

Three deaths in Sydney boarding house fire highlight Australia's housing crisis

Virginia Browne
24 March 2022

Three people were tragically killed in a horrendous fire at a 12-bedroom, two-level boarding house in the inner-city Sydney suburb of Newtown. Eleven of the twelve residents, believed to be men between 40 and 80 years of age, were sleeping when the building erupted into flames at 1 a.m. on March 15.

Ronnie Serich, an 80-year-old man, was injured after being forced to jump from a first-floor window with parts of his pyjamas on fire. Neighbours, who came out onto the street afraid that the raging blaze would engulf their homes, carried the bleeding Serich away from the fire. He is in hospital in a critical condition. The same neighbours reported that the boarding house was "a disaster waiting to happen."

In addition to the three deaths, three other people were hospitalised suffering from smoke inhalation and abrasions. Five others, including a disabled man, escaped unscathed. The twelfth resident, Richard Hotoran, has been charged with three counts of murder and destroying property after he allegedly used an accelerant to set the building alight.

The Inner West council has confirmed that the boarding house, known as Vajda House, has a current fire compliance certificate and is registered. While there are about 1,000 registered boarding houses in Sydney, there are substantial numbers of similar properties that are not registered.

Boarding houses are last resort accommodation and just one step away from living on the street. Typically, residents only have a right to occupy a room and share other facilities, such as a kitchen and bathroom. They do not have the same rights as apartment or housing tenants.

The Australian Bureau of Statistics (ABS) currently defines boarding house residents as homeless because they have a shared bathroom and kitchen and no spaces

for social relations.

The conditions in these properties are often squalid. In comments to the *Sydney Morning Herald* (SMH), Newtown resident Bernie Godzin described the Newtown property as "a house of horrors. There's broken glass, exposed wires. It's disgusting. It's terrible [and]... it's been like that for years."

Douglas, a 77-year-old tenant in a different boarding house in western Sydney, spoke to the *World Socialist Web Site* about the property where he was living.

"The place is in a dilapidated state. When we report that something needs fixing it takes ages and sometimes, the owner will come and tinker with the problem and try to fix it. It's pretty slipshod. There's no cleaner. Two of us live upstairs and we keep it in reasonable condition. I don't like to say it, but downstairs is not too clean,"

Warwick Mudge, a seven-year resident of another inner-west boarding house, told the SMH that the property where he lived was a "wreck" and a "hovel." He said there are few affordable housing options for single men in Sydney. "Boarding houses are an unpleasant side effect of an unfair accommodation market," he added.

Inner West Council Mayor Darcy Byrne, in an attempt at political damage control, has written to New South Wales (NSW) Premier Dominic Perrottet calling for state and local governments to conduct an urgent review of boarding house regulation and management.

Such a "review" would accomplish nothing. The housing crisis in Australia has been fuelled by rampant property prices on the one hand and the destruction of public housing, combined with cost-cutting attacks on wages, as well as unemployment and other welfare payments.

In Sydney, the median housing price has soared to

\$1.6 million, with an annual growth of 33.1 percent. According to Demographia's International Housing Affordability index, Sydney is the second most expensive city in the world to buy a house, with the median price 15 times the average annual income in 2021.

The current median apartment price in Sydney is \$800,000. The average rental price for units is \$485 a week and \$580 for houses.

The soaring prices have led to thousands of housing developments across the city with investment and property companies securing billions in profits.

Last year, property mogul Harry Triguboff increased his wealth by \$3.6 billion, making him the sixth richest individual in Australia with a fortune of \$20.81 billion. Just 10 kilometres from the burnt-out Newtown boarding house is Point Piper, the most expensive suburb in Australia with a median house price of \$9.4 million.

Anglicare's Australian-wide rental snapshot for 2021 provides a glimpse of the situation facing most Australian residents. The agency assessed about 74,000 houses for rental affordability and found that there was not one affordable house for a single person on below-poverty level JobSeeker payment. For a single person on the minimum wage, only 1.2 percent of available house rentals were affordable.

This disastrous situation is fuelling a growth in homelessness. According to the Australian Bureau of Statistics (ABS), 116,000 people are homeless in Australia on any given night. These figures, however, are from 2016 and are thus woefully outdated. The current figures could be more than double. In 2020–21, more than 278,000 people accessed specialist homelessness services.

The lack of affordable housing is driving a rise in slum landlordism with profiteers seeking to build boarding houses and sub-standard student accommodation to cash in, with often fatal consequences (see: "Australian coroner: Chinese student killed in building fire because laws violated").

According to the *Australian Financial Review*, the number of boarding house applications in NSW doubled each year between 2017 and 2019—from 26 in 2017, to 65 in 2018 and 131 in 2019.

What is occurring in Sydney is being replicated in Melbourne, Brisbane, Perth and across the country. One

chief factor is the gutting of public housing. In NSW, some 50,000 people are on the waiting list, with families forced to wait up to ten years in some areas.

The responsibility for this rests with state and federal governments, Liberal-National and Labor alike, which have worked together to dismantle basic housing supports.

The federal Hawke and Keating Labor governments, in office from 1983 to 1996, were key architects in the gutting of public and social housing. In 1990–91, funding for public housing construction was drastically reduced. In 2000–01 real capital funding in the sector was down 25 percent. Joint venture "partnerships" with private developers were established, permitting them to tear down existing housing estates and build replacements with far less public housing.

In 1980, social and public housing made up almost 20 percent of all homes that had been built since World War II. By 2008, public housing properties constituted only 4.9 percent nationally of all properties. By 2018, it was just 4.6 percent.

These policies were combined with tax incentives and corporate deregulation for property developers and financial speculators. State and federal governments implemented capital gains tax concessions, negative gearing and deductions for non-owner-occupied home loans, aimed at propping up speculative activity in the housing market. Developers joined the billionaire club.

Home ownership has been pushed out of reach for most young people, while millions of working-class families face poverty, substandard accommodation and potential homelessness.

This underscores the necessity for a socialist movement of the working class, aimed at transforming society to meet social needs, not the profits of the corporate oligarchy. That requires the expropriation of the property developers, major real estate corporations, banks and financial institutions, and a socialist program that guarantees decent, affordable housing for all, as a fundamental social right.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact