Senator Andrew Bragg
Shadow Minister for Housing & Homelessness
Shadow Minister for Environment
Liberal Senator for New South Wales

22 September 2026

Dr Caralee McLiesh PSM
Auditor-General
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

By email: ag1@anao.gov.au

Dear Dr McLiesh

I write to you to request an assessment of the cost, efficiency and accountability measures in place for the Australian Government's 5% Deposit Scheme and the Help to Buy Scheme.

Both schemes represent significant interventions in the housing market and involve substantial Commonwealth financial exposure and risk, for example through contingent liabilities. Given the ongoing challenges facing housing affordability and the scale of taxpayer support provided through these programs, it is important that Parliament and the public have confidence that they are achieving their stated objectives in an efficient and economically responsible manner.

In late 2025, I requested economic modelling related to the contingent liabilities of the 5% Deposit Scheme via an Order for the Production of Documents in the Senate (OPD 119). The documents subsequently tabled did not provide details regarding the total fiscal cost of the Scheme or its expansion, nor did they include information concerning contingent liabilities, and the assumptions and sensitivities around the modelling. As a result, significant uncertainty remains regarding the official costings of the 5% Deposit Scheme and the manner in which the Commonwealth's financial exposure is accounted for.

Actual data since the expansion of the Scheme points to higher price impacts than the headline numbers of around 0.6% price increases. Additionally, independent modelling conducted by Mr Nick Gruen of Lateral Economics has suggested that the 5% Deposit Scheme could expose the Commonwealth to up to $62 billion in contingent liabilities. The modelling also indicates that the Scheme could increase annual housing demand by up to 39,000 buyers, contributing to an increase in national property prices of 6.6% in the first year and for several years thereafter. In areas typically targeted by first home buyers, the modelling suggests price growth could reach as high as 9.9%. Cotality data also confirmed that in the six months since the expansion of the Scheme, property prices covered by the Scheme increased by some 6.7%.

Similarly, the Help to Buy Scheme involves the Commonwealth taking equity stakes in residential properties through contributions to eligible home buyers. This can lead to potential risks. For example, given that the government takes some 30% or up to 40% of the home, this exposes taxpayers and home buyers to risks if prices fall or otherwise fluctuate. Given the scale of the Commonwealth's

Electorate Office
392 Oxford Street, Paddington NSW 2021
PO Box 156 Paddington NSW 2021
+61 2 9159 9320

Parliament Office
PO Box 6100
Senate Parliament House Canberra ACT 2600
+61 2 6277 3479

financial commitment and the risks associated with long-term equity investments, it is important to assess whether the Help to Buy Scheme also represents value for money, whether it is being administered efficiently, and whether it is delivering its intended outcomes.

In the interests of transparency and accountability, I believe it is appropriate that you exercise your powers under section 11 of the *Auditor-General Act 1997* to conduct an assessment of both schemes.

I look forward to your consideration and response.

Yours sincerely

Senator Andrew Bragg
Shadow Minister for Housing and Homelessness
Shadow Minister for the Environment
Liberal Senator for New South Wales