

ANATOMY OF A RENT STRIKE: FAIRFIELD 1986

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Introduction

This is an account of an unusual piece of community organization: a self-initiated, militant stand by working class tenants, inexperienced in social action or political campaigns, that was directed at securing a better deal from their tightfisted private landlord. The principal device used in the tenants fight was the withholding of rent. The solidarity and determination of the participants in the rent strike lead to a significant victory, both in terms of their demands being met and their sense of achievement and increased confidence.

The object of this history of events is to highlight the strategic choices made by the participants so that these might stand as lessons for others in similar positions and who contemplate such action. The account is divided into three

parts. Firstly, a little of the background of rent strikes is reviewed. This is followed by a chronological description of the particular action in question - in the western Sydney suburb of Fairfield in 1986. The final part highlights the various lessons that can be derived from the preceding material.

Compared to property owners and managers, the law has given tenants very limited legal rights. Consequently, there is a need to explore and develop other 'non-constitutional', but not necessarily illegal, means for the exertion of power. The rent strike is one of these. Having the law weighted in their favour has not been sufficient to satisfy owners and estate agents in any case. Hooligan agents and owners are well known for their adept use of illegal methods for exploiting tenants and home purchasers in buying, selling or renting property. These methods include: gazumping (when, in the event of a higher offer, an agreement to sell is broken by the agent), misrepresentation of documents by agents (when a vendor signs an exclusive agency agreement), false advertizing, invasion of privacy, unlawful evictions and lockouts (the landlord's counterpart to a rent strike). Since winning office in 1976 the NSW Labor Government has promised to rewrite landlord and tenant legislation. To date, however, only the most superficial changes have been made. The principal inovation has been the Residential Tenancies Tribunal set up in 1986 to hear complaints about 'excessive' rent increases. The great majority of Tribunal decisions have favoured landlords, with the effect of helping institutionalize

rent increases.¹

Historical Struggles

Historically, Australian governments have tended to ignore the well-being of tenants. They have favoured the interests of landlords and homeowners, generally leaving private tenants to fight their own battles.² Despite their lack of support, tenant action against landlords may be a little more common than is usually realized. This is because of the capacity of the minority of middle class tenants, articulate and aware of what they can get away with, to negotiate with landlords or agents while threatening to withhold rent. The process tends to be low key, publicity being in neither party's interests. Full blown rent strikes, however, are rare - especially amongst private tenants with low incomes.

Perhaps the best known international and historical example is the 'great' Glasgow rent strike of 1915. Organized and led women of the tenants' committees and women's associations of industrial Clydeside, and supported by unions and left-wing parties, at its peak around 20,000 households were involved. It was a very powerful factor in bringing the government to initiate public housing and other services, as well as to legislate rent

controls.³ Other international examples of large scale tenant activism are; New York's Harlem rent strikes of 1964-65, involving perhaps 15,000 tenants⁴ and the Soweto rent strikes beginning in 1984.⁵

The depression years of the 1930s saw a number of militant struggles in Australia. In Cessnock on the northern coalfields of NSW houses were declared 'black' and left to rot because of unfair evictions by landlords.⁶ In 1930 the Unemployed Workers' Movement in Sydney organized a mass campaign to prevent more than 200 evictions in various working class areas of the inner city and western suburbs, such as Newtown and Bankstown. Tactics used included: deputations to landlords and their agents, protest meetings at the landlords' and agents' premises, and when bailiffs were due at threatened homes, extensive picketing of threatened homes, occupation and barricading of houses, and so on.⁷

There has been the occasional rent strike in Sydney over recent years, none notable for their resounding achievements. A partially successful rent strike by 20 tenants in Dulwich Hill occurred in 1981. The tenants were unable to force the agents to deal with them on a collective basis and, therefore, were only able to win quite limited concessions.⁸

Another rent strike occurred in 1981 at a large block of flats, called 'The Niche', in Annandale. Thirty out of 61 tenants refused to pay a rent increase. The tenants formed an association and signed an agreement between themselves to refuse

to pay the \$9.00 increase and only to negotiate on a collective basis. They were supported financially and otherwise by the Leichhardt Municipal Council and the Tenants Union. After a three month dispute, the tenants won a reduction in the rent increase to \$3.00 and a six month lease.

Between 1981 and 1983 a few rent strikes against private landlords took place at St Kilda, Melbourne. These were over unreasonable rent increases and poor maintenance by the landlords. Only the rental increases were withheld, resulting in drawn out conflict and partial gains by the tenants.

