Parliamentary Budget Office

ECR-2025-2213

Help to Buy Scheme - reverse	
Party:	The Coalition
Summary of proposal: The proposal would reverse the Help to Buy scheme[1] from 1 July 2025.	

Costing overview

The proposal would be expected to increase the fiscal balance by around $560.7 million, underlying cash balance by around $498.7 million and headline cash balance by around $6.6 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact primarily reflects a decrease in public debt interest (PDI) payments and reduced loan principal payments in the headline cash balance.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications over the period to 2035-36 is provided at Attachment A.

Consistent with PBO Guidance 02/2015, public debt interest (PDI) expense impacts have been included in this costing because the policy involves financial asset transactions. A note on the accounting treatment of government loans is provided at Attachment B.

Table 1: Help to Buy Scheme - reverse – Financial implications ($m)[(a)(b)]

	2025-26	2026-27	2027-28	2028-29	**Total to 2028-29**
Fiscal balance	34.0	100.1	174.2	252.4	**560.7**
Underlying cash balance	27.0	83.1	156.2	232.4	**498.7**
Headline cash balance	1,347.0	1,663.1	1,736.2	1,812.4	**6,558.7**

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are included in the totals.

Key assumptions and methodology

The Treasury provided the estimated profile of the Help to Buy scheme as at the Pre-Election Fiscal Outlook (PEFO) 2025. The profile of PDI payments were derived from the Treasury cost profile and the Parliamentary Budget Office's PDI calculator.

Loan repayments do not include realised capital gains or losses.

[1] The Help to Buy scheme was introduced in the 2022-23 October Budget. It is a shared equity scheme to assist households purchase a new or existing home with an equity contribution from the government. Legislation for the scheme passed the parliament on 27 November 2024 and in March 2025 the government announced expanded eligibility by raising the income and property price caps.

Departmental costs were estimated by updating projected funding for the 2025-26 year onward provided for the Help to Buy scheme in the 2022-23 October Budget.

Financial implications were rounded consistent with the PBO's rounding rules.[2]

Data sources

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

The Treasury provided the profile of the Help to Buy scheme as the Pre-Election Fiscal Outlook (PEFO) 2025.

[2] https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules

Attachment A – Help to Buy Scheme - reverse – Financial implications

Table A1: Help to Buy Scheme - reverse – Fiscal balances ($m)[(a)]

	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
Expenses													
Departmental													
Program administration	*5.0*	*5.1*	*5.2*	*5.4*	*5.5*	*5.6*	*5.7*	*5.9*	*6.0*	*6.1*	*6.3*	***20.7***	***61.8***
Total – expenses	**5.0**	**5.1**	**5.2**	**5.4**	**5.5**	**5.6**	**5.7**	**5.9**	**6.0**	**6.1**	**6.3**	**20.7**	**61.8**
Total (excluding PDI)	**5.0**	**5.1**	**5.2**	**5.4**	**5.5**	**5.6**	**5.7**	**5.9**	**6.0**	**6.1**	**6.3**	**20.7**	**61.8**
PDI impacts	***29.0***	***95.0***	***169.0***	***247.0***	***299.0***	***318.0***	***333.0***	***348.0***	***359.0***	***366.0***	***374.0***	***540.0***	***2,937.0***
Total (including PDI)	**34.0**	**100.1**	**174.2**	**252.4**	**304.5**	**323.6**	**338.7**	**353.9**	**365.0**	**372.1**	**380.3**	**560.7**	**2,998.8**

(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.

Table A2: Help to Buy Scheme - reverse – Underlying cash balance ($m)[(a)]

	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
Payments													
Departmental													
Program administration	*5.0*	*5.1*	*5.2*	*5.4*	*5.5*	*5.6*	*5.7*	*5.9*	*6.0*	*6.1*	*6.3*	***20.7***	***61.8***
Total – payments	**5.0**	**5.1**	**5.2**	**5.4**	**5.5**	**5.6**	**5.7**	**5.9**	**6.0**	**6.1**	**6.3**	**20.7**	**61.8**
Total (excluding PDI)	**5.0**	**5.1**	**5.2**	**5.4**	**5.5**	**5.6**	**5.7**	**5.9**	**6.0**	**6.1**	**6.3**	**20.7**	**61.8**
PDI impacts	***22.0***	***78.0***	***151.0***	***227.0***	***286.0***	***313.0***	***329.0***	***344.0***	***356.0***	***364.0***	***372.0***	***478.0***	***2,842.0***
Total (including PDI)	**27.0**	**83.1**	**156.2**	**232.4**	**291.5**	**318.6**	**334.7**	**349.9**	**362.0**	**370.1**	**378.3**	**498.7**	**2,903.8**

(a) 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.

