Australia: Labor’s $10 billion housing scheme delivers under 1,500 homes in 2 years

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The federal Labor government’s $10 billion Housing Australia Future Fund (HAFF) had delivered just 1,432 of the promised 40,000 “social and affordable” homes as of April—more than two years after its launch—official figures released last month revealed.

The scheme, a central part of Labor’s election platform in 2022, was supposed to make available an additional 40,000 dwellings by 2029. Even if achieved, this would be a drop in the ocean compared with the national shortage of affordable housing, widely estimated at well over half a million homes.

Since its launch in late 2023, the scheme has been beset by delays, governance problems and rising construction costs. Most recently, up to 20 jobs (over 10 percent) have been cut as part of a restructure at Housing Australia, the agency responsible for overseeing the scheme.

In addition to the completed homes, there are 5,189 in planning, 4,927 in pre-development and 6,851 under development, the agency’s acting chief executive Lisa Braid told Senate estimates in early June.

But just 82 of the 173 projects selected in the agency’s first bidding round in September 2024 have reached financial close, the point at which they can start receiving public funding, the *Australian Financial Review* reported. Moreover, four successful bidders, with projects totalling 282 dwellings, have subsequently withdrawn from the scheme because rising construction costs have rendered their plans financially unfeasible.

These figures underscore that the HAFF is not a mass housing construction program, but a mechanism for subsidising private development, meaning what housing is built and where is determined above all by the profit interests of corporate builders.

Nor are the promised dwellings to be public housing. They will comprise an unspecified mix of “community housing,” much of it managed by non-government organisations and often less secure and more expensive than public housing, and so-called “affordable housing,” in which rents remain tied to inflated market rates rather than what workers can actually afford.

Construction industry analysts estimate that the US-Israeli war against Iran—backed by the Albanese government—has already driven up building costs by 1.5 to 3 percent through supply-chain disruptions, adding as much as $20,000 to the cost of a typical home. The ongoing war, which is exacerbating already high underlying inflation, will almost certainly mean further delays and cancellations to HAFF projects.

When the Albanese government admitted last year that not a single home had been built under the HAFF, it exposed far more than a temporary setback. The latest figures confirm that the scheme’s failure is the inevitable outcome of a policy designed to protect the property market rather than expand public housing. Labor’s commitment to the interests of developers, the banks and Australian capitalism has taken precedence over the housing needs of the working class.

The latest revelations over the HAFF come as Australia’s housing crisis reaches unprecedented levels. Australia has become one of the least affordable housing markets in the developed world, with Cotality reporting that housing affordability “reached new lows by the end of 2025.” Home values have surged by 47.3 percent since March 2020, adding around $280,000 to the median dwelling price, while servicing a new mortgage now consumes 45 percent of household income—well above the 30 percent threshold for housing stress. Sydney, with median house prices at 13.8 times median household income, is now the second-least affordable housing market in the world, surpassed only by Hong Kong.

The deepening social crisis has prompted homelessness organisations to call for a doubling of the HAFF, warning that demand for social housing and crisis accommodation is vastly outstripping supply.

Homelessness Australia reports that “one in four women and children fleeing family violence who come to homeless services are missing out on crisis accommodation,” while more than half the families seeking medium-term accommodation are turned away.

In an implicit indictment of Labor’s priorities, Marymead CatholicCare Canberra and Goulburn boss Anne Kirwan noted in May that the government allocated $10 billion to the HAFF in 2023 but, only weeks later, committed $368 billion to the AUKUS submarine program. “There is money in the federal government and it’s about where the priorities are,” Kirwan told the Australian Broadcasting Corporation.

As the HAFF falls dramatically behind its already inadequate targets, state Labor governments are destroying existing public housing at a rapid pace.

While the federal Labor government boasts of eventually delivering a limited number of social and affordable dwellings under the HAFF, its state counterparts are accelerating the destruction of what remains of Australia’s public housing stock.

The Victorian Labor government is carrying out the largest demolition of public housing in Australian history, tearing down 44 Melbourne housing towers and displacing more than 10,000 residents, many of them elderly people, immigrants, people with disabilities and low-income families.

Independent architectural assessments have demonstrated that the towers could be refurbished, exposing Labor’s claims that demolition is unavoidable as a fraud. The real objective is to free valuable inner-city land for private redevelopment while replacing public housing with a limited number of “social and affordable” homes.

The same agenda is being ruthlessly pursued by the New South Wales (NSW) Labor government at Waterloo South in Sydney, where 750 public housing dwellings are slated for destruction. Last month, riot police were deployed against residents and supporters protesting the start of demolition, which will result in around 2,000 people being turfed out of their homes.

NSW Housing Minister Rose Jackson cynically justified the demolition by declaring that large public housing estates were “not functional communities” and complaining that “it costs money to deliver subsidised public housing.” Her remarks expose Labor’s real attitude towards the poorest and most vulnerable layers of the working class.

The housing crisis is one expression of a broader assault on the living standards of the working class. Labor governments, state and federal alike, are implementing austerity measures across the board, including sweeping cuts to the National Disability Insurance Scheme and other essential social services, while insisting there is no money for public housing, health or education. At the same time, hundreds of billions of dollars are allocated to military spending.

No solution to the housing crisis will be found through appeals to Labor or any section of the political establishment responsible for creating it. What is required is a fundamental challenge to a system—capitalism—that treats housing as a commodity rather than a social right. This means a fight for socialism, in which society’s vast resources, currently controlled by the financial and corporate elite, can instead be used to meet human need, including decent housing for all.