



Help to Buy (Commonwealth Powers) Bill 2024

Report No. 11, 57th Parliament
Housing, Big Build and Manufacturing Committee
June 2024

Committee

Chair	Mr Chris Whiting MP, Member for Bancroft
Deputy Chair	Mr Jim McDonald MP, Member for Lockyer
Members	Mr Don Brown MP, Member for Capalaba
	Mr Michael Hart MP, Member for Burleigh
	Mr Robbie Katter MP, Member for Traeger
	Mr Tom Smith MP, Member for Bundaberg

Committee Secretariat

Telephone	+61 7 3553 6662
Email	hbbmc@parliament.qld.gov.au
Technical Scrutiny Secretariat	+61 7 3553 6601
Committee webpage	www.parliament.qld.gov.au/HBBMC

Acknowledgements

The committee acknowledges the assistance provided by the Department of Housing, Local Government, Planning and Public Works, and all submitters and witnesses to the committee's inquiry for their contributions.

All web address references are current at the time of publishing.

Contents

Chair’s foreword	ii
Recommendations	iii
Executive Summary	iv
1 Introduction	1
1.1 Policy objectives of the Bill	1
1.1.1 Commonwealth Help to Buy Scheme	1
1.1.2 Commonwealth Help to Buy Bill 2023	1
1.1.3 Policy framework	2
1.2 Government consultation on the Queensland Bill	2
1.3 Legislative compliance	2
1.3.1 Legislative Standards Act 1992	2
1.3.2 Human Rights Act 2019	3
1.4 Should the Bill be passed?	3
2 Examination of the Bill	4
2.1 Referral of legislative power	4
2.1.1 Proposed legislative arrangements	4
2.1.2 Text-based referral of power	4
2.1.3 Referral matters and state participation in the scheme	4
2.1.4 Inconsistencies between Commonwealth and state laws	6
2.1.5 Intergovernmental Agreement	7
2.1.6 Stakeholder views	7
2.1.7 Legislative scrutiny – Fundamental legislative principles	8
Committee comment	9
2.2 Feedback on the Help to Buy Scheme	10
2.2.1 Number of Scheme places available for Queenslanders	10
2.2.2 Program Directions and scheme parameters	12
Committee comment	15
Appendix A – Submitters	16
Appendix B – Officials at public departmental briefing	17
Appendix C – Witnesses at public hearing	18

Chair's foreword

This report presents a summary of the Housing, Big Build and Manufacturing Committee's examination of the Help to Buy (Commonwealth Powers) Bill 2024.

The committee's task was to consider the policy to be achieved by the legislation and the application of fundamental legislative principles – that is, to consider whether the Bill has sufficient regard to the rights and liberties of individuals, and to the institution of Parliament. The committee also examined the Bill for compatibility with human rights in accordance with the Human Rights Act 2019.

The examination of a Bill designed to refer legislative powers to the Commonwealth Parliament has been a unique experience for all members of the committee, and we all appreciated the opportunity. It is clear to me as Chair of the committee, that the Help to Buy Scheme effectively complements the raft of actions in the Homes for Queenslanders Plan to deliver safe, secure and affordable housing to Queenslanders.

The Help to Buy Scheme will play a role in the Queensland Government's whole-of-system approach to address the growing pains Queensland is experiencing today, help assuage the pressures we can expect in the future and contribute to meeting the target of one million new homes by 2046, including 53,000 social homes.

On behalf of the committee, I thank all those individuals and organisations who made written submissions on the Bill and appeared at our public hearing I also thank our Parliamentary Service staff and the secretariat.

I commend this report to the House.



Chris Whiting MP

Chair

Recommendations

Recommendation 1	3
The committee recommends that the Help to Buy (Commonwealth Powers) Bill 2024 be passed.	3
Recommendation 2	15
That the Queensland Government continue to liaise with the Australian Government on the parameters of the Help to Buy Scheme to ensure that the volume of participants and places for targeted groups, purchase price caps, participant income levels and buy-out provisions are appropriate for Queensland.	15

Executive Summary

The Help to Buy (Commonwealth Powers) Bill 2024 (the Bill) was introduced into the Queensland Legislative Assembly by the Minister for Housing, Local Government and Planning and Minister for Public Works on 2 May 2024. The Bill was referred to the Housing, Big Build and Manufacturing Committee (committee) for detailed consideration and report by 7 June 2024.

About the Bill

The objective of the Bill is to facilitate the effective operation of the Australian Government's Help to Buy scheme (the Scheme) in Queensland.

The Bill seeks to achieve this through a text-based referral of legislative power to the Commonwealth Parliament under section 51(xxxvii) of the Australian Constitution. This referral process will enable the passage of the Commonwealth Help to Buy Bill 2023 (Commonwealth Bill) and support the constitutional basis for establishing the Scheme.

Text-based referral of power

The Bill's text-based referral of legislative power allows the Queensland Parliament to consider the Commonwealth Bill (as set out in Schedule 1 of the Bill) and according to the explanatory notes, provides certainty regarding the extent of the Commonwealth Parliament's legislative power. This means that the Commonwealth Parliament will only have power to enact a law in the same terms as the text set out in the Queensland Bill.

Commonwealth Help to Buy Scheme

The overarching aim of the Scheme is to make it easier for low and middle-income home buyers to purchase new or existing homes. Under the Scheme, the Australian Government will provide an equity contribution to eligible applicants of up to 40 per cent of the purchase price for a new home, and up to 30 per cent for an existing home. A minimum of 2 per cent deposit will be required from potential buyers. The Scheme is to be administered by Housing Australia.

Stakeholder feedback

Feedback from stakeholders was largely supportive of the Bill and the policy intent of the Scheme. While there was limited feedback from stakeholders on the technical referral of powers, several offered suggestions on how the parameters and eligibility criteria relating to the Scheme could be improved. These are discussed in section 2.2 of the report.

Legislative compliance

The committee's deliberations included assessing whether or not the Bill complies with the Parliament's requirements for legislation as contained in the *Parliament of Queensland Act 2001*, *Legislative Standards Act 1992* and the *Human Rights Act 2019*.

The committee was satisfied that potential breaches to fundamental legislative principles were reasonable and sufficiently justified. The committee discusses whether the Bill has sufficient regard to the institution of Parliament in some detail in section 2.1.7 of the report. The committee was also satisfied that the Bill is compatible with human rights as outlined in the *Human Rights Act 2019*.

Committee recommendations

The committee considered the evidence before it and recommends that the Help to Buy (Commonwealth Powers) Bill 2024 be passed.

