



OUR PLAN FOR HOUSING AND HOME OWNERSHIP

Key points

The great Australian dream has always been to own your own home. The Coalition Government is committed to this goal with a range of support to make it easier to purchase a home of your own.

The Coalition has a strong record of prioritising home ownership. We understand that owning your home is important to the living standards enjoyed by retired Australians. We know that 85 per cent of renters aspire to own their home. Home ownership offers security and stability for both individuals and families.

Supporting home ownership is not just good policy for the individual, it makes economic sense.

- Over the last three years, the **Morrison Government's housing policies have supported more than 300,000 Australians into home ownership**. In particular, first home buyers have benefitted, with over 160,000 first home buyers in 2021 – a 70 per cent increase on the average of the previous decade.
- We have **supported almost 60,000 first home buyers and single parent families into home ownership** through the Home Guarantee Scheme with a deposit as little as 5 per cent or 2 per cent, respectively.
- We have protected the residential construction industry with **more than 137,000 HomeBuilder applications**, generating \$120 billion of economic activity.
- We have provided **\$2.9 billion of low-cost loans to community housing providers** to support 15,000 social and affordable dwellings, saving \$470 million in interest payments to be reinvested in more affordable housing.
- **We unlocked 6,900 social, affordable and market dwellings** through the Coalition's \$1 billion Infrastructure Facility making housing supply more responsive to demand.
- We **established the First Home Super Saver Scheme**, helping 27,600 first home buyers accelerate their deposit savings through super.

A re-elected Coalition Government will:

- **Help more first home buyers get over the deposit hurdle** by raising the number of low-deposit guarantees for first home buyers to 35,000 each financial year.
- **Deliver increased property price caps for the Home Guarantee Scheme**, to ensure Australians can continue to have choice when purchasing their home.
- **Increase the supply of new homes in regional areas** by incentivising the purchase of new-build homes – providing 10,000 low deposit guarantees each financial year for those moving to, or within, regional areas. This includes non-first home buyers and permanent residents.

- **Expand home ownership opportunities for single parent families** by increasing the number of low-deposit guarantees for single parent families to buy a home (with a deposit of as little as 2 per cent) to 5,000 each financial year.
- **Support greater investment into affordable housing** with an additional \$2 billion in low-cost financing for social and affordable dwellings. This brings total low-cost financing to \$5.5 billion, supporting around 27,500 dwellings.

Labor has consistently opposed and attempted to block the Government's housing initiatives.

They have come out against the incredibly successful Home Guarantee Scheme and the HomeBuilder program. They voted with the Greens against the legislation to establish the First Home Super Saver Scheme (FHSSS). More than 21,100 first home buyers have used the FHSSS to purchase their first home since the 2019 election after Labor vowed to abolish the scheme. The FHSSS will continue to be protected under a Coalition Government.

The last time Labor tried to do something about housing, the Australian National Audit Office noted that \$3.5 billion of taxpayer's money was wasted on a program that "failed to deliver," while the Grattan Institute called it "expensive, unfair and poorly targeted".

Labor is now committing \$10 billion in an off-budget fund to support a housing program that has no substance, lacking detailed costings or an implementation plan. That's a classic Labor move – unrealistic, unaffordable and doomed to fail.

Our Plan

1. Expanding our Home Guarantee Scheme for First Home Buyers

The Coalition Government will build on the success of the Home Guarantee Scheme as a targeted and cost-effective measure to support home ownership and new housing. In just over two years, the scheme has already helped almost 60,000 Australians to buy their own homes.

A re-elected Coalition Government will:

- Expand support for first home buyers by **more than tripling the number of low-deposit guarantees** to buy a home (with as little as 5 per cent deposit) to 35,000 guarantees each financial year.

2. Incentivising supply of new homes in regional areas

The Coalition Government will support regional home ownership in a way that encourages new housing supply to reduce housing affordability pressures and retain talent and skills in the regions in support of the Government's regionalisation agenda.

A re-elected Coalition Government will:

- Establish the Regional Home Guarantee to incentivise the purchase or construction of homes in regional areas by providing **10,000 low-deposit guarantees with a deposit as low as 5 per cent each financial year** for those moving to, or within, regional areas, including non-first home buyers and permanent residents commencing 1 October 2022.

3. Doubling the number of places for single parent families

The Coalition Government will expand the support available to single parent families in recognition that single parents and their children deserve the security of homeownership, and that the challenges faced saving a deposit are even harder when you are on a single income with children.

A re-elected Coalition Government will:

- **Expand home ownership opportunities for single parent families** by increasing the number of low deposit guarantees for single parent families to buy a home (with as little as 2 per cent deposit) to 5,000 each financial year.

