




Speech By
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HELP TO BUY (COMMONWEALTH POWERS) BILL

 **Ms PUGH** (Mount Ommaney—ALP) (5.58 pm): Anyone saving for a home knows that every dollar counts. I still remember exactly where I was when I received the call that my offer on a home had been accepted, and as house prices—

Mr McDonald interjected.

Ms PUGH: Thank you. I take that interjection; it is a proud feeling for any person. As house prices increase, it is getting harder to save a deposit and many young people feel like they will never get into the market. While young people like my little sister, Izzy, and her fiancé, Mal, save for their first home, they are also paying rent which, as we all know, makes it even harder to save that 20 per cent deposit. If you do not have a 20 per cent deposit, most of the time you will need lender's mortgage insurance, LMI, which is more money on your home loan and takes even longer to pay off. Sadly, this is usually paid by people who do not have access to what has colloquially become known as the 'bank of mum and dad'. A recent article in the *Conversation*, an online newspaper publication, noted that if the bank of mum and dad were, in fact, a real financial institution it would be somewhere between the fifth and ninth largest mortgage lender in the country. If you do not have parents who can help you, you are locked out of accessing this lender, and for some it is significantly affecting their chance to own a home.

The Miles government does not think that home ownership should just be for people with access to the bank of mum and dad. I should declare that my dad and I have been helping Isabella and Malcolm look for a home on the outskirts of Brisbane in the greater western suburbs and Ipswich region and every time we go to a house with them, we see a lot of young couples looking at the same house. There are tens of dozens of families coming through these properties. Some of them have children, some do not, but all of them have one thing in common—they just want to achieve what most of their parents were able to achieve at a similar age: a home of their own. We know that Queensland is experiencing record levels of interstate migration. That is part of the reason Queenslanders especially will benefit from the Help to Buy scheme that has been promised by the federal government.

The Help to Buy scheme, as we have heard from previous speakers, is a shared equity scheme. This means that the government will chip in and share the risk at the beginning of the loan when, for most people, repayments will be at their highest as they have the highest principal to pay down as they have a loan for a large part of the purchase price. For some young families who took out loans when interest rates were at record lows, repayments have surged. We know that those families are struggling. We also know that over the life of the loan as those families do pay down that debt, those repayments eventually decline. Families do want the safety and security of owning their own home because it means one day they will pay that debt down and they will own that asset. That is why home ownership is a dream that so many of us hold onto.

The Help to Buy scheme contributes up to 40 per cent for new homes and 30 per cent for existing homes. It is a shared equity scheme and the government shares that risk at the beginning of the loan. Those accessing the scheme would only need to have a two per cent deposit, which means that buyers

could potentially access and purchase a home in months, not years. Shared equity schemes like Help to Buy are not new, they do exist in overseas countries. In the UK there is a similar scheme that has helped hundreds of thousands of people into home ownership. We want to make sure that all Queenslanders have the same opportunity at home ownership. It is a dream that many people share and something which is passed down from generation to generation. It is something that I want for everybody in my family and for my children as well. For that reason, I commend the bill to the House.