The committee also recommends that the Queensland Government continue to liaise with the Australian Government on the Help to Buy Scheme to ensure that parameters such as purchase price caps, participant income levels, number of places for targeted groups and buy out provisions are appropriate for Queensland.

1 Introduction

1.1 Policy objectives of the Bill

The policy objective of the Help to Buy (Commonwealth Powers) Bill 2024 (the Bill) is to facilitate the operation of the Commonwealth Help to Buy scheme (the Scheme) in Queensland.

The Bill achieves this objective through the referral of text-based legislative power to the Commonwealth Parliament under section 51 (xxxvii) of the Australian Constitution, enabling the passage of the Commonwealth Help to Buy Bill 2023 (Commonwealth Bill) in the Australian Parliament and supporting the constitutional basis to establish the Scheme.¹

1.1.1 Commonwealth Help to Buy Scheme

The Australian Government's Help to Buy scheme (the Scheme) was announced in the 2022-23 Federal Budget and is designed to assist low to middle income earners purchase new or existing homes by addressing barriers to home ownership including saving for a deposit and servicing a loan.²

On 17 August 2023, National Cabinet announced that all states and territories had agreed to progress legislation to implement the Scheme across the nation. On 13 March 2024, the Commonwealth housing Minister announced that Queensland was nominated as the first state to progress legislation for the Scheme.³

The Scheme will be open to 10,000 eligible Australians each year, for four years and will provide eligible participants with an equity contribution from the Australian Government of up to 40 per cent of the purchase price for a new home and up to 30 per cent for an existing home. Potential home buyers will be required to provide a minimum of 2 per cent deposit to participate in the Scheme. The Scheme is to be administered and monitored by Housing Australia.⁴

Officials from the Department of Housing, Local Government, Planning and Public Works (the department) advised that the Australian Government is seeking to operationalise the Scheme as early as possible in the second half of 2024.⁵

1.1.2 Commonwealth Help to Buy Bill 2023

In November 2023, the Australian Government introduced the Help to Buy Bill 2023 (Commonwealth Bill) into the House of Representatives which establishes the Scheme. The Bill empowers the Minister to give Housing Australia directions about how it is to perform its functions in relation to the Scheme. These directions constitute the Program Directions and include details such as eligibility criteria and participant obligations.⁶ The Commonwealth Bill is currently before the Senate for debate and is included as Schedule 1 of the Bill.⁷

In April 2024, the Senate Economics Legislation Committee (Senate committee) tabled its report on its examination of the Commonwealth Bill. The senate committee recommended that the Commonwealth Bill be passed. The department advised that broadly, submissions to the inquiry indicated support for the Commonwealth Bill and the establishment of the Scheme. The report highlighted two key matters: the Scheme's potential positive contribution to housing policies targeting

¹ Explanatory notes, p 2.

² Exposure Draft Explanatory Statement, Help to Buy Act 2024, Help to Buy Program Directions 2024, p 1.

³ Explanatory notes, p 1.

⁴ Explanatory notes, p 1.

⁵ Danielle McAllister, Deputy Director-General, Department of Housing, Local Government, Planning and Public Works (DHLGPPW), public briefing transcript, Brisbane, 13 May 2024, p 2.

⁶ Help to Buy Bill 2023 (Cwlth), p 3.

⁷ DHLGPPW, correspondence, 10 May 2024, p 6.

supply and ownership, and concerns regarding potential inflationary impacts. The department advised that given the number of allocated places compared to the overall size of the Australian residential property market, the Senate committee noted in its report that the Scheme has been carefully calibrated to avoid having an inflationary impact on house prices in Australia.⁸

In April 2024, the Commonwealth released exposure draft Program Directions for public consultation and received public submissions until 21 May 2024. The Program Directions will sit alongside the Commonwealth legislation and direct Housing Australia on the delivery of the Scheme. Key proposed eligibility and other details about Scheme operation are subject to the outcomes of the Commonwealth's consultation on the draft Program Directions.⁹

1.1.3 Policy framework

Implementing the Scheme in Queensland is a key action in the pillar of 'Help first home owners into the market' under the Homes for Queenslanders plan. The department advised that this plan will deliver one million new homes in Queensland including 53,500 new social homes, support Queensland renters, help first home owners to enter the market, and work towards an end to homelessness.¹⁰

The proposed Scheme would operate alongside existing home ownership approaches. The department advised that the Queensland Government has announced a temporary boost to the Queensland First Home Owners Grant, which offers eligible buyers a grant towards buying or building their new house, unit or townhouse from \$15,000 to \$30,000 until 30 June 2025. This is estimated to support around 12,000 first home buyers across the state into their first home.¹¹ Furthermore, the Homes for Queenslanders plan also commits to a two-year trial to make it easier for people to stay in regional areas by raising the Queensland Housing Finance Loan income eligibility threshold to \$201,000 per annum for regional Queenslanders who struggle to get home finance because of where they live.¹²

1.2 Government consultation on the Queensland Bill

According to the explanatory notes, the department consulted with Commonwealth Treasury officials on the development of the Bill. The notes also state that targeted consultation on the Bill was undertaken through the Australasian Parliamentary Counsel's Committee and with state policy officials.¹³

1.3 Legislative compliance

The committee's deliberations included assessing whether or not the Bill complies with the Parliament's requirements for legislation as contained in the *Parliament of Queensland Act 2001*, *Legislative Standards Act 1992* (LSA), and the *Human Rights Act 2019* (HRA).

1.3.1 Legislative Standards Act 1992

The committee considered in detail (see section 2.1.7) whether the Bill had sufficient regard to the institution of Parliament, given the Bill's objective of referring powers to the Australian Parliament. On balance, the committee was satisfied that the Bill has sufficient regard to the institution of Parliament given specific and limited nature of the referral.

Part 4 of the *Legislative Standards Act 1992* requires that an explanatory note be circulated when a

⁸ DHLGPPW, correspondence, 10 May 2024, p 6.

⁹ DHLGPPW, correspondence, 10 May 2024, p 6.

¹⁰ Explanatory notes, p 1.

¹¹ DHLGPPW, correspondence, 24 May 2024, p 1.

¹² DHLGPPW, correspondence, 24 May 2024, p 1.

¹³ Explanatory notes, p 4.

Bill is introduced into the Legislative Assembly and sets out the information an explanatory note should contain. Explanatory notes were tabled with the introduction of the Bill and contain the information required by Part 4 and a sufficient level of background information and commentary to facilitate understanding of the Bill's aims and origins.

