Submission cover sheet

Inquiry into Home Buyer Concession Scheme Administration

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ACT STANDING COMMITTEE ON PUBLIC ACCOUNTS AND ADMINISTRATION

INQUIRY INTO HOME BUYER CONCESSION SCHEME ADMINISTRATION

SUBMISSION BY

GREG TANNAHILL

(INDIVIDUAL)

DATED 21 MAY 2025

WHO AM I?

I make this submission in my capacity as a private individual. This submission does not represent the view of any group or party.

I am aged 44, an Australian citizen, and a resident in the electorate of Fenner. I do not identify as a member of any group which faces specific financial disadvantage in property purchases.

I co-purchased a house in the ACT with my partner within the last two years, subject to a mortgage, but we did not apply for or benefit from the Home Buyer Concession Scheme as my partner was not a first home-buyer. To the best of my knowledge her previous property ownership did not come within the scope of the ACT Home Buyer Concession Scheme.

MY SUBMISSION

My submission is short, and deals only with two points.

ONE – PENALTIES FOR FIRST HOME-BUYERS CO-PURCHASING WITH AN EXISTING OWNER

RE: TERM OF REFERENCE (1), EFFECTIVENESS AND APPROPRIATENESS OF SELF-ASSESSMENT PROCESS

I note under this point that, realistically, relatively few first home-buyers who do not come from rich families will be able to purchase their first house as an individual, and many first home-buyers purchase as a couple.

In my case, I had no prior ownership of property and may otherwise have been eligible for the Home Buyer Concession Scheme. But because I was in a long-term de facto relationship with my partner, who had previously owned a single-bedroom flat, I was not eligible, and because I now own property I will likely be ineligible for similar schemes in the future.

In this case I had no desire or ability to purchase property individually, but had I chosen to do so I would have been precluded from accessing the scheme by my relationship, whether my partner was involved in that purchase or not.

This consideration of partners is presumably intended to prevent "dummy buyers", and to disincentivise couples from arranging what would otherwise be a co-purchase under only a single putative owner, which subverts the intention of the scheme and presents risks and inequities to couples (and often, disproportionately, to women).

However, the result produces varying and inequitable results for first home-buyers depending on their relationship status. This is a regressive policy outcome, that may incentivise first home-buyers to not form committed relationships, or to hide those relationships, and the committee and the government should examine alternate means of achieving their policy outcomes here.

Possibly the concession could be scaled in proportion to how much of the final property eligible co-owners would own, versus ineligible co-owners.

TWO – THE DESIRABILITY OF THE POLICY GENERALLY

RE: TERM OF REFERENCE (8), ANY OTHER MATTER

I note that the objective of the policy is to increase the relative buying power of new entrants to the market versus existing owners. That is a well-intentioned policy objective. I also note that it is the policy of the current government generally that stamp duty and point-of-sale taxes are regressive, and that it has been involved for some time in a project of phasing them out and replacing them with land taxes.

However, I draw to the committee's attention the basic truth that **increasing the spending power of buyers** results directly and inevitably in **an increase in the wealth of existing owners, and higher property prices overall**.

Since the introduction of the Federal First Home Owner Grant in 2000, data has clearly shown that federal and state first home buyer concessions have **accelerated** housing unaffordability rather than combatting it.

See for example the Australia Institute's summary of the existing evidence here: https://australiainstitute.org.au/post/first-home-buyers-grants-20-years-of-failed-attempts-to-improve-housing-affordability/

Housing affordability **cannot** be addressed by increasing the spending power of buyers, either generally or along demographic lines.

As a matter of logic, the goal of **maintaining or increasing existing property values** is fundamentally incompatible with the goal of **making housing more affordable**.

Seriously addressing housing affordability in the ACT can only be addressed by **reducing the number of buyers in the market**, and the most equitable way of doing that is by incentivising speculators, investors and multiple-property landlords to **exit the market**.

The vast majority of renters rent due to the inability to buy, not due to lifestyle choices, and these renters should so far as possible be enabled to purchase. The landlords who own this rented property do not provide a valuable service to the ACT community, but rather through their investment provide a direct barrier to financial security for their tenants, while generally creating worse housing, health and financial outcomes for their tenants and the community generally than would have been the case if they had never purchased the property.

Basic human needs, such as accommodation, should not be an investment or speculation opportunity.

I would encourage the committee, and government, to focus their housing affordability policy on efforts to incentivise owners of more than two residential properties to divest from that property and exit the residential housing market.

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This concludes my submission.

If the committee would be assisted by further detail on any aspect of this submission, or by hearing from me in person, I would be happy to be of service.

With thanks,

Greg Tannahill

21 May 2025