Victoria has also seen a number of rent strikes on public housing estates. In 1984 about 60 per cent of the tenants of 1230 units at North Richmond withheld their rent because of the Ministry of Housing's intransigence over provisions for security. At one point the tenants had deposited \$235,000 in rent money into their trust account. The strike was organized by the tenants' council, the 'North Richmond Tenants Community Incorporated'. During the same year about half of the residents of a 204 unit block for the aged in Footscray also decided to withhold their rent because of poor security. This strike was supported in practical terms by the Western Region's Committee on the Aging and Housing Council. The North Richmond tenants made a compromise settlement within a few months, but the Footscray tenants continued in dispute for a much longer period. In both cases the Ministry refrained from taking punitive action and demonstrated a preparedness to

sit-it-out.

As a form of collective action over housing, rent strikes in the last decade have been fewer, and have had a much lower public profile than squatting. The latter have more usually involved younger, often unemployed, people occupying government property.

The Events in York Street

The Scene

Fairfield is a working class suburb in the Sydney's western suburbs. Its Municipality has the highest level of unemployment of any local government area in New South Wales. York Street runs off the main shopping centre. It contains a Mormon church, a masonic temple, a children's nursery, a tiny park, a homing pidgeon clubhouse and a set of economically constructed 2 and 3 storey walk-up blocks of flats. A few fibro cottages remind the visitor what the street looked like in the 1960s. The neighbourhood would be described by an estate agent as a sought after location for the family, only minutes to all amenities and affordable.

Number 18 does not stand out. The owners, two members of the

same family, bought the land in 1971 and had the flats built in 1972. A search at the Registrar General's office in 1986 revealed that the block had been mortgaged to a bank and, since April 1985, it had also been subject to a 'caveat forbidding the recording of dealing' - apparently the result of non-payment of land tax. Unless the State Crown Solicitor consented, this prevented the owners from registering sale, lease or mortgage of the property. The units were valued in the vicinity of \$50,000 each - \$750,000 for the block. Land tax on this amount was \$13,220 a year. The owners could easily have owed \$30,000 or so in land tax, an amount they would have to have found if the property was to be sold or re-mortgaged.

The fifteen flats were occupied by people from eight countries. English is not the stock language in the three bedroom flats and only one family is Australian born. Most have been residents there for a number of years, the longest for eleven. They have a history of grievances against the landlord who has always been reluctant to carry out repairs. Those repairs that he had effected had often been shonkie. Fairfield City Council had also been forced to issue notices to repair the exterior of the premises, without notable success.⁹ Rents have been increased every six months and are now about \$370 a month, about average for the area.

The tenants have had no apparent history of militant industrial and social organization, although several came from Chile and

know something of the meaning of oppression. They were by no means socially homogenous, having spoken with each other little before the events of 1986.

The longest resident, Enrique Alamos, had sought satisfactory maintenance from the landlord since his occupancy began. His various attempts to get the landlord's co-operation, such as referring accounts for repairs, were frustrated. Twice, he withheld the rent until urgent work was done. The first time, in 1983, he paid after being threatened with eviction. Two years later he was more determined but, after ignoring a 'notice to quit', was summonsed for the court to order payment of the back-rent. Individual militant action did not appear to work!

The Grievances

In January residents were notified of another rent increase. This stimulated informal discussion amongst the tenants about their dissatisfaction with past treatment. They were not so much concerned about the amount of rent itself, but about the fact that their repeated requests for maintenance were ignored. In February they decided to meet in one of the flats where they took a radical decision - to seek a better deal through joint action.

In mid March a letter of petition signed by the 15 tenants was

sent to the Estate Agent requesting a range of internal and external improvements to the block of flats. These included: carpet renewal; repainting; replacement of broken shower screens, tiles, toilets, taps, cupboards, fencing, and clothes line; improvements in the provisions for drainage and garbage removal and hygiene; and pest control. The residents also complained about 'exorbitant rent increases and being ripped off'. The letter concluded with a warning:

We will be having a meeting and reviewing the above matters very closely at the beginning of April to see if they have been completed. Otherwise we will all be taking some form of legal action together or whatever action is necessary.

The last straw: a strike begins

Within four days one of the more militant tenants, Emanuel Adam, received a one week Notice to Vacate. This appeared to be an example to the rest of the tenants, the Estate Agent apparently being concerned that successful collective action might set an undesirable precedent to other tenants in the district. All residents become more angry and resolved to solidarity. However, two tenants without permanent citizenship felt that legal action that could follow might affect their residency and they decided not to withhold their rent.