1.3.2 Human Rights Act 2019

A law is compatible with human rights if it does not limit a human right or limits a human right only to the extent that is reasonable and demonstrably justifiable. The committee's assessment of the Bill's compatibility with the HRA found that it does not limit any human rights and the Bill is compatible with the HRA.

A statement of compatibility was tabled with the introduction of the Bill, as required by section 38 of the HRA and contained a sufficient level of information to facilitate understanding of the Bill in relation to its compatibility with human rights.

1.4 Should the Bill be passed?

The committee is required to determine whether or not to recommend that the Bill be passed.

Recommendation 1

The committee recommends that the Help to Buy (Commonwealth Powers) Bill 2024 be passed.

2 Examination of the Bill

This section discusses key issues raised during the committee's examination of the Bill. It does not discuss all consequential, minor or technical amendments.

2.1 Referral of legislative power

2.1.1 Proposed legislative arrangements

The Bill refers matters to the Commonwealth Parliament for the purposes of section 51(xxxvii) of the Australian Constitution. That section allows the Commonwealth Parliament to make laws with respect to matters referred to it by the states.¹⁴

The Queensland Help to Buy (Commonwealth Powers) Bill 2024 will refer the necessary matters to the Commonwealth Parliament. Once enacted, the effect of the Queensland Bill will be to give the Commonwealth Parliament the power to enact the Commonwealth Bill.¹⁵

To support the constitutional basis for establishing the Scheme, the Queensland Bill must be passed before the Commonwealth Bill can be passed. Once the Commonwealth Bill is passed, other states can similarly refer legislative power to the Commonwealth Parliament or adopt the Commonwealth legislation to enable the Scheme to operate in their jurisdiction. The Scheme will also operate in the territories from commencement of the Commonwealth Bill, pursuant to section 122 of the Australian Constitution.¹⁶

2.1.2 Text-based referral of power

The Queensland Bill is a text-based referral of legislative power. Text-based referrals generally include an initial referral of matters based on an agreed text of a Bill and referral of powers to amend the text of a Bill within defined parameters.

The department advised that the advantage of a text-based approach over a broader subject-based referral is that it allows the Queensland Parliament to consider the Commonwealth Bill.¹⁷ Schedule 1 of the Bill contains the proposed text of the Commonwealth Bill.

The department also advised that this approach provides the greatest certainty regarding the extent of the Commonwealth Parliament's legislative power and means that the Commonwealth Parliament will only have power to enact a law in the same terms as the text set out in Queensland's referral Bill.¹⁸ The department stated 'there is no risk that the Commonwealth might rely on the referral to enact a different law which the Queensland parliament has not approved.'¹⁹

There are several examples of other Queensland Acts that have a text-based referral of Commonwealth powers including: Commonwealth Powers (De Facto Relationships) Act 2003 and Fair Work (Commonwealth Powers) and Other Provisions Act 2009 and Business Names (Commonwealth Powers) Act 2011.²⁰

2.1.3 Referral matters and state participation in the scheme

Clause 3 of the Bill deals with the referral of three specific matters. The department's written briefing sets these matters out as follows:

¹⁴ Danielle McAllister, DHLGPPW, public briefing transcript, Brisbane, 13 May 2024, p 2.

¹⁵ Danielle McAllister, DHLGPPW public briefing transcript, Brisbane, 13 May 2024, p 2.

¹⁶ Danielle McAllister, DHLGPPW public briefing transcript, Brisbane, 13 May 2024, p 2.

¹⁷ DHLGPPW, correspondence, 10 May 2024, p 6.

¹⁸ DHLGPPW, correspondence, 10 May 2024, p 6.

¹⁹ DHLGPPW, correspondence, 10 May 2024, p 6.

²⁰ Explanatory notes, p 4.

- Primary matters are matters to which the referred primary provisions relate (that is, the version of the Commonwealth Bill that is referred to in the Queensland Bill at the time of its passage) that deal with the functions and powers of Housing Australia in relation to a *participating state only*
- Residual matters are matters to which the referred residual provisions relate (that is, the version of the Commonwealth Bill that is referred to in the Queensland Bill at the time of its passage) that deal with the functions and powers of Housing Australia in relation to a *cooperating state only*
- Amendment matters are matters about which an amendment can be made to the Commonwealth Bill after it is passed (which will apply to a *participating or cooperating state*).²¹

The department advised that amendment matters do not include the making of laws that would give Housing Australia the power to enter into Scheme arrangements in a cooperating or withdrawn state or would substantively remove or override any provisions that require the approval of the state before certain things are done. It also does not include the making of laws that would substantively remove or override the provisions that ensure state and territory laws take precedence where there is inconsistency with the Commonwealth legislation. The department also advised that this scope ensures that the amendment matters only cover topics which are necessary for the future development of the Scheme, but do not allow the removal of safeguards in place for referring or adopting states.²²

The department advised that any or all of the above matters may be terminated at any time by proclamation from the Governor, and this would change the status of the state in relation to the scheme and appropriately safeguard Queensland's interests.²³ The department also stated that there is no risk that the Commonwealth might rely on the referral to enact a different law which the Queensland Parliament has not approved and that Queensland's interests are protected by section 46 of the Commonwealth Bill which indicates that the Commonwealth cannot make a legislative instrument if a state objects.²⁴

The functions and powers of Housing Australia will apply in different ways to different kinds of state participation in the Scheme:

- A participating state is a state which has referred the primary, residual and amendment matters to the Commonwealth Parliament. It enables full participation of eligible home buyers in that state in the Scheme, based on the enacted Commonwealth primary legislation, regulations, Program Directions, any future amendments, and any other legislative instruments. Queensland is to be a participating state.
- A cooperating state is a state which has terminated its primary referral, and no longer enables full participation of new participants in the Scheme but ensures existing participants can continue to be supported. While Housing Australia will not be able to enter shared equity arrangements with new participants in a cooperating state, it will continue to administer and monitor compliance with Scheme arrangements which were entered into while the state was a participating state and do anything incidental to these functions for a cooperating state.
- A withdrawn state is a state which has terminated its referral of the residual matters or amendment matters. The operation of the Commonwealth legislation in a withdrawn state

²¹ DHLGPPW, correspondence, 10 May 2024, p 6.

²² DHLGPPW, correspondence, 10 May 2024, p 6.

²³ Danielle McAllister, public briefing transcript, Brisbane, 13 May 2024, p 6.