4. Increasing the property price caps for the Home Guarantee Scheme

To ensure Australians can continue to have choice when purchasing their home, the Coalition Government is also announcing new property price caps for the Home Guarantee Scheme. To participate, borrowers will still have to meet the usual loan and repayment assessments from their financial institutions. This ensures that home buyers are protected against entering into a loan arrangement that could result in substantial hardship. The income caps (\$125,000 per annum for individuals and \$200,000 per annum for couples) will continue.

| Home Guarantee Scheme Price Caps | | | | |
|----------------------------------|----------------------------------|---------------|----------------------------------|---------------|
| | 2021-22 | | 2022-23 | |
| Area | Capital city and regional centre | Rest of state | Capital city and regional centre | Rest of state |
| NSW | \$800,000 | \$600,000 | \$900,000 | \$750,000 |
| VIC | \$700,000 | \$500,000 | \$800,000 | \$650,000 |
| QLD | \$600,000 | \$450,000 | \$700,000 | \$550,000 |
| WA | \$500,000 | \$400,000 | \$600,000 | \$450,000 |
| SA | \$500,000 | \$350,000 | \$600,000 | \$450,000 |
| TAS | \$500,000 | \$400,000 | \$600,000 | \$450,000 |
| ACT | \$500,000 | | \$750,000 | |
| NT | \$500,000 | | \$600,000 | |

5. Supporting greater investment into affordable housing

The Coalition Government will continue to support the community housing sector by providing an additional \$2 billion in low-cost financing to Community Housing Providers to build new social and affordable rental dwellings.

A re-elected Coalition Government will:

- Provide an extra \$2 billion in low-cost financing to the Government's National Housing Finance and Investment Corporation's (NHFIC) Affordable Housing Bond Aggregator to support more social and affordable housing. This will bring total low-cost financing to \$5.5 billion, supporting around 27,500 dwellings.

6. Supporting Indigenous Home Ownership

The Coalition Government will continue to help Indigenous Australians to enter the housing market.

A re-elected Coalition Government will:

- Extend Indigenous Business Australia's Indigenous Home Ownership Program at a cost of \$7.7 million. This will **support 1,000 jobs in regional Australia and support Indigenous families to access home loans** to either enter the housing market or build their own homes. This will build on the more than 3,700 loans already provided.

Our Record

First home buyers are at their highest level in 12 years at over 160,000 buyers in 2021, 70 per cent higher than the average over the previous decade.

Over the last three years, **our Government has helped more than 300,000 Australians to own a home**. Almost 60,000 Australians have accessed the Government's Home Guarantee Scheme, allowing home purchases with a deposit of as little as 5 per cent – a 2019 election commitment delivered.

- One in five guarantees issued went to essential workers, almost 35 per cent of whom were nurses and 34 per cent were teachers.
- 52 per cent of guarantees went to women, well above the market average of 41 per cent.
- 58 per cent of all buyers under the scheme were Australians aged under 30.
- Home buyers were able to bring forward their purchases by an average of four years.

The Home Guarantee Scheme demonstrates that the Morrison Government supports first home buyers. We're backing in essential workers, women and young Australians to make the aspiration of home ownership a reality.

Building on this success, the Morrison Government launched the Family Home Guarantee to help single parent families buy a home with a deposit of as little as 2 per cent. The Family Home Guarantee recognises that the challenge of saving a deposit is even harder when you're on a single income and raising children, especially if you are not eligible for first home buyer programs. So far more than 2,200 single parent families have bought a home using the scheme, with 85 per cent of them being single mums.

Under our Government, first home buyers can continue to accelerate their deposit savings through their superannuation by being able to release \$50,000 of voluntary contributions, up from \$30,000. Under the First Home Super Saver Scheme, around 27,600 first home buyers have released \$382 million to buy their first home. More than 21,100 of these Australians bought a home following the 2019 election after Labor vowed to abolish the scheme.

Supporting home ownership is not just good for Australian families, but good for the economy. Residential construction directly engages over 1 million workers and contributes 5.8 per cent to GDP.

During the pandemic, more than 137,000 Australian families applied for the HomeBuilder grant of up to \$25,000 if they built a new home or substantially renovated their existing home. **HomeBuilder delivered a secure pipeline of construction work that kept hundreds of thousands of tradies and small businesses in work**. HomeBuilder broke records: from the number of dwelling approvals to the number of commencements. The program delivered \$120 billion of economic activity just when it was needed.

The Morrison Government is reducing the minimum age of the downsizer superannuation contribution so downsizers can do so sooner. From 1 July 2022, the minimum age falls from 65 to 60. This will allow Australians nearing retirement to make a post-tax contribution of up to \$300,000 when they sell their family home, and help to free up larger homes for younger families.

Over the past five years, Indigenous Business Australia's Indigenous Home Ownership Program has provided over 3,000 new home loans, more than 90 per cent to new home buyers.