Through the Tenants Union 'Tenants Hotline' the tenants were referred to the Fairfield Tenants Advice Service with whom they met three days later. This meeting was to make detailed arrangements for the strike. Advice about such matters as a special trust, or escrow, bank account, (see appendix) other financial arrangements, media contacts and other publicity, and the risks involved were given. On 2nd April residents formed the Tenants' Association of 18 York Street Fairfield, and all signed an agreement 'to support one another in our present rent strike'. In the name of the Association, with three signatures, they opened a special bank account for their rent and purchased a three leaf¹⁰ receipt book.

The Tenants Advice Service informed Fairfield City Council of conditions inside the flats and of the rent strike. The council declared that it had not previously known of the problems. With some initial prompting by the Advice Service, national, metropolitan and local papers, and television stations became interested in the dispute and widespread publicity resulted. Families involved received extensive media exposure. The media's approach was polemical. An extreme picture was presented. Both sides were personalized, the tenants as the goodies, the landlord and estate agent as the baddies. The families' plights were dramatized and the childrens poems about the fight read on television. Part of the attraction to the media seemed to be the 'amateur' status of the strikers.

The Landlord's Reaction

The landlord and estate agent were greatly surprised and provoked by the spate of adverse publicity. Their first reaction was to issue tenants with a 7 day 'notice to quit'. Power was illegally cut off to the flat of the tenants' spokesman Immanuel Adam, but quickly restored on protest.

The estate agent¹¹ felt particular pressure, caught between organized tenants on the warpath and a stingy landlord inclined at first to match the tenants belligerence. The agent was also under pressure from fellow agents to not let the tenants get away with such militant behaviour. The industry would not benefit if other tenants were encouraged by a successful strike in York Street.

In early April the Fairfield Tenants' Advice Service sent a letter to the estate agent requesting negotiations between the owners, agent, and Tenants' Association. The letter also notified that rent was to be paid into the special bank account in the name of the Tenants' Association. A similar letter was sent to the landlord.

At the same time pressure came from Fairfield City Council, moved by continuing media coverage of the dispute and needing to cover

itself. Council officers were informed by the agent that the eviction notices would stand. The health inspectors found the landlord's provision for storage of rubbish substandard. Council made some urgent improvements directly and issued an order for facilities to be upgraded. Notices, requiring an extensive list of works to be undertaken within 21 days, were served on the agents and owners in mid April.¹²

A letter from the estate agent to the residents, which included a copy of a letter from the landlord, gave an undertaking to make a number of improvements basically in line with those requested by the residents. This was to apply, however, only to those tenants who paid their rent. The agent sought contact with a delegate. A significant feature of this was the agent's preparedness to deal with the tenants collectively.

The Role of the NSW Department of Consumer Affairs

Expectations of help from the Commissioner for Consumer Affairs were initially raised. Talk-back radio¹³ reported him as having said that if negotiations by officers of the Department with the landlord were unsuccessful legal assistance would be offered. The Commissioner asserted that:

'It is totally unacceptable that a landlord could

breach a lease and not undertake repairs and then use the letter of the lease to evict tenants who stand up for their rights.¹⁴

Once the landlord said he was prepared to fix the tenants' flats the Department was not nearly so sympathetic. It tried to settle the dispute by adopting the role of mediator in negotiations. It endorsed a concession made by the landlord, to begin repairs and give a three month lease if the tenants called off the strike. Without having it in writing, the Department considered the offer reasonable and officers recommended to the tenants that they accept. They refused, holding out for a better deal. This they achieved. The tenants demanded (1) withdrawal of eviction notices, (2) a deadline for repairs and improvements and (3) a one year lease.

The Department's arguments brought the lowest spot in the tenants determination to continue with their action and encouragement from the Tenants' Advice Service was critical at this point. Six tenants received summonses to appear in court on 27 April and 10th June. A sympathetic barrister was engaged and a demonstration to take place outside the courthouse planned. Telegrams of support for the tenants were received from various tenants and industrial organizations.¹⁵ The Building Workers Industrial Union also telexed the Minister for Consumer Affairs and indicated it would consider other support, perhaps of an industrial kind.

Mediation and Settlement

Approaches by the Tenants' Advice Service to the, right-wing Labor, state and federal members of parliament were fruitless. Neither these members, or the left-wing state Minister for Housing, seemed to want to know about the dispute. Only one alderman took as much as a remote interest.

In mid April a letter was sent from Fairfield Community Resource Centre to the estate agents, offering facilities for mediation of the dispute. By the end of April the landlord was owed about \$3,600 and faced a drawn out eviction process. He knew it would take anything up to 10 weeks to get all the tenants into court. The court would give them between 2 and 12 weeks to leave their flats. Then the landlord could re-let the premises. He would have to meet legal costs and possibly face more adverse publicity. Fairfield Council's orders meant that repairs would have to be made anyhow. Should he want to recover rent owed, he would have to sue each tenant individually.