²⁴ Ange Wright, DHLGPPW public briefing transcript, Brisbane, 13 May 2024, p 6.

does not depend on the state's referral but on the Commonwealth's other legislative powers. No new participants from that state can join the Scheme and existing participants are only able to continue to the extent an existing contractual arrangement is in place at the time the state becomes a withdrawn state. Scheme changes that are made by the Commonwealth once the state becomes a withdrawn state do not apply to participants from that state.²⁵

The department advised that providing for these three types of status will allow Queensland to be involved in the Scheme, and for Housing Australia to operate in Queensland accordingly. Further, this structure will ensure Queensland participants under the Scheme are protected should the state's involvement in the Scheme change over time.²⁶

The department advised that if Queensland was to become a withdrawn state, any existing Queensland participants in the Scheme would continue to the extent that they have an existing contractual arrangement in place at that time. The department also confirmed that any changes to the Scheme made by the Commonwealth after a state becomes a withdrawn state would not apply to those participants, so the arrangements that they had in place when they actually signed up would continue.²⁷

Should the Queensland Bill be passed in the Queensland Parliament, but the Commonwealth Bill fails to pass in the Federal Parliament, the Queensland Bill can remain on the statute book; however, it will not have any effect until the Commonwealth legislation passes. It would then be a matter for the state to determine whether it chooses to continue or terminate the referral.²⁸

2.1.4 Inconsistencies between Commonwealth and state laws

The department advised that it has been reviewing the text that is in the Commonwealth Bill and considering it in all regards but particularly from the state's perspective to ensure that the state is not limited in any way that would not be appropriate.²⁹

The department advised that the text referral in the Queensland Bill differs slightly from the text in the Commonwealth Help to Buy Bill to ensure the appropriate protections of the state's interests in referring these matters to the Commonwealth.³⁰ The differences are in the provisions of the Commonwealth Bill, dealing with potential inconsistencies between the Commonwealth and state laws, and the provisions enable the state to declare matters to be excluded matters to which the Scheme does not apply. It also declares that a state provision is a displacement provision for the purposes of the Scheme. This has the effect that the Commonwealth law will not apply if it is inconsistent with the state provision, thus protecting the state's interests.³¹

The department advised that there has been significant legal review and advice on this aspect of the Bill given its technical nature but that full assurance has been provided that these are common provisions included in referral legislation to ensure that there are appropriate mechanisms for addressing any inconsistencies and interactions between the provisions of the Commonwealth and the state Bills.³² The department also advised that it has negotiated these amendments with the Commonwealth, to ensure that Queensland is getting the text that it needs in the Queensland Bill. That will obviously go through the legislative processes in Queensland, and then the Commonwealth

²⁵ DHLGPPW, correspondence, 10 May 2024, pp 6-7.

²⁶ DHLGPPW, correspondence, 10 May 2024, p 7.

²⁷ Danielle McAllister, DHLGPPW, public briefing transcript, Brisbane, 13 May 2024, p 4.

²⁸ Ange Wright, DHLGPPW public briefing transcript, p 5.

²⁹ Danielle McAllister, DHLGPPW, public briefing transcript, Brisbane, 13 May 2024, p 4.

³⁰ Danielle McAllister, DHLGPPW, public briefing transcript, Brisbane, 13 May 2024, p 4.

³¹ Danielle McAllister, DHLGPPW, public briefing transcript, Brisbane, 13 May 2024, p 4.

³² Danielle McAllister, DHLGPPW, public briefing transcript, Brisbane, 13 May 2024, p 4.

who will need to amend the Commonwealth Bill so that it aligns with the Queensland Bill.³³ The Commonwealth law may be later amended, but Queensland's referral only includes power to make amendments with respect to certain matters.

2.1.5 Intergovernmental Agreement

The Scheme will also be underpinned by an Intergovernmental Agreement (IGA) between the Commonwealth and participating and cooperating state and territory governments. The department advised that the IGA is expected to set out and endorse certain arrangements in respect of the Scheme, including that the Scheme:

- will be established and administered by the Commonwealth in reliance on state referral legislation
- will not impact a state or territory's housing policy and other policies or ability to administer its own shared equity or homebuyer scheme/s, and
- will operate in states and territories only in accordance with the arrangements provided for in the Commonwealth legislation.³⁴

The department advised that the IGA is also expected to establish a process for amending the Commonwealth Bill by setting out that any amendments proposed by the Commonwealth to the provisions of the scheduled text can proceed if there are no objections received by the Commonwealth from any parties to the IGA. The department confirmed that these provisions would allow Queensland to object to any proposed amendments to the Commonwealth primary or subordinate legislation.³⁵

2.1.6 Stakeholder views

Inquiry stakeholders generally indicated overall support for the Queensland Bill to facilitate the operation of the national Help to Buy Scheme in Queensland.

Centre for Equitable Housing (Per Capita) confirmed support for the passage of the Bill. The Centre stated that since the Scheme would be administered by the Commonwealth through Housing Australia, there would be cost neutrality for participating states and territories, allowing for the expansion of shared equity home ownership without an increase in Queensland's budgetary expenses. Moreover, they noted that the use of a text-based referral would restrict the Commonwealth from making any legislation extending beyond the content of the referral, with this form of referral preventing the granting of 'unfettered control' over a referred matter to the Commonwealth.³⁶

Urban Development Institute of Australia (UDIA) also supported the shared equity approach of the Scheme, and they recommended the committee pass this Bill. UDIA considered the Bill provides an appropriate framework for referring matters relating to the Help to Buy scheme to the Commonwealth Parliament for the purpose of creating a pathway for Queenslanders to become applicants to the Commonwealth's shared equity scheme.³⁷

Housing Industry Association (HIA) confirmed they supported the Help to Buy scheme. However, they submitted that the draft legislation is complex, and they suggested there could be potential

³³ Danielle McAllister, DHLGPPW, public briefing transcript, Brisbane, 13 May 2024, p 4.

³⁴ DHLGPPW, correspondence, 10 May 2024, p 7.

³⁵ DHLGPPW, correspondence, 10 May 2024, p 7.

³⁶ Centre for Equitable Housing, submission 7, p 5.

³⁷ UDIA, submission 8, p 4.

ramifications for participants of the Scheme should their personal circumstances or home building intentions change.³⁸

Property Council of Australia commended the Queensland Government's commitment for Queensland to be the first state to roll out the Scheme to support home buyers' entry into the housing market. They did however advocate for the government to ensure the Scheme is responsible and sets prospective home owners up for long-term success and prosperity.³⁹

The majority of submissions to the inquiry did not comment directly or in detail on the technical arrangements proposed by the Bill. Rather, most offered suggestions or feedback about the operation of the Scheme such as place allocations, eligibility requirements and participating lenders, and other home ownership assistance that governments should consider. These are discussed further in section 2.2.

