

# Labor's promises will not resolve the South Australian housing crisis

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With the South Australian (SA) election just over two weeks away, it is clear that housing affordability, along with broader cost-of-living pressures, is a major issue confronting the state's working class. But while Labor, the Liberals and the Greens have all placed housing at the centre of their campaigns, none of their election promises would resolve the deepening housing crisis.

Over the past five years, median home prices in Adelaide have almost doubled to \$929,000, with an increase of \$118,600 in the past 12 months alone, according to PropTrack. Average rents have increased with similar rapidity, to an average of around \$630 a week. There is an estimated shortfall of 36,000 affordable dwellings in the state and at least 7,000 people are homeless.

The housing policies of the parliamentary parties, however, are not aimed at pulling the working class out of crippling housing stress, but at further enriching property developers, banks and wealthy investors.

Launching his campaign last month, Labor Premier Peter Malinauskas vowed to establish a \$500 million "land acquisition fund" if re-elected on March 21. Under the plan, the government would acquire land, carry out master planning and civil works and then on-sell the sites to property developers.

The scheme would do nothing to reduce the price of housing, which is already out of reach for many South Australian workers. The resulting homes would still be privately sold and priced in line with the skyrocketing market, with no restriction on developers except that they must convince the government they are "able to bring a housing precinct to market within five years."

Malinauskas spelled out the real purpose of the scheme as a bonanza for property developers, stating, "we want to see industry making money because they are building homes, and our half-a-billion-dollar housing fast-track will see to exactly that." In other words, the scheme depends on property prices—and therefore building corporations' profits—continuing to rise.

The land acquisition fund follows on from another

announcement by Labor last October that, if re-elected, the government would financially underwrite up to \$500 million worth of apartment construction in Adelaide, along with plans to relax height limits on apartment buildings in the CBD.

The policy would see the Labor government act as guarantor for the activities of developers, vowing to pay for any apartments that could not be sold off the plan, "up to a cap of \$30 million per project."

While Labor announced this under the pretext of making housing more affordable for workers, the government guarantee would apply to apartments priced at up to \$1 million. This underscores that the plan is in fact aimed at eliminating the financial risk for developers chasing profits building high-end CBD homes for the upper-middle class.

In addition to the combined \$1 billion "fast-track" schemes, Labor vowed to scrap stamp duty for "downsizers" over 60 years old buying new or off-the-plan dwellings costing up to \$2 million. Malinauskas claimed that this \$70 million handout targeting a small layer of wealthy retirees would "free up" large family homes for younger buyers. It is really aimed at further inflating the price of new builds and will do nothing to make existing houses affordable for working-class families.

Labor's stamp duty exemption was announced in response to a smaller "downsizer incentive" proposed by the Liberal Party, promising a \$15,000 concession on the fee for over-55s purchasing homes for under \$1.2 million. The Liberals also vowed to abolish stamp duty on existing properties up to \$1 million for first-home buyers.

The reality behind Labor's promises on housing is exposed by its track record.

In the 2022 election, the party pledged to increase public housing supply, promising a break from decades of decline in the South Australian Housing Trust (SAHT), the body responsible for public and affordable housing.

Four years on, around 1,000 new SAHT homes are supposedly under construction or completed, and 580 previously earmarked for sale have been retained—a

negligible number compared to demand. Only 158 homes have actually been built, with around 16,000 households on waiting lists, and homelessness continuing to rise. The government's current election promise to refurbish 300 vacant SAHT homes for \$30 million is a mere drop in the bucket that would do nothing to reverse the impact of decades of bipartisan cuts.

The Homeseeker SA program, established by the previous Liberal government in 2021, was adopted by the Malinauskas administration and touted as a pathway to affordable home ownership. In reality, it is a tightly restricted, bureaucratic mechanism that leaves the majority out in the cold.

Applicants must fit within income caps: singles in Adelaide cannot earn more than \$115,000, couples or families \$150,000; in regional areas, the limits drop to \$90,000 and \$115,000. With prices for the so-called "affordable" dwellings on the Homeseeker website starting at over \$450,000 and most of the few homes available costing more than \$600,000, the scheme virtually guarantees that participants will endure years of mortgage stress.

The Labor government is also pledging to expand its "rent-to-buy" scheme, which was introduced last year, allowing low- and middle-income tenants to rent newly built SAHT homes at 75 percent of market rates for up to two years, with the option to then purchase the home at a fixed price. At present, just 125 dwellings in the state are eligible, which Labor says it will increase to a still meagre 2,000 over eight years.

With median rent already at \$630 a week, prospective buyers will still struggle to save for a deposit, even with the 25 percent discount. For a worker earning \$80,000 annually, the reduced rent of \$472.50 amounts to around 30 percent of income—the generally accepted threshold for housing stress.

In its four-year term, the Malinauskas government has overseen a massive widening in the gulf between wages and property prices. Between March 2022 and December 2025, average wages in the state nominally rose by 14.25 percent, while median home prices increased 42 percent.

The SA Labor government has spearheaded the assault on real wages, imposing punitive wage cap policies throughout the public sector with the aid of the trade union bureaucracy. In this, as with its housing policies, the Malinauskas administration is in lockstep with the federal Labor government and its state counterparts.

The federal Labor government's Housing Australia Future Fund, touted in 2022 as a plan to build 40,000 "affordable" homes, has completed fewer than 1,000.

Its expansion of the First Home Buyers scheme, introduced in October, is already causing the price of eligible homes—that is, those remotely affordable to the

working class—to rise faster than more expensive dwellings. This is not an unintended consequence, but the designed outcome of a policy aimed at further stimulating the property market to increase the profits of developers and banks.

At the same time, state Labor governments in Victoria and New South Wales are working to destroy what little remains of public housing, including displacing some 10,000 residents from the 44 apartment towers in Melbourne and evicting 3,000 tenants from Waterloo South in Sydney. The transparent purpose is to free up valuable inner-city land for property developers.

The escalating crisis of housing affordability in South Australia and across the country is a stark expression of the incompatibility of capitalism with the needs of working people. It cannot be resolved through a vote for Labor or any of the parliamentary parties, which all represent and defend the interests of the corporate and financial elite.

The Socialist Equality Party advances an entirely different program to that on offer in the 2026 SA election: a fight by the working class for a political alternative, socialism. This would include a publicly funded, mass construction program to build high-quality, public housing, based on social need not investors' returns.

This requires bringing the banks, property developers and major corporations into genuine public ownership under the democratic control of the working class, making available the vast resources currently monopolised by a wealthy few. Instead of a "housing market" in which private interests determine what is built, production and urban development would be rationally planned, according to the needs of the entire working class.



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