The landlord appears not to have been in a strong enough financial position to 'tough' all this out. Non receipt of expected income could have left him with a serious cash-flow problem, and he had the additional problem of a Crown Caveat preventing registration of legal dealings affecting the property

unless he paid back tax on the land. He was unable to sell or re-mortgage the property and was ready to negotiate.

The landlord may have been vulnerable in other ways. For example, there is always a chance that a landlord is concerned with 'goodwill'. As in this case, there are other business interests to think about. Respectability is an issue that concerns some people, from a business and personal point of view.

Another factor is the possibility of sensitivity to public claims that maintenance is not being carried out, particularly if repairs are being claimed as an income tax deduction. Obviously it is in the prospective rent strikers interests to find out as much as possible about their landlord's investmentss and personality, with the prospect of identifying his 'achilles heel(s)'. In this case, the York Street strikers seem to have been fortunate that the landlord was not in the soundest of economic positions.

A month after the strike began, negotiations took place between the landlord, estate agent, tenants association and two community mediators. An agreement was reached and signed. It embodied the following points: withdrawal of eviction notices; no reprisals, guarranteed by a lease with 6 months security of tenure (rather than the standard 30 days or the 12 months sought by the tenants); four weeks for the landlord to effect repairs and improvements and (3) the \$5 rent increase to be paid in June,

providing that the work was done. The back-rent was handed over at the first opportunity, a critical factor in inducing the landlord to sign the agreement.

The Results

Work began immediately and the majority of repairs were carried out. Although a few grievances remained amongst the tenants, they were generally satisfied and seemed to feel that the action was worthwhile. The premises were inspected by the Department of Consumer Affairs and the Council. The former found the improvements acceptable, but the Council remained dissatisfied and proceeded with court action under the Public Health Act. A side-effect has been improvements made by other landlords to neighbouring flats.

Apart from a scuffle between a tenant and the landlord, relations between the parties became amicable enough. The tenants declined the landlord's concession to have an extended period of tenure because this would have involved the cost of a new lease (around \$33) and a revised bond (around \$400).

Rent Strikes as Strategy

The overall success of the strike boosted morale of the residents, and increased their confidence to take other action. The Fairfield rent strike is very instructive and encouraging. It is proof of the ability of working class consumers to organize themselves collectively to effectively redress some commonly experienced problem. The residents had no particular background in organizing. All they had was a sense of injustice and a determination to do something about it, collectively. Their action was undertaken spontaneously - out of their own experience, including an abortive individual boycott.

There was no direct professional help. The Fairfield Tenants' Advice Service was staffed by two unemployed volunteer workers who drew on information and advice from the professionally staffed Tenants' Union. The help they offered was vital. Omission of several critical aspects of the overall action, such as the use of the trust account and appropriate notification of the owners and estate agent, and formalization of the Tenants' Association, might have meant disaster. The owners and agent had to be able to see that the tenants were well enough organized to succeed. The obvious presence of other organizational backing seems also to have been influential. Most critically, the money owing on rent had to be available and used effectively as bait.

Estate agents may be more angry and have more to loose than the

landlord. The landlord can 'buy-off' the trouble - he has control of the situation. He can also sell-out and invest his capital elsewhere once the problem is dealt with. The estate agent is much more dependent on maintaining control. He needs to feel, and be seen to be, in control of the situation. The end result of more rent-strikes constitutes a real cause for concern. Once it has been established as a viable technique for exertion of tenant power, even the threat of a rent-strike could become a point of leverage over property owners and managers.

Prerequisites

Based on the Fairfield case and the other observations, the following would seem to be important ingredients for a successful rent strike.

- Determination and firmness on the part of the tenants.
- Similarly, solidarity on the part of the residents.
- A strong sense of injustice or moral outrage.
- A patently just case - there should be obviously legitimate grievances.

- The presence of health risks, as is frequently the case, over which authorities like councils might take action can be a marked advantage.
- There should be a capacity for carrying out potentially extensive associated organizational work.
- A landlord and estate agent not be in a good position to tough it out and risk extensive financial loss and adverse publicity.
- Immediately available back-rent in an escrow account.
- Support from outsiders, such as tenants groups, neighbourhood centres, local council, politicians, unions and so on.
- Media support may be important. If so, there should be 'good copy' - in the form of visual grievances, unusual events, 'presentable' tenants and 'nasty landlords'.