2.1.7 Legislative scrutiny – Fundamental legislative principles

The committee's assessment included consideration of fundamental legislative principles (FLPs) which are the principles relating to legislation that underlie a parliamentary democracy based on the rule of law. Section 4(2)(b) of the *Legislative Standards Act 1992* requires legislation to have sufficient regard to the institution of Parliament. This includes assessing whether the Bill respects the role and authority of the Parliament in its legislative process.⁴⁰

The explanatory notes acknowledge that the Bill potentially breaches FLP in three ways:

- by reducing the power of the Queensland Parliament by referring power to the Commonwealth Parliament
- by allowing the Governor to terminate one or more of the references, potentially diminishing Queensland Parliament's authority in legislative matters
- by amending the *Statutory Instruments Act 1992* (SI Act) to exclude a proclamation made under Clause 5 (to terminate or revoke the termination of referral) from expiry, as it otherwise would after ten years as a subordinate legislation.⁴¹

The committee discusses the first of these points for the purpose of informing the Legislative Assembly.

The Office of the Queensland Parliamentary Counsel (OQPC), 'Fundamental legislative principles: the OQPC Notebook' (Notebook) states that Parliament's sovereign power to make laws for Queensland should not be compromised by administrative agreements made between the Australian and Queensland executive governments that bind the parties to obtain specific laws from their Parliaments, without amendment by their Parliaments.⁴² The need for other state and territory governments to agree on legislation to be passed in their jurisdictions limits the power of a Parliament to amend proposed legislation and impacts on the independence of Parliaments.⁴³

The explanatory notes describe the referral of powers as 'very specific and limited'. As discussed above, this is reflected in cl 3 of the Bill which sets out the reference matters which is essentially the provisions of the Commonwealth Bill included in Schedule 1.

³⁸ HIA, submission 10, pp 1-2.

³⁹ Property Council of Australia, submission 3, p 1.

⁴⁰ Explanatory notes, p 2.

⁴¹ Explanatory notes, p 3.

⁴² Office of the Queensland Parliamentary Counsel (OQPC), 'Fundamental legislative principles: the OQPC Notebook' (Notebook), p 176.

⁴³ Notebook, p 176.

Clause 3(2) specifies that the reference matters do not include making laws that would:

- give Housing Australia, after Queensland stops being a participating State, the function or power of entering into shared equity arrangements that relate to residential property in Queensland, or
- remove or override a provision that requires the approval of Queensland before certain things are done, or ss 41 (concurrent operation of State and Territory laws), 41A (When Help to Buy program does not apply - exclusion by law of State or Territory) and 42 (Avoiding inconsistency with State and Territory laws) of the Commonwealth Help to Buy Act.⁴⁴

The explanatory notes state that the Bill is to be underpinned by an Intergovernmental Agreement, which proposes to establish a process for amending the Commonwealth Bill by setting out that any amendments proposed by the Commonwealth to the provisions of the scheduled text can proceed if there are no objections received by the Commonwealth from any parties to the Intergovernmental Agreement. This means that Queensland can object to any proposed amendment to the Commonwealth Bill.⁴⁵ The explanatory notes conclude that ‘any potential concerns about breaching FLP [*fundamental legislative principle*] relating to the erosion of Queensland’s sovereign power is justified as there would be robust protections in the Intergovernmental Agreement.’⁴⁶

It must be noted that there is no reference to the Intergovernmental Agreement in the Bill and that the terms of the Intergovernmental Agreement are not yet available.

The explanatory notes also state that the Commonwealth Bill makes provision for Queensland to object to proposed changes to regulations and other legislative instruments made under the Commonwealth Bill, providing further protection for Queensland’s interests in the legislative process.⁴⁷

Clause 4 of the Bill provides that the Commonwealth Bill once enacted may be amended by a provision of an instrument made under the Commonwealth Help to Buy Act and by a provision of a Commonwealth Act based on another legislative power of the Commonwealth Parliament.⁴⁸

Clause 46 of the Commonwealth Bill states that the Governor-General must not make regulations and the Minister must not make legislative instruments under the Act unless the Minister is satisfied that the states and territories have been notified in writing of the proposal, the required consultation period has ended and that during the consultation period none of the states and territories objected to the making of the regulation or legislative instrument.⁴⁹

Committee comment

All states and territories in Queensland have agreed to progress legislation to implement the Australian Government’s Help to Buy Scheme which is designed to improve housing outcomes for eligible Australians by reducing the upfront deposit hurdle and ongoing mortgage repayments associated with buying a home.

⁴⁴ Bill, cl 3(2).

⁴⁵ Explanatory notes, p 3.

⁴⁶ Explanatory notes, p 3.

⁴⁷ Explanatory notes, p 3.

⁴⁸ Bill, cl 4.

⁴⁹ Commonwealth Bill, cl 46.

A referral of power to the Australian Parliament is required to enable passage of the Commonwealth Help to Buy Bill and support the constitutional basis to establish the Scheme. The committee is satisfied that the referral of power is appropriate in this case.

Central to this view is that the text-based referral approach proposed by the Bill that will enable the Queensland Parliament to consider the particulars of the Commonwealth Bill and will provide certainty that the Commonwealth Parliament will only have power to enact a law in the same terms as the text in the Queensland Bill.

The committee also welcomes the intention for an Intergovernmental Agreement to establish the process for amending the Commonwealth Bill going forward. The committee has been advised by departmental officials that amendments proposed by the Commonwealth to the provisions of the scheduled text can proceed if there are no objections received by the Commonwealth from any parties to the Intergovernmental Agreement. This means that Queensland can object to any proposed amendment to the Commonwealth Bill.

In relation to fundamental legislative principles, the committee is satisfied that, on balance, the proposed amendments have sufficient regard to the institution of Parliament.

2.2 Feedback on the Help to Buy Scheme

The Commonwealth will establish the eligibility criteria and other operational matters relating to the operation of the Scheme through a legislative instrument called Program Directions.⁵⁰

As noted above, the Commonwealth released exposure draft Program Directions for public consultation and received submissions until 21 May 2024. The department confirmed that it has referred feedback relating to the Program Directions received through the committee's inquiry to the Commonwealth for consideration.⁵¹

2.2.1 Number of Scheme places available for Queenslanders

There will be 10,000 places available in the first year of the Scheme. The department advised that on the start day, each territory and participating state will be allocated a number of places determined by their population, relative to Australia's total population. States that have not joined the scheme from the start date will be reserved an allocation of places and may access them if they join the scheme in the first 8 months. If they do not join within the first 8 months, those places will be reallocated to the states and territories already participating in the scheme. If any places remain unused by the end of the first year, they will be carried over into the next year as unused places.⁵²

The department advised that assuming Queensland is the only participating state as at the start date, Queensland would receive its place allocation - this is expected to be around 2,000 places.⁵³ For each subsequent year, another 10,000 places will be available, in addition to any places from the previous year that were not used.⁵⁴

The department advised that at the start of each subsequent year, each territory and participating state will be allocated a number of places determined by their population, relative to the total population of all participating jurisdictions, *instead of* relative to the total Australian population as in the first-year allocation.⁵⁵

⁵⁰ Danielle McAllister, DHLGPPW, public briefing transcript, Brisbane, 13 May 2024, p 6.

