australian and

international working class—the only social force that can defeat this wrecking operation, and fight for affordable high-quality housing as a basic social right.

In this election, the SEP is the only party telling workers the truth: The acute shortage of affordable housing, like every aspect of the deepening social crisis, is an indictment of the capitalist profit system and all its political servants, including Labor, the Liberal-Nationals and the Greens.

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

That is why the SEP demands:

- Affordable housing for all! For a massive expansion of public housing, rent caps and urgent mortgage relief to ensure everyone has a decent place to live. End homelessness and housing stress for all!

- Workers must receive immediate pay increases of at least 30 percent, to make up for the real wage cuts of recent years!

- Trillions for public education, healthcare, welfare and transport! End the crisis in the public schools and hospitals! High-quality education, healthcare and social services are a social right!

- Place the banks and the major corporations, including the property developers, under public ownership and democratic workers’ control! Expropriate the fortunes of the billionaires! For a socialist society based on social need, not private profit!

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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