

12/06/2024

Budget Submission to ACT Government: Reinstating the First Home Owners Grant (FHOG) for Genuine and Long-Term Canberra Residents

Subject: Reinstatement of the First Home Owners Grant (FHOG)

To, Mr. Andrew Barr MLA

Chief Minister & Treasurer

ACT Government

Via Email: budgetconsultation@act.gov.au

Dear Mr. Barr,

I am writing to you on behalf of the many prospective first home buyers in Canberra who are struggling to secure a roof over their heads. The purpose of this submission is to urgently request the reinstatement of the First Home Owners Grant (FHOG) in the ACT, a critical support mechanism that has been discontinued in recent years. The absence of this grant has placed undue financial pressure on genuine first home buyers, particularly those who have been long-term residents of Canberra.

The ACT is currently the only jurisdiction in Australia that does not provide the FHOG, which starkly contrasts with the supportive measures available to first home buyers in other states and territories. This discrepancy raises the question: why is the ACT government not assisting first home buyers when every other state provides such crucial support?

While the ACT government offers stamp duty concessions, these benefits are extended to all home buyers, regardless of whether they are first home owners or not. This approach inadvertently favors wealthier individuals who can afford to purchase multiple properties, thereby exacerbating the housing affordability crisis. By providing blanket stamp duty discounts, the government is incentivising the rich to become richer, while genuine first home buyers continue to struggle secure the great Aussie dream.

Canberra's young families are currently struggling and forced into an extremely expensive and super-inflated rental market. It is disheartening that young Canberrans are burdened with the highest cost of living in the country, including registration fees, fuel, food, rent, internet, health, and groceries, which are more expensive compared to any other state or territory, And in an already inflated economy. Canberrans left with options pay rents, covering the mortgages of people who have investment properties or don't even live in Canberra, leaving young Canberrans with no option but to move out of the city. This is particularly troubling, given that Canberra faces

skill shortages in many areas, while other states and territories provide assistance to young families to help them secure roofs over their heads.

The reinstatement of the FHOG would provide much-needed financial relief and support to genuine first home buyers who are making their initial step into the property market. It would ensure that long-term Canberra residents, who have contributed to the local community and economy, are given a fair chance to secure homeownership. This support is crucial for maintaining a balanced and inclusive housing market in the ACT.

Furthermore, the FHOG would help address the broader issue of housing affordability in Canberra. By specifically targeting first home buyers, the grant would assist in levelling the playing field, making homeownership more attainable for those who genuinely need support. This measure would also align the ACT with the rest of Australia, demonstrating a commitment to fairness and equity in housing policy.

As Canberra's population continues to grow, it is essential that young families and potential home owners can secure roofs over their heads. Built-to-rent is not a long-term solution and only keeps people in rental properties for the rest of their lives. The ACT must bring back the First Home Owners Grant to provide real solutions for homeownership.

In conclusion, I respectfully urge the ACT government to reconsider its current position and reinstate the First Home Owners Grant. This targeted support is essential for genuine and long-term Canberra residents who are struggling to achieve the dream of homeownership. By doing so, the government will be taking a significant step towards a more equitable and supportive housing market in the ACT.

Thank you for considering this submission. I look forward to your positive response.

Yours sincerely,

Asim Awan