Critical ingredients in this strike seemed to be that the tenants were long term and generally paid their rent. The landlord did little and was evasive. The conditions were poor and the claims legitimate. Morality was on their side. 'Proper channels' had not worked and there was previous experience of 'one out' action against the landlord. The strike was seen as a desperation measure. The tenants were courageous enough to take it and solid in their action, even if they may have been a little

over-confident. Effective advice and support was available through the tenants advice service. The intervention of the media, Department of Consumer Affairs and Council, while not individually critical, contributed to the success of the action. Initial lack of tact on the part of landlord and agent contributed to the tenants determination. In the event, the landlord appeared to be financially vulnerable and the estate agent conciliatory.

Conclusion: A Dilemma

Tenants suffer a low level of consciousness about their position and about their, albeit limited, opportunities for reform. Potential for organized action is largely unrealized. The Fairfield strike is a small-scale indication of broader possibilities for mobilization by tenants, as both a housing class and as people with low incomes oppressed by the current political and economic system. Rent strikes offer the opportunity for tenants to improve their standard of accommodation and exert some control over rent levels. There are, however, serious structural limitations on what they can achieve. If widespread use of the strategy ever became a reality, this could benefit individual tenants in the short term. But, in the longer run successful action could add to the

trend towards disinvestment in rental housing stock. An already acute rental crisis might thus become worse. That is, without a comprehensive revision of national and state housing policies, guarranteeing adequate shelter.

Appendix: The Escrow, or Trust, Account

The dictionary meaning of 'in escrow' is money or goods held in trust or as security. 'Escrow' usually refers to something deposited with a third party until a certain condition has been met.

Tenants embarking on a rent strike should let the landlord know in writing that the rent is being withheld until the problems are rectified. He should be told that all the rent money is being held 'in escrow' - a special bank account for the money, until repairs are begun, or other grievances met.

The escrow (or trust) account has a number of uses:

- (1) It demonstrates the tenants' sincere intentions - a willingness to pay rent, in return for a decent place to live;
- (2) It ensures that all the tenants have the funds available to pay the back rent when it becomes necessary;
- (3) The landlord knows the money, which can become quite a significant amount - exceeding the total bond money - is immediately available. All he has to do is formally agree to rectify the problems;
- (4) The fund may be useful in the event of the landlord suing for the back rent;
- (5) The tenants get the interest on the balance.

NOTES

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1. Adam Farrar, 'Gerry-built rent reform', Australian Society, 5(6), June 1986: 16-18; Tracy Goulding, 'The Residential Tenancies Tribunal Act', Housing News and Information, Shelter NSW, 38, Dec. 1986: 1-5.
 2. Michael Berry, 'Tenant Politics', in Leonie Sandercock and Michael Berry, Urban Political Economy: The Australian Case, Sydney, Allen and Unwin, 1983: 142-155.
 3. For an analysis of this see, Manuel Castells, 'The Industrial City and the Working-Class: The Glasgow Rent Strike of 1915', in The City and the Grassroots: A Cross-Cultural Theory of Urban Social Movements, Berkely, University of California Press, 1983: 27-37.
 4. Peter Dreier, 'The tenants' movement in the United States', International Journal of Urban and Regional Research, 8(2), 1984, 255-279: 257.
 5. Avril Joffe, 'Community Organizations', Monthly Review, special issue: South Africa in Struggle, 37(11), Apr. 1986: 89-92.
 6. Alan Walker, Coaltown: A Social Survey of Cessnock NSW, Melbourne, Melbourne University Press, 1945.
 7. See, Nadia Wheatley, 'Meeting them at the door: Radicalism, militancy, and the Sydney anti-eviction campaign of 1931', in Twentieth Century Sydney: Studies in Urban and Social History, Jill Roe (ed.), Sydney, Hale and Iremonger, 1980: 208-230.
 8. See, Harvey Volke, 'Rent Strikes: Strategy for the Future', Australian Social Welfare Union News, September 1981: 15-16.
 9. Fairfield City Council, Business Papers, 23.4.86, item no. 121.
 10. One for the tenant, one for the rent collector, and one for the record
 11. The agency is a locally based franchised office of a chain of agencies operating in western Sydney.

12. Fairfield City Council, Business Papers, 23.4.86, item no. 121.

13. ABC, 2BL 5.4.86.

14. Sydney Morning Herald, 14.4.86:2

15. Action for Rental Reform Campaign, Housing Information and Referral Service, the Social Welfare Workers Union, the Tenants' Union. There was also a letter from the Building Workers Industrial Union.

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