⁵¹ DHLGPPW, correspondence, 24 May 2024, p 1.

⁵² DHLGPPW, correspondence, 10 May 2024, p 5.

⁵³ DHLGPPW, correspondence, 10 May 2024, p 5.

⁵⁴ DHLGPPW, correspondence, 10 May 2024, p 5.

⁵⁵ DHLGPPW, correspondence, 10 May 2024, p 5.

After 8 months of each subsequent year, all unused places will be transferred to a general pool for the use of any participating state or territory. The department advised that this annual allocation would ensure that each participating state and territory is allocated places according to their population size. For as long as Queensland remains a participating state, it will continue to receive an allocation of a minimum 2,000 places per year.⁵⁶

2.2.1.1 *Stakeholder views*

Stakeholders offered mixed views on the proposed arrangements for the allocation of places.

For example, the Real Estate Institute of Queensland (REIQ) commented that Queensland's 20 per cent allocation of places in the Scheme, based on comparative population levels, should be revised because Queensland is responsible for 25 per cent of all residential sales nationally.⁵⁷ Professor Quiggin commented that with Queensland's place allocation limited to 2000 per year, the Scheme has an undesirable lottery character.⁵⁸

Centre for Equitable Housing (Per Capita) concurred that participation in the Scheme would only provide a relatively small cohort of Queenslanders with access to home ownership. Therefore, state and national housing policies must consider the vital need to safeguard housing security and affordability to all Australians, no matter their incomes, place of residence or tenure arrangements.⁵⁹

Centre for Equitable Housing (Per Capita) argued that many people in Queensland do not feel as though they will be able to save for a home deposit and service a mortgage independently, instead relying on family wealth to enter the housing market. The Centre also referred to a recent Domain *First-Home Buyer Report 2024* that estimated an average-income couple, saving 20 per cent of both their incomes each month, would take five years and two months to save for a 20 per cent deposit on an 'entry priced' house.⁶⁰ They also cited international reviews that revealed shared equity programs have the potential to create opportunities for households who may not otherwise be able to access home ownership.⁶¹

Some stakeholders suggested that there should be reserved places on the scheme for certain targeted groups. For example, the Centre for Equitable Housing (Per Capita) commented that an assessment of the viability of a shared equity scheme for older women in Queensland found that shared equity programs can assist households 'bridge the gap' between renting and home ownership, but that they are unlikely to provide security to households in extreme housing need.⁶²

Jackson Hills from Q Shelter highlighted a publication from the Australian Housing and Urban Research Institute (AHURI) which stated:

They (shared equity schemes) have the potential to assist eligible buyers to purchase sooner, reducing the amount of deposit required and ongoing mortgage repayments. For this reason, we would expect to see a proportion of renters, and perhaps even some cohorts on subsidised rents, take up the Help to Buy option if it were legislated in the Federal Parliament.⁶³

Q Shelter's preference for this scheme would be to ideally target new homes and new supply, though they support the overall approach. Q Shelter understood that other peak and industry bodies have already made representations in the Federal Parliament identifying opportunities for the Bill to

⁵⁶ DHLGPPW, correspondence, 10 May 2024, p 5.

⁵⁷ Dean Milton, REIQ, public hearing transcript, p 1.

⁵⁸ Professor John Quiggin, submission 6, p 1.

⁵⁹ Centre for Equitable Housing, submission 7, p 6.

⁶⁰ Centre for Equitable Housing, submission 7, p 3.

⁶¹ Centre for Equitable Housing, submission 7, p 4.

⁶² Per Capita Centre for Equitable Housing, submission 7, p 6.

⁶³ AHURI, *Transitions into home ownership*, (July 2023).

consider reserving places for disadvantaged groups and more bespoke income testing for thresholds of single parent households. Aside from those recommendations, Q Shelter noted the Bill has a statutory review period every three years and ideally this would occur on an annual basis as part of Housing Australia's reporting framework. Q Shelter welcomed the introduction of the Help to Buy scheme as a feature of a wider suite of home ownership policies to address the decade-long decline in home ownership rates.⁶⁴

UDIA acknowledged the fall in home ownership rates and the time it takes an average Queenslanders to save for a deposit. They stated that barriers to entering the property market are no longer unique to first home buyers, with affordability beyond the grasp of many segments of the Queensland community, particularly the young and the poor.⁶⁵ UDIA questioned whether the Scheme would boost home ownership, especially among those currently locked out of private home ownership, in particular the young and the poor. They supported the Scheme not being restricted to first home buyers, as this would broaden eligibility for the Scheme to other groups who are currently struggling to achieve private home ownership.⁶⁶

UDIA believed the Scheme should prioritise new homes, rather than existing houses, to boost housing supply and assist with the delivery of a much-needed net expansion of the number of dwellings in Queensland. They stated that should property price caps be set (or subsequently fall below) the median price of new homes, the Scheme would inadvertently drive applicants toward the purchase of existing houses over new houses, thus failing to provide any boost to new housing supply. UDIA also proffered that due to the small scale of the proposed Scheme, it would not unintentionally distort housing demand.⁶⁷

Professor Quiggin reasoned that subsidies to home buyers are generally undesirable since their main impact is to benefit existing home owners. Rather, he argued, the top priority for public expenditure should be the construction of more social housing.⁶⁸ Professor Quiggin provided information from the Queensland Council of Social Service (QCOSS) which forecast by 2036 the need for social and affordable housing in Queensland would equate to 174,900 dwellings.⁶⁹

2.2.2 Program Directions and scheme parameters

The current draft Program Directions include:

- Applicant must be 18 years of age and an Australian citizen
- Single income threshold for a financial year - \$90,000
- Joint income threshold for a financial year - \$120,000
- Minimum deposit from a prospective home buyer – 2% of purchase price
- Equity contribution from Housing Australia for existing home – 5 to 30% of purchase price
- Equity contribution from Housing Australia for new home – 5 to 40% of purchase price.⁷⁰
- Proposed property price caps for Queensland under the Scheme are:

⁶⁴ Jackson Hills, public hearing transcript, p 19.

