

## Senate Standing Committee on Economics

### ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 268

Topic: Inflationary impact of the FHOS #2

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Senator Ludlam asked:

**Senator LUDLAM:** If you could. I refer you to an article that ran in the *Financial Review* on 27 May this year. It claimed effectively—they have a graph that runs back to 1980 that shows, I think fairly conclusively—that the first home owners scheme has a direct inflationary impact on the housing market. I just wonder whether you could go back and see whether Treasury has done any thinking recently—I know a lot of that is state spending—or whether you have any position papers, statements or research on that?

**Dr Parkinson:** I am happy to do so.

Answer:

The Treasury has not undertaken any formal modelling on the inflationary impact of the First Home Owners Scheme.