Table A3: Help to Buy Scheme - reverse – Headline cash balance ($m)[(a)]

	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**
Payments													
Administered													
Loan payments	*1,320.0*	*1,580.0*	*1,580.0*	*1,580.0*	*260.0*	*-*	*-*	*-*	*-*	*-*	*-*	***6,060.0***	***6,320.0***
Loan principal repayments	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-224.0*	*-207.0*	*-227.0*	***-***	***-658.0***
Total – administered	***1,320.0***	***1,580.0***	***1,580.0***	***1,580.0***	***260.0***	***-***	***-***	***-***	***-224.0***	***-207.0***	***-227.0***	***6,060.0***	***5,662.0***
Departmental													
Program administration	*5.0*	*5.1*	*5.2*	*5.4*	*5.5*	*5.6*	*5.7*	*5.9*	*6.0*	*6.1*	*6.3*	***20.7***	***61.8***
Total – payments	**1,325.0**	**1,585.1**	**1,585.2**	**1,585.4**	**265.5**	**5.6**	**5.7**	**5.9**	**-218.0**	**-200.9**	**-220.7**	**6,080.7**	**5,723.8**
Total (excluding PDI)	**1,325.0**	**1,585.1**	**1,585.2**	**1,585.4**	**265.5**	**5.6**	**5.7**	**5.9**	**-218.0**	**-200.9**	**-220.7**	**6,080.7**	**5,723.8**
PDI impacts	***22.0***	***78.0***	***151.0***	***227.0***	***286.0***	***313.0***	***329.0***	***344.0***	***356.0***	***364.0***	***372.0***	***478.0***	***2,842.0***
Total (including PDI)	**1,347.0**	**1,663.1**	**1,736.2**	**1,812.4**	**551.5**	**318.6**	**334.7**	**349.9**	**138.0**	**163.1**	**151.3**	**6,558.7**	**8,565.8**

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

\- Indicates nil.

Attachment B – Help to Buy Scheme - reverse – Investments outside the general government sector

The Government may make investments in entities outside the General Government Sector (GGS). Where the amount of investment is expected to be recovered it is classified as a financial asset. Where an investment is not expected to be recovered, it is fully or partially classified as a grant with an immediate impact on UCB, FB and HCB.

Public Non-Financial Corporations and Public Financial Corporations

Government owned commercial corporations that produce market non-financial goods and services are referred to as a Public Non-Financial Corporations (PNFC), while entities mainly engaged in financial intermediation and provision of auxiliary financial services that operate in commercial markets are referred to as Public Financial Corporations (PFC).

Equity Injections

An equity injection represents an ownership interest to Government in an entity outside the GGS. This can be to a PFC, PNFC or private sector entity. There is a requirement for an equity investment to maintain its value in real terms by generating a return at least equal to the long-term inflation rate. Equity injections have no immediate impact on the UCB and FB. Equity injections for policy purposes are included in HCB.

There would be an ongoing impact on the HCB, UCB, and FB reflecting the difference between dividends received from the entity and PDI. As equity is not an interest-bearing asset, net debt will increase reflecting increased borrowings or lower cash reserves.

Loans

A payment to an entity is classified as a loan where there is a contractual arrangement covering the loan period and interest rates and it is probable the funds will be fully repaid. Where a loan is made for a policy purpose, payments and repayments of loan principal are included in HCB, but do not impact UCB or FB. There are also ongoing impacts on the HCB, UCB, and FB for the difference between any interest received from the loan and PDI.

Where a loan is concessional, the difference between the fair value of the loan and the amount advanced is treated an expense, worsening FB. The expense is reversed as revenue over the term of the loan, improving FB.