⁶⁵ UDIA, submission 8, p 1.

⁶⁶ UDIA, submission 8, pp 2-3.

⁶⁷ UDIA, submission 8, p 4.

⁶⁸ Professor John Quiggin, submission 6, p 1

⁶⁹ QCOSS, A social housing boom for Queensland, (2021).

⁷⁰ DHLGPPW, correspondence, 10 May 2024, p 4.

- Queensland—capital city and regional centres (Gold Coast and Sunshine Coast) \$700,000
- Queensland—other \$550,000.⁷¹
- Flexibility to renovate properties like other home owners:
 - owners are solely entitled to receive the benefits on exit of the program
 - certain circumstances must be met for Housing Australia to reduce the Commonwealth share percentage and make any necessary amendments to the arrangement, or contracts, or agreements relating to the arrangement. These circumstances require the participant to notify Housing Australia of the improvements; the improvements cost more than the threshold (\$20,000 on program commencement, to be indexed annually); the participant obtains any necessary approvals; and the property is valued before and after the home improvements take place disregarding the impacts of other factors like market movements, repairs or maintenance.⁷²

2.2.2.1 *Stakeholder views*

Inquiry stakeholders offered some suggestions on how the Scheme parameters could be improved for Queenslanders.

The Real Estate Institute of Queensland (REIQ) stated that they supported the policy objective the Scheme however, the parameters be adjusted by:

- increasing places in the Scheme to more than 2,000 per year to meaningfully improve the levels of home ownership in Queensland
- increasing price caps to \$800,000 for Brisbane and regional centres and \$600,000 for the rest of the state
- increasing income thresholds to \$170,000 for individuals and \$250,000 for couples due to current property value to income ratios
- mitigating the risk of default and increasing a home buyer’s control over their asset, by reducing the Commonwealth Government’s maximum equity stake in a property to 30 per cent of the property price
- increasing the deposit from 2 per cent to 10 per cent with demonstrated savings over a 3-year period to ensure a greater level of financial stability for applicants.⁷³

Urban Planning Services (UPS) also sought an increase in price caps and questioned the geographical make-up of the two categories designated to the price caps in Queensland.⁷⁴ UPS suggested Logan-Beaudesert and Ipswich areas be included in the first category (capital city and regional areas) alongside the Gold Coast and Sunshine Coast areas, as this would enable the price cap for Logan-Beaudesert and Ipswich areas to increase from \$550,000 to \$700,000.^{75, 76}

The UDIA also expressed reservations about the Scheme’s property price caps as the residential property market has delivered some of the fastest increases in property prices in recent years. The UDIA submitted that if caps are necessary, then they need to be accompanied by agile mechanisms to re-calibrate caps as property prices move. UDIA also submitted that property price caps, in other some

⁷¹ Exposure draft Program Directions, p 6.

⁷² Exposure draft explanatory notes, p 36.

⁷³ REIQ, submission 4, pp 2-4.

⁷⁴ UPS, submission 2, p 2.

⁷⁵ UPS, submission 2, p 2.

⁷⁶ Exposure draft, Help to Buy Bill 2023 (Cwlth), pp 6-7.

large-scale government assistance schemes, have had the effect of lifting prices at the bottom of the market to match the cap. UDIA suggested that alternate administrative arrangements should be considered to drive applicants toward a modest purchase, such as (the already included) income thresholds which when applied to banks' serviceability tests may well achieve the stated outcome on their own without the need to advertise a property price cap.⁷⁷

As indicated above, UDIA supported the concept of indexing income thresholds; however, they suggested there should be exemptions for some groups, such as young workers, who may reasonably expect their income levels to rise faster than inflation due to career progression. UDIA argued the Scheme must not be designed where it could precipitously remove young workers from the Scheme at a time in their lives often simultaneously characterised by the high costs and geographic restrictions of early family formation.⁷⁸

The Housing Industry Association (HIA) submitted that the proposed price caps could hinder the success of the Scheme in Queensland. They noted that participants in Victoria will be permitted to purchase more expensive properties under the Scheme, despite Queensland now having a greater median house price. HIA urged the Queensland Government to advocate for an increase to the price cap to assist, particularly, first home buyers in Queensland.⁷⁹

REIQ advocated that if a participant's financial circumstances changed and they were able to pay back the government, they should be able to do so at a rate faster than 5 per cent per year.⁸⁰ The draft exposure Program Directions state that Housing Australia must allow voluntary early repayments where each repayment, when rounded to the nearest \$1,000, reduce the Commonwealth share percentage by at least 5 per cent of the value of the property as at the time of the repayment or repay the Commonwealth share (as valued at that time) in full.⁸¹

HIA advocated for education and comprehensive information being provided to potential participants in the Scheme so they are alert to the ramifications when:

- household income increases beyond the threshold
- a revised building contract exceeds the specified price cap
- the valuation of the completed dwelling is higher than the original projected value of the dwelling, and is now beyond the Scheme's price cap
- property renovations/additions are undertaken
- when buying out the Government's share of the property.⁸²

The Mortgage and Finance Association of Australia (MFAA) concurred with HIA about the importance of educating potential home buyers regarding their immediate and future obligations under the Scheme.⁸³ MFAA argued lenders nominated to participate in the Scheme need to be those that potential home buyers can access through mortgage brokers because brokers:

- are experienced in assisting home buyers access government housing initiatives
- provide a source of ongoing information to clients about the lending process and how to achieve financial wellbeing

⁷⁷ UDIA, submission 8, p 3.

⁷⁸ UDIA, submission 8, p3.

⁷⁹ HIA, submission 10, p 2.

⁸⁰ Dean Milton, public hearing transcript, p 3.

⁸¹ Draft exposure Program Directions, p 33.

⁸² HIA, submission 10, p 2.

⁸³ Naveen Ahluwalia, public hearing transcript, p 10.

- offer choice, experience, and convenience for clients, while fostering competition in the sector.⁸⁴

The department responded that matters relating to the operation of the Scheme, are matters for the Commonwealth and are subject to the outcomes of public consultation on the exposure draft Help to Buy Program Directions (Program Directions). The department has referred feedback on these matters to the Commonwealth for consideration as part of the consultation process for the Program Directions.⁸⁵

Committee comment

The committee acknowledges the feedback from inquiry stakeholders relating to the proposed operation of the Scheme in Queensland. The committee finds feedback relating to the number of allocated places and potential for targeted allocations and proposed price caps particularly compelling.

