

Sydney workers and youth discuss housing crisis with SEP campaigners

Our reporters
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Socialist Equality Party (SEP) campaigners spoke to workers and youth about mortgage burdens, high rents and homelessness in working class areas of Sydney's south-west. Housing stress—where accommodation costs exceed 30 percent of take home income—affects almost 60 percent of lower income rental households, and 48 percent of lower-income homeowner households nationally.

Housing prices in Australia, relative to average incomes, are among the highest in the world. Between 1991 and 2011, median house prices jumped by 263 percent, while after-tax income rose by only 95 percent. This disparity intensified between 2001 and 2011, when house prices increased by 147 percent and incomes by 57 percent. Average rents have risen at double the inflation rate during the past five years.

With a federal election due to be announced, neither Labor nor the Liberal-National coalition has said a word about the difficulties confronting families attempting to put a roof over their heads. This silence is no accident. Consecutive Labor and Liberal-National governments, state and federal, are directly responsible for the escalating social crisis.

The Hawke and Keating Labor governments from 1983 to 1996, along with their state counterparts, began dismantling public housing as part of their “free market” programs of privatisation and corporate deregulation. Combined with generous tax incentives to property developers and financial speculators, these measures provided windfall profits for the banks and the construction industry. Originally designed to house low-wage workers, public housing in 1980 made up almost 20 percent of homes built since World War II. By 2008, public housing properties constituted just 4.9 percent nationally of all rental stock. Today there is no new public housing construction and more than 250,000 people are on social and public housing waiting lists.

These policies have produced serious shortages of affordable housing, particularly in Sydney, one of the most expensive cities in the world. Homelessness is at record levels—over 28,000 people in the state of New South Wales, a 20 percent increase since 2006. Young people are often forced to live in overcrowded, poor standard rental

properties. These conditions produced the Euro Terraces apartment blaze in Bankstown last September, causing the tragic death of Pingkang “Connie” Zhang, a 21-year-old student. Zhang was living in an apartment that lacked fire sprinklers and other basic safety measures. (See: “Bankstown fire exposes plight of international students”)

Les, a homeowner from Campbelltown, said his family spent about 50 percent of its income on mortgage payments. Les, in his early 40s, works as a fork lift driver and has a young family.

“In the past we had cut spending on things that the family needed in order to pay the mortgage,” he explained. “I worked as a casual for several employment agencies before I got a full-time job. I’d be at one job for six months and then at another for three months. It was a very hard time.”

Les said he had substantial credit card debts. The banks used a collection agency that constantly contacted him to recover the money. “The credit card interest rates are a rip off,” he said. “They lend out money to a lot people who are desperate. We almost lost our house at one time and had to draw from our super to continue making mortgage repayments.”

Asked about the SEP’s fight for a workers’ government based on socialist policies, and for the banks and the construction industry to be nationalised under the democratic control of the working class, Les said: “You would have to have a panel of working class people, making say \$50,000 a year, to run the banks. What you have now is people running the banks that make a lot of money and don’t understand the situation we face. They are corrupt. What we need is a social uprising.

“I agree with the Socialist Equality Party that housing should be a social right. These upper layers of society, who get \$5 million and \$10 million a year, don’t deserve it. How can they justify getting such amounts of money?”

Mohammad said low wages and high rent made it impossible for him to purchase a home. “I rent a two-bedroom place for \$450 a week but my wages are only \$600 a week. The banks have sucked the people. If I took out a

\$300,000 mortgage for a home, I'd end up paying the banks \$1 million after interest," he said.

"Some people buy apartments and then rent them out to pay their mortgages. I can't afford an apartment because I don't have enough for a deposit and can't save anything from my income. My wages are just enough for food and other essentials.

"I think we need to cut down the interest rate and stop those people with money—who don't care about the poor people—buying up all the houses they can. Let the people who have no homes have a chance. Everyone should have the right to own their home."

Another worker, who wished to remain anonymous, said he and his wife were both employed, but could not save enough for a house deposit. Originally from the Philippines, he works as a storeman for a large furniture retailer. "If you're older, by the time you pay back the house, you're dead," he said. "The truth is you never own your house. The bank owns it and all your earnings go to the bank.

"Actually I'm a good earner but I still can't afford to buy a home because I've got four kids, aged 17, 16, 14 and 11. They're teenagers and have a lot of demands. Even though they're attending state schools, there are still lots of expenses. Everything is expensive here in Australia, the food, clothing, everything.

"The problem is that our wages are not increasing as much as the expenses we are incurring. We're currently involved in (enterprise bargaining) negotiations and have been told that we're getting a 2 percent increase. That works out to something like a \$0.05 increase per hour. What can you do with that?

"There's no security of tenure. If the management wants to kick you, they can do it any time ... I resigned from the union because a lot of my co-workers were sacked and the union did nothing to defend them. About 30 percent of the original workforce has been sacked since I've been there."

According to the Australian Institute of Health and Welfare, over 157,000 people accessed homelessness services in the six months to December 2012. More than 20 percent were children under 15 years old.

Parris, 36, who lives in public housing in Bankstown, became homeless during her 20s, after she was made redundant from several jobs and developed depression. "I suffer from post-traumatic stress disorder, wasn't taking my medication and ended up on the streets. I learnt quite a bit out there and saw a lot of people who had mental illness," she said.

"I lived in many different hostels. At one hostel they told me I didn't need to take medication—I saw a psychiatrist there—but I became more and more unwell. I went to another hostel and began taking my medication. Eventually I got

back on my feet and got a housing commission flat. I was lucky to get that.

"You don't like asking for help, but you've got to eat. People are under the assumption that homeless people have got themselves there. That's not true, they've been pushed there because they don't earn enough, haven't got a job, or have some mental illness.

"The problem is that there's not enough permanent work out there. There's a lot of casual work, but people need permanent jobs because it gives you stability. Instead, it's all casual, and a free for all, and that means [they] can rip you off."

Cathy, who lives in Warwick Farm, was forced to find a new apartment because of constant rent raises. "The landlord kept increasing my rent," she said. "It was \$245 a week when I first moved in, but they kept increasing it by \$20 or \$30 every couple of months."

"Towards the end, over the past 12 months, I wasn't working but studying and couldn't keep up with these increases, the cost of living and health costs, because I also need to buy medication. I looked at many places over the past three months but the conditions were very poor; they were not well kept. I chose the unit at Warwick Farm because they're not charging me water rates."

Asked about the parliamentary parties' silence on the housing affordability crisis, Cathy said: "These organisations can't have an honest dialogue about these problems because they have no policies to meet our needs. If they raised these questions they'd have to explain why their policies have led to the difficult situation facing ordinary people.

"It's obvious that there's not enough public housing. Residents in my unit block told me they were waiting for public housing, but everyone knows that you can be on the waiting list for years."

Cathy commented: "On the one hand, you have people suffering from housing shortages, mortgage stress, and high rents, and public housing is being cut. On the other, the banks are making gigantic profits. All this takes us back to the fact that we have to start raising our voices about these issues. People have to get active and do something because housing is an essential need and should be a basic right for everyone."

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