




Speech By
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Record of Proceedings, 30 August 2022

MATTERS OF PUBLIC INTEREST

Residential Tenancies

 **Dr MacMAHON** (South Brisbane—Grn) (2.56 pm): In every crisis, someone is making money. During COVID, billionaires doubled their wealth and pharmaceutical companies have seen huge profits. In this housing crisis, it is the banks and wealthy property investors and developers who are getting richer while everyday people get screwed.

Mr DEPUTY SPEAKER (Mr Kelly): Pause the clock. I would ask you to withdraw that unparliamentary language.

Dr MacMAHON: I withdraw. This government does not want to talk about the housing crisis. In estimates I asked the Premier what measures her government was considering to deal with the housing crisis. I suggested rent caps and Airbnb regulation, but it was clear that this government has barely given the issue a thought. The government is so deeply disconnected from what everyday people are going through. Brisbane has seen some of the steepest annual rent rises on record. Every week in my office we hear about families who are struggling; we see news stories about people moving into tents and seniors sleeping in their cars. Every member in this place would be hearing the same kinds of stories. It is worth asking: who is benefiting from this crisis?

For a start, the big banks are making a ludicrous amount of money. As Australians have taken out bigger mortgages for pricier housing in recent years, the big four banks have made huge profits. They now hold \$1.87 trillion in home loans. The combined cash profit for the 2022 half-year results was \$14.4 billion—up \$700 million from the previous year. The current interest rate rise that is causing immense pain to first home buyers and owner-occupiers has given the Commonwealth Bank an 11 per cent spike in profits. The Commonwealth Bank is doing so well that it paid its CEO an eye-watering \$7 million this year.

What about wealthy investors? Years of record low interest rates and tax concessions like negative gearing and capital gains tax discounts have driven record hoarding of properties by investors, pushing up house prices to unprecedented levels. While investors gather their millions in negative gearing, ordinary people ultimately pay. With land tax and stamp duty peaking with extraordinarily high house prices and the real estate lobby rubbing their hands together with glee, this government has no interest in curbing the housing crisis while the revenue streams are flowing. As long as we have a housing system backed by this Labor government that prioritises the profits of landlords at the expense of mum-and-dad renters, we will continue to see a housing crisis, families evicted into homelessness and kids growing up in caravan parks.

First home buyers and owner occupiers will continue to struggle to break into the housing market or struggle with rising levels of housing stress. Tenants will continue to struggle with skyrocketing rents. This Labor government says that it cannot do anything about the rental crisis. It says that it is purely an issue of supply and it does not want to disrupt property investors and their profits, but this is not about the Labor government not being able to do anything; it is a case of the Labor government not wanting

to do anything. There is plenty this Labor government could do. It could look to parts of Canada or here in Victoria where rent caps and rent freezes were implemented during the pandemic. In New York, San Francisco, Berlin, Paris, Barcelona—right across the world—governments are implementing rent freezes and rent caps because they see, unlike this government, that tenants are struggling and the rent spiral needs to stop.

We can even look at the history of this country for an example of a Labor government that successfully implemented rent controls. When the Curtin Labor government intervened in the housing market during the Second World War by fixing rents, it drastically helped with rampant wartime inflation, gave security to tenants during an unprecedented crisis and allowed the government to fix long-term solutions that created the social housing boom that remains one of the high points of the postwar era. Sadly, since then with the Labor Party's turn to the right and neoliberalism under Hawke and Keating, this country has not seen any other examples of a government treating housing like a human right. It has been treated as a commodity for investors, and the current rental crisis is a direct result of that.

This government needs to take action on this housing crisis, stand up to the banks, the wealthy investors and the real estate industry that profits when renters and first home buyers are squeezed out of housing. As stage 2 rental reforms come back on to the agenda, this government has a chance to intervene in skyrocketing rent prices with a rent freeze. This government will be given a second chance to genuinely improve the lives of renters and, without transformational reform, the investors and the government who profit from tenant suffering will continue to do so.