We feel there is merit in the suggestion that 25 per cent of Scheme places be allocated to Queensland due to our status as the leading state for interstate migration and the fact that 25 per cent of home sales in Australia take place in Queensland. Furthermore, the specific allocation of Scheme places to targeted sectors of the population also has merit.

The committee is also of the opinion that the ability to adjust the price caps for the Scheme at a time of vigorous growth of median house prices would be of benefit to Queenslanders. Of further benefit to Queenslanders would be the capacity to adjust participant income levels so as to allow flexibility for more Queenslanders to access the Scheme in a variety of circumstances.

We also believe more generous buy out provisions in the Scheme would perhaps assist more Queenslanders achieve their goal of home ownership.

Accordingly, we recommend that the Queensland Government continue to liaise with the Australian Government on the Help to Buy Scheme to ensure that the volume of participants and places for targeted groups, purchase price caps, participant income levels and buy-out provisions are appropriate for Queensland.

We are also of the view that the Scheme will need to be accompanied by a vigorous education scheme. This should include information on contract variations and property valuations following upgrades and renovations to ensure that arrangements are clear and understood by applicants.

Recommendation 2

That the Queensland Government continue to liaise with the Australian Government on the parameters of the Help to Buy Scheme to ensure that the volume of participants and places for targeted groups, purchase price caps, participant income levels and buy-out provisions are appropriate for Queensland.

⁸⁴ MFAA, submission 5, pp 1-5.

⁸⁵ DHLGPPW, response to submissions, p 1.

Appendix A – Submitters

Sub #	Submitter
1	Geoffrey Smallsman
2	Urban Planning Services
3	Property Council of Australia
4	Real Estate Institute of Queensland
5	Mortgage & Finance Association of Australia
6	Professor John Quiggin
7	Per Capita Centre for Equitable Housing
8	UDIA Queensland
9	The Treasury, Australian Government (as correspondence to the committee)
10	Housing Industry Association

Appendix B – Officials at public departmental briefing

Brisbane, 13 May 2024

Department of Housing, Local Government, Planning and Public Works

- Danielle McAllister, Deputy Director General
- Kirstine Harvie, General Manager
- Ange Wright, Executive Director
- Tony Cheng, Director

Appendix C – Witnesses at public hearing

Brisbane, 27 May 2024

Real Estate Institute Queensland

- Dean Milton, Chief Operating Officer

Housing Industry Association - Queensland

- Paul Leven, Deputy Executive Director
- Sam Heckel, Assistant Director

Professor John Quiggin, VC Senior Fellow in Economics

Per Capita Centre for Equitable Housing

- Emma Dawson, Executive Director

Mortgage and Finance Association of Australia

- Chad Hoy Poy, Queensland State Manager
- Naveen Ahluwalia, Executive - Policy and Legal

Q Shelter

- Jackson Hills, Manager Policy and Strategic Engagement

STATEMENT OF RESERVATIONS
HELP TO BUY (COMMONWEALTH POWERS) BILL 2024
JIM MCDONALD MP (DEPUTY CHAIR) AND MICHAEL HART MP

As Opposition Members of the Committee, we acknowledge the significant housing challenges across Queensland.

The Queensland Housing Crisis is leaving young people, working families, and seniors without a roof over their head. It is now well acknowledged the reason behind this is because of a critical lack of housing supply.

The latest census data shows Queensland has the lowest rate of home ownership of all the states in the nation, at 64%.

Over the last fifty years, the percentage of Queenslanders owning their own home has fallen from 70% in 1971 to 64% in 2021. Queensland's fall in home ownership over the half-a-century has been 3 times greater than the national figure.

We wish to place on the record the LNP's commitment to an ambitious and visionary 10-year target to ensure by 2034 Queensland will have the highest percentage of people owning their own home of all the states in the country.

While initiatives to increase home ownership are welcomed, we do have some concerns with some elements of the Bill as it is proposed, and the Committee's consideration of it.

Recommendation 2 in the committee report does not go far enough

While we agree with the intent of Recommendation 2 in the committee's report we believe that it does not go far enough. We believe the committee should firmly request changes to the parameters of the Help to Buy scheme (the Scheme) to better meet the needs of Queenslanders.

The Federal Government should not be setting controls in the Scheme that do not suit the needs of Queenslanders and it is incumbent upon the Government to advocate appropriately to ensure that Queensland gets its fair share.

Income thresholds

The proposed income thresholds for participants in the Scheme are also questionable. We believe they need to be increased from \$90,000 for single income households and \$120,000 for joint income households. As set, these thresholds are unrealistic and do not correlate with current property value to income ratios.¹

They also limit the opportunity for those who may be just above the threshold from overcoming hurdles relating to deposits and who may in all other ways be highly suitable candidates for the Scheme. There are many Queenslanders in our state who earn more than the upper threshold but for whatever reason, are struggling or will require some time to build the deposit required to purchase a home in this market.

In an environment where rental housing stock is very constrained, opening the Scheme to as many Queenslanders as possible could assist in improving outcomes for those in the broader community who are not in a position to save the minimum deposit.

¹ REIQ, submission 4, pp 2-4.

It is widely agreed that the housing system is interconnected. When some Queenslanders move from a rental property to their own home, it will free up the rental property for other Queenslanders.

Mortgage brokers and lenders are skilled to assess the financial viability of applicants to the Scheme, providing a suitable safeguard for applicants, the Federal Government, and the lender.

Place allocations

The number of place allocations for Queensland in the Federal Government's Scheme is inadequate and fails to offer Queensland its fair share.

Under the Scheme, it is proposed that Queensland would be provided with 2,000 place allocations each year, over a four-year period. There are 10,000 place allocations in the Scheme nationally each year.

Stakeholders told us that Queensland is responsible for 25 per cent of all housing sales nationally.² The allocations to Queensland by the Commonwealth Government should reflect Queensland's needs.

Access to the application process

Due to the restricted number of place allocations in the Scheme, the application process may be further complicated for Queenslanders who require assistance to complete the application process and for those who may seek more fulsome information on how the Scheme will operate and any associated ramifications for participants in the Scheme.

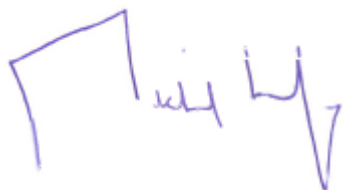
It is for the abovementioned reasons that we wish to place on the record our reservations, though we wish to reiterate that initiatives to increase home ownership are welcomed.



Jim McDonald MP

Deputy Chair

Member for Lockyer



Michael Hart MP

Member for Burleigh

² Dean Milton, REIQ, public hearing transcript, p 1.