



Media Release

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Clear the FHOG: National Shelter Urges Changes to First Home Owners Grant

Chairperson of National Shelter, Adrian Pisarski, has strongly urged the Federal Government to make some drastic changes to the First Home Owners Grant (FHOG) when it hands down its budget next week.

Remaining consistent with the National Shelter and ACOSS position over the last decade, Mr Pisarski said that the First Home Owners Grant is an inflationary product which stimulates demand without adding to supply.

“The options for this scheme are to either scrap it or means test it. Under no circumstances should it remain in its current form.”

“The first Home Owners Grant has historically distorted the market by artificially boosting values and essentially negating any possible benefits the scheme could have,” he said.

Mr Pisarski continued to say that the overall impact the grant has had on some first home owners entering the market is not yet evident while property values remain falsely propped.

“The FHOG has encouraged people to overextend themselves in an unstable market.

“Many first home owners may soon face the reality of their property no longer being worth what they paid for it, given a probable correction in house prices,” Mr Pisarski said.

National Shelter does not believe that subsidising home ownership is the best investment of funds to improve access to housing for Australians. However Mr Pisarski concedes that if the government insists on directing funds in to home ownership, a targeted approach would ensure that assistance is focussed for those people most in need.

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