Our Government also established the National Housing Finance and Investment Corporation to help increase home supply. **More than \$2.9 billion of low-cost loans saved community housing providers more than \$470 million and supported more than 15,000 dwellings.** Over the past three years, a further 6,900 social, affordable and market dwellings have been unlocked by the Government's \$1 billion National Housing Infrastructure Facility.

The Coalition Government recognises the challenge of housing for the vulnerable.

That's why, under the National Housing and Homelessness Agreement, states and territories receive \$1.6 billion annually from the Federal Government to help meet their obligations to improve housing and homelessness outcomes. The Agreement focuses on the housing needs of older Australians, women and children affected by family and domestic violence, children and young people, Indigenous Australians, the long-term homeless, and Australians exiting institutions and care into homelessness. Our Government also provided certainty of funding for homelessness services over the long term.

This is part of \$9 billion the Morrison Government expects to spend on housing and homelessness, including more than \$5 billion on Commonwealth Rent Assistance – helping around 1.4 million eligible Australians on welfare to pay their rent. This payment has just risen in March by around 2 per cent in line with the twice-annual indexation, delivering an extra \$112.1 million in assistance per year to renters.

The Risk of Labor

Labor cannot be trusted to help Australians into their dream of home ownership.

They have consistently opposed and attempted to block the Government's housing initiatives – and took a \$31 billion Housing Tax to the last election, designed to undermine the housing market by doubling capital gains tax and abolishing negative gearing for existing properties.

Shadow Treasurer Jim Chalmers said “Any housing policy that doesn't have changes to negative gearing and capital gains is just a shocker”.

Labor cannot be trusted to protect the assets of home owners and mum and dad property investors.

Labor cannot be trusted to put downward pressure on interest rates.

Labor has no economic plan.

Over the last 30 years, Labor Governments have, on average, delivered higher unemployment, higher interest rates and higher electricity prices.

And not a single balanced budget.

Labor has already promised to spend \$81 billion more on policies throughout the pandemic.

Labor can't say how they'll pay for their promises. And they can't manage money.

Higher spending means more upward pressure on interest rates.

The choice is clear.

The Coalition Government will keep our economy strong, and continue with record jobs growth so more Australians can save for a home and pay their mortgage. As responsible economic managers, we will also help to contain interest rate pressures.

The Morrison Government brought the Budget back to balance before the pandemic hit and we're now seeing the dividends of a strong economic recovery that is leading the world. The Budget is already \$100 billion better off compared to last year, the biggest turnaround in our finances in 70 years. Australia is one of a small number of countries to maintain a AAA credit rating from all three major credit rating agencies.

The cash rate under our Government has averaged 3 percentage points lower than under the Rudd/Gillard governments. **A family today with an average mortgage is saving over \$500 a month in mortgage repayments compared to what would have been the case under the last Labor government.**

The Coalition Government will not hit Australians with new taxes on housing.
Guaranteed.

| COALITION | LABOR |
|--|---|
| <p>The Morrison Government went to the election promising to help first home buyers get into a home with a deposit of as little as 5 per cent.</p> | <p>When Scott Morrison announced the First Home Loan Deposit Scheme during the 2019 election, Labor criticised the announcement but later copied and adopted the policy.</p> |
| <p>The Coalition Government established the First Home Super Saver Scheme, helping 27,600 first home buyers accelerate their deposit savings through super.</p> | <p>The Labor Party committed to abolishing the First Home Super Saver Scheme and voted with the Greens against the legislation to enact the Scheme.</p> |
| <p>The Morrison Government implemented HomeBuilder to protect the residential construction industry. More than 137,000 HomeBuilder applications have generated \$120 billion of economic activity.</p> | <p>Anthony Albanese said that HomeBuilder was “Too little too late” and would be used to fund “gold baths” and “pearl taps”.</p> |
| <p>The Coalition Government is committed to no new taxes on housing.</p> | <p>Labor went to the 2019 election proposing a \$31 billion Housing Tax. Anthony Albanese praised Labor’s high housing taxes, saying they were “great policy work”.</p> <p>Labor proposed to abolish negative gearing for existing homes and double Capital Gains Tax, which would have impacted around 1.3 million Australians negatively gearing properties, including 58,000 teachers, 42,000 nurses and 19,000 police and emergency services officers.</p> <p>Deloitte Access Economics said Labor’s \$31 billion Housing Tax would have sent new housing construction crashing by \$766 million, with 7,800 jobs lost and increases in rents. Economic modelling commissioned by Master Builders Australia prior to the 2019 election found that Labor’s policies would have led to up to 42,000 fewer new dwellings built across Australia.</p> |

Cost

Funding for the Coalition's Plan for Housing and Home Ownership is already provided within budget estimates.



For further details of the CLP's Plan go to: www.clp.org.au