

# Anger over sham “buy-back” scheme deepens in Australian flood-hit region

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In the Northern Rivers region of New South Wales (NSW), where the Socialist Equality Party (SEP) campaigned in the March 25 state election, the formation of a state Labor government last month has changed nothing for the victims of the 2022 floods, which damaged 11,000 homes and left 4,000 deemed uninhabitable.

Nearly 14 months on from the deluge, thousands of people are still living in caravans, the shells of houses with no walls, or government encampments of temporary units called “pods,” which are now expected to be there for five years. They include both homeowners and tenants, for whom rents have doubled since the floods.

More than a month after Premier Chris Minns’ state Labor government took office, nearly 6,000 applications remain waiting on the government-funded Northern Rivers Reconstruction Corporation’s buy-back, lift or repair scheme. Just 250 buy back offers reportedly have been made, and only one has been completed, while the home-raising and refit streams are yet to even commence. As for tenants, they get no assistance whatsoever under the scheme.

Moreover, frustrated residents say the other aspect of the scheme—the promised acquisition of land for flood victims to move to—has proven to be even more of a sham. That funding is being allocated to profit-making real estate developers, so that any blocks of land will be far too expensive for most people to afford.

Even if selected flood victims are compensated with the market value of their homes prior to the floods, exorbitant property prices will prevent many from remaining nearby in the communities where they want to live. Land and house prices in the region are up to double what residents are being offered under the scheme.

This is all despite much-touted promises jointly made by Labor’s Prime Minister Anthony Albanese and then Liberal-National NSW Premier Dominic Perrottet last October that their “buy-back” scheme would address the acute housing crisis across the Northern Rivers.

The Albanese-Perrottet joint appearance in the regional city of Lismore was a cynical attempt to stifle outrage over the contemptuous government response to the flood disaster, in which people were first forced to rescue themselves from

raging waters, due to the lack of government resources, and then largely left to fend for themselves.

Albanese declared in Lismore: “We know that disasters are expected to become more frequent, and more severe due to climate change, and that’s why we’re working with the NSW government to develop practical solutions to protect lives and livelihoods.”

The Greens, who posture as a progressive alternative to Labor and the Liberal-National Coalition, welcomed the package. But events over the past six months have made a mockery of Albanese’s pledge.

Anger over delays and a lack of transparency, and concerns over profiteering developers, were voiced again last Saturday when about 50 residents joined a rally in Lismore to demand “a just recovery” to “make the relocation process fair and acceptable.” The event was called because “there has been a change of government, but questions remain unanswered.” It followed a similar protest in January.

These bitter experiences are typical of what is happening to working people everywhere. There is brewing discontent as the Labor governments, now in office across Australia, preside over the cost-of-living and housing crisis that is having an increasingly disastrous impact on working-class households, while corporate profit-gouging fuels inflation and the Albanese government pours hundreds of billions of dollars into war preparations.

As a result of still-climbing prices, especially for energy and food, sky-rocketing rents and deliberately “painful” interest rate hikes imposed by the Reserve Bank of Australia, backed by the Albanese government, workers and young people are suffering the biggest cut to living standards since World War II.

The situation in the Northern Rivers is a particularly acute example.

**Jeff**, a Lismore flood victim who gave an interview to the *World Socialist Web Site* during the SEP’s NSW election campaign, said this week that he was still trying to repair his home. He was yet to hear from the Northern Rivers Reconstruction Corporation (NRRRC) about his application under the governments’ scheme.

“I’ve heard nothing,” Jeff said. “We won’t get anything. It’s the same every time. The politicians promise the earth at

elections, but nothing ever happens.” He commented: “It’s crazy. The wealthy just get wealthier... The government has billions to spend on submarines, and now they have got to buy the missiles too... Things are getting out of hand everywhere.”

Jeff said many people from the flood-struck areas of Lismore could not afford to move house. They might be offered \$500,000 for their home, but it would cost up to \$350,000 for a block of land in the nearby suburb of Goonellabah, plus up to \$100,000 to move a house or more than \$300,000 to build a new one.

Another resident living in this limbo, who gave an interview to the WSWS on election day, said the community was “very restless.” She said nothing had really changed since the Minns Labor government took office. It seems to be “business as usual,” she said. “There is a lot of frustration.”

One of the organisers of last Saturday’s protest, who wished to remain anonymous, said she had asked the NRCC chief executive if he could assure people that the blocks of land available under the government scheme would cost no more than \$200,000, but he said he could not.

She denounced the government scheme’s partnership with property developers. She commented: “The authorities say we have an ‘opportunity’ to enter the ‘housing market.’ We never wanted to enter that market. It’s broken. It’s killing people. It’s about making money for investors.”

Initially, the scheme held out the prospect of flood victims being able to swap for new blocks of land away from flood zones, but that link had been dropped for the governments to encourage or subsidise developers, from whom residents would have to buy plots. That was not only unaffordable, she said, but prevented people from moving together as a community.

She said governments were trying to wear people down, hoping that they would give up and move out. Some landlords were buying up properties at cheap prices, as low as \$160,000, and renting them out at extortionate rents.

In addition, most of the residents who had received buy-back offers from the NRCC were delaying because they could not afford to go elsewhere, unless they had extra money. All offers were supposed to be made by June, but “there is no pathway for us.”

The Labor governments were speaking about “tough choices” in their budgets, she commented, while people were “living on a pittance.”

The NRCC scheme was said to be an \$800 million package, co-funded by the federal and NSW governments, to potentially assist 2,000 flood-affected homeowners. For residents classified as living in high-risk “red zone” areas, the NRCC would offer to buy their houses and land, supposedly at pre-flood market values. For other homeowners, the NRCC would offer just \$100,000 to raise homes to levels considered safe from future flooding, or \$50,000 toward retrofitting them to meet updated building standards.

This “Resilient Homes Program” fraud is another

demonstration of government indifference to working-class flood victims, as well as the underlying failure of the capitalist order to protect them from the increasing severity and frequency of climate change-related catastrophes.

For decades, Liberal-National and Labor governments alike have zoned flood-prone areas for housing, allowing developers to take advantage of working-class and poorer people unable to afford soaring house prices.

As the SEP’s election campaign and our March 6 statement last year explained, the floods, coming on top of the 2019–20 bushfire catastrophe and the ongoing COVID-19 pandemic, exposed the contempt of governments—Coalition and Labor—for the health, lives and livelihoods of ordinary working people.

We explained: “Every aspect of the floods crisis—from the lack of preparation and warnings to people, to the inadequacy of basic infrastructure and support services, and the lack of assistance offered to the hundreds of thousands of flood victims—is the direct result of the subordination of society to the dictates of private profit.”

Our statement advocated the formation of rank-and-file committees, independent of the pro-capitalist parties and trade unions, to fight for demands such as a vast expansion of paid civilian emergency and health services to respond to crises such as fires, floods and the COVID-19 pandemic, the establishment of a national public insurance fund to compensate individual losses and provide for the reconstruction and rebuilding of communities, and an international, scientifically-based plan to halt and reverse global warming.

The SEP warned that politicians, corporations and the media would dismiss such demands as “unrealistic” as there was “no money,” while handing over billions to the wealthy in tax cuts and to the military for a potentially catastrophic war against China.

We concluded that society needed to be totally reorganised on a socialist basis so it is planned rationally and democratically to protect health and lives, and meet social need. That meant placing the banks, insurance companies, property developers and other corporate giants under working class ownership and democratic control.



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