



February 9, 2024

Senate Standing Committees on Economics
PO Box 6100
Parliament House
Canberra ACT 2600
Submitted via Parliament of Australia website (www.aph.gov.au)

Dear Members,

Re: Help to Buy Bill 2023 and the Help to Buy Bill (Consequential Provisions) Bill 2023 [Provisions]

I write to you on behalf of Home Super Pty Ltd and thank you for the opportunity to make this submission. We are an emerging finance and technology company, with expertise in residential property, finance and superannuation.

We appreciate and encourage innovation in the housing sector, particularly measures that will help to address homelessness, housing supply, mortgage stress and other channels to assist home ownership responsibly.

In the words of Dr Liz Allen, Demographer at Australian National University *"The housing crisis is not the fault of population or people, but rather political short-sightedness that hasn't invested in infrastructure in the long term"*.

As elected representatives, you now have the power and ability to collectively address the past shortcomings to ensure prudent, long term housing solutions.

*"The solution lies in identifying and addressing the source of the problem, which is twofold: supply and demand."*¹ Dr Peyman Khezr, Senior Lecturer, Economics RMIT University.

At present in Australia, we have a lack of housing supply and excessive housing demand.

- The objective of this Bill as stated in the explanatory memorandum, is to improve housing outcomes for Australians.

Unfortunately, the Bill in its present form makes no consideration for the state of supply and has far too much potential to inflame the excessive demand problem and increase further negative pressure on housing for all Australians seeking a residence to buy or rent.

We understand Government has a separate focus on supply side measures which is wonderful, and Housing Australia may well implement a set of control standards. We believe this is a crucial time to ensure all legislation incorporates holistic oversight to aid comprehensive housing initiatives given national housing and homelessness planning is lacking.²

1. Dr Peyman Khezr, Senior Lecturer, Economics, Finance and Marketing RMIT University media release June 2023 <https://www.rmit.edu.au/news/media-releases-and-expert-comments/2023/june/housing-schemes>
2. Martin, C., Lawson, J., Milligan, V., Hartley, C., Pawson, H. and Dodson, J. (2023) *Towards an Australian Housing and Homelessness Strategy: understanding national approaches in contemporary policy*, AHURI Final Report No. 401, Australian Housing and Urban Research Institute Limited, Melbourne. <https://www.ahuri.edu.au/sites/default/files/documents/2023-06/AHURI-Final-Report-401-Towards-a-Australian-Housing-and-Homelessness-Strategy.pdf>

In our view, the Bill's objective would be better served by incorporating measures that co-operatively reduce the chance of the help-to-buy scheme from inadvertently increasing property demand and prices, contrary to the Bill's objective.

As the Urban Development Institute of Australia noted in a prior submission to the Productivity Commission in March 2022.

*"For supply of housing, it is not as simple as announcing more product for the market. It is heavily impacted by timing of delivery, the cost of materials/land, taxes/charges, delays to market, suitability of product and location."*³

Without integrating demand and supply issues into this and every Bill aimed to address housing issues, you are likely to repeat the failures of past legislators and end up increasing demand (or supply) at points in time when in fact, the opposite needs to be prioritised.

"It is well known that assistance to first home buyers can contribute to higher house prices. Assisting prospective home buyers increases the number of people wanting to buy a home and the amount they can borrow. The additional demand, if not accompanied by an increase in the number of homes available, places pressure on house prices and reduces housing affordability. It is not typically home buyers who benefit from the assistance, it is the sellers who receive a higher sale price. What this means is that assisting home buyers can (somewhat counterintuitively) make housing less affordable, particularly for people who do not qualify for assistance." In need of repair: The National Housing and Homelessness Agreement 2022 Australian Government Productivity Commission⁴

We encourage a re-think of the potential negative consequences associated with this bill as it stands.

It may sound appealing to help 10,000 Australians who would not normally qualify to purchase a home, but adding more buyers in a demand crisis, is a real estate agent and vendor's dream. There is a real and present threat that you will make it more difficult for the next 10,000 Australians to buy a home in future.

A focus on ways to incorporate a demand and supply balance that is nimble enough to ensure timely adjustments, will go a long way to ensure more appropriate management of the help-to-buy scheme and a more sustainable housing market more broadly.

It would also be remiss of Governments if population growth decisions, which add immediate potential home buyer demand (particularly adult immigration⁵) are not incorporated into policy relative to domestic housing. This may include, but is not limited to, building material supply/costs, potential labour shortages, construction and finance approvals, Local Government land release⁶, income-to-mortgage ratios, housing turnover, internal migration etc.

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3. Maxwell Shifman – National President, Urban Development Institute of Australia. National Housing and Homelessness Agreement [submission August 2022](#) Productivity Commission
 4. [In need of Repair: The National Housing and Homelessness Agreement Study Report](#) August 2022 (excerpt from page 32) Australian Government Productivity Commission.
 5. Julie Toth – Chief Economist - Property Exchange Australia Ltd (PEXA) <https://www.pexa.com.au/content-hub/housing-demand-reflects-strong-adult-population-growth/>
 6. [National Housing Accord 2022 Treasury– Improving zoning, planning and land release](#)

Other initiatives may involve the relaxation of planning restrictions and costs associated with tiny homes and granny flats,⁷ a temporary limitation of tax benefits⁸ (Negative gearing) to newly constructed homes to encourage supply, grandfathering existing tax arrangements, and the prohibition of “Silent or Dutch auctions” for residential property purchases.⁹

In closing, temporary band-aids do not treat the cause. As Dr Liz Allen suggests.

“All governments should be taking heed of [the fact] that intergenerational inequality is deepening, and it’s becoming more stubborn. We can no longer continue with the status quo of housing and other related policies. We must reimagine and drag housing policy into contemporary times and fix these broken systems.”¹⁰

Sincerely,

Simon Jones
Founding Director
www.homesuper.com.au

About HomeSuper

Our mission is to improve the financial security of all Australians who aspire to own a home via equitable solutions between home ownership and superannuation, the largest assets for many Australians. Our services will provide a refreshing and responsible pathway to buy a home and provide families with more flexibility, security and financial freedom in retirement.

Update

We recently launched the first publicly available **“Early superannuation withdrawal calculator”** to support struggling Australian homeowners who are in danger of losing their home due to foreclosure. The calculator and relevant information, summarise some of the pros and cons of accessing super to avoid foreclosure, helping people to make what is a tough decision armed with this information.

<https://www.homesuper.com.au/can-i-use-my-super-to-save-my-home/#/>

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7. Relaxed restrictions on granny flat rentals pitched to help ease housing crisis 2023. [ABC News](#)
 8. Peter Martin Visiting Fellow Crawford School of Public Policy – The Conversation Feb2024
[How Albanese could tweak negative gearing to save money and build more new homes](#)
 9. Nila Sweeney AFR August 2021 – [Pre-auction buyers at risk of overpaying](#)
 10. Dr Liz Allen, Demographer, Senior Lecturer Australian National University
<https://www.news.com.au/lifestyle/parenting/babies/population-panic-truth-behind-bombshell-report-as-australia-grows-to-27-million-18-years-early/news-story/d1f5553d2035346aa3268773f29f7945>