



New Homes Bonus - reverse	
Party:	The Coalition
Summary of proposal: The proposal would terminate the <i>New Homes Bonus</i> <sup>1</sup> measure, effective from 1 July 2025.	

## Costing overview

The proposal would not be expected to impact the fiscal and underlying cash balances over the 2025-26 Budget forward estimates period (see Table 1). This is because the *New Homes Bonus* measure is not programmed to have financial implications until 2029-30.

However, the proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. This impact reflects a decrease in expenses associated with not proceeding with the *New Homes Bonus* measure. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

**Table 1: New Homes Bonus - reverse – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-	-	-	-
Underlying cash balance	-	-	-	-	-

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

## Key assumptions and methodology

The Parliamentary Budget Office (PBO) has assumed that the financial impacts of terminating the *New Homes Bonus* would be precisely equivalent to the reverse of the financial impacts of the program continuing as currently legislated. There would be no costs incurred for the termination of the *New Homes Bonus*.

The Department of the Treasury has confirmed that the entire \$3 billion for the *New Homes Bonus* was included in the estimates for 2029-30 in the 2023-24 Mid-Year Economic and Fiscal Outlook

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<sup>1</sup> *New Homes Bonus* measure: In August 2023, National Cabinet agreed to an ambitious national target to build 1.2 million new, well-located homes over 5 years from 1 July 2024... To incentivise the states and territories to reach this new target, the Government has committed up to \$3.0 billion through the *New Homes Bonus*, a performance-based fund for the states and territories that exceed their share of the original one million new homes target. Page 8 [Mid-Year Economic and Fiscal Outlook 2023-24](#).

(MYEFO). Therefore, the impact of terminating the *New Homes Bonus* is an increase of \$3 billion in each budget balance in 2029-30.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>2</sup>

## Data sources

Commonwealth of Australia (2023) *2023-24 Mid-Year Economic and Fiscal Outlook*, Commonwealth of Australia.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

The Department of Treasury provided advice on the New Homes Bonus program.

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<sup>2</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Attachment A – New Homes Bonus - reverse – Financial implications

**Table A1: New Homes Bonus - reverse – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Expenses</b>													
<i>New Homes Bonus</i>	-	-	-	-	3,000.0	-	-	-	-	-	-	-	3,000.0
<b>Total (excluding PDI)</b>	-	-	-	-	3,000.0	-	-	-	-	-	-	-	3,000.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

**Table A2: New Homes Bonus - reverse – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Fiscal balance</b>	-	-	-	-	67.0	136.0	143.0	149.0	156.0	163.0	170.0	-	984.0
<b>Underlying cash balance</b>	-	-	-	-	50.0	119.0	141.0	147.0	154.0	161.0	168.0	-	940.0

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>3</sup>.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

<sup>3</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/online-budget-glossary)