National Seniors
AUSTRALIA

Select Committee on Intergenerational Housing Inequity
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Select Committee on Intergenerational Housing Inequity

Thank you for the invitation to make a submission to the Select Committee on Intergenerational Housing Inequity. National Seniors Australia (NSA) - Australia's peak consumer advocacy body for older Australians appreciates the opportunity to participate in this consultation.

We hope the Committee will reconsider the framing of housing inequity as being driven by intergenerational differences. Rather than blaming those seniors, governments should take responsibility for previous decisions and lack of action which have limited the supply of new housing.

We are supportive of housing equity that supports younger people throughout their lives, and we hope the committee will fully consider these important issues to avoid making recommendations which could make cost-of-living worse for all generations.

Our key points to the Committee are:

- The **Australian retirement system is based on owning a home in retirement**, renting or having a mortgage in retirement places significant pressure on income in retirement (page 2).
- The complex interactions between the **cost of development and regulations at all three levels of government is restricting supply** – leading to the wrong mix of housing (page 9).
- **Age is not the correct lens to apply to housing or tax concessions** as this ignores the disparate levels of income and wealth within generations (page 11).
- Trying to solve an affordability issue by **increasing levels of debt could leave younger cohorts in a precarious position** at a time of uncertainty (page 14).
- **Higher costs of education, and the resulting debt, limits the ability of younger people to save and borrow** – with life-long implications (page 17).

Yours Sincerely

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As attractive as it might be to claim, the problem of housing inequality is not solely or simplistically related to differences between generations, it is a confluence of multiple factors.

This inquiry is framed as investigating "Intergenerational Housing Inequity". This framing erroneously makes this a generational issue, placing blame for inequality on the actions of a few generations when other factors, such as supply are more likely to blame.

By focusing on generations, rather than systemic issues, this could undermine the conclusions of the inquiry and demonise specific cohorts who are simply responding to the policy settings and economic conditions they are presented with.

Even older people do not own a home

While older cohorts were able to enter homeownership earlier than current generations of younger people (see figure 1 over) and have slightly higher rates of ownership in later life, not all older people reach retirement age as homeowners and instead suffer housing insecurity and poverty.

It has been estimated that 750,000 seniors who don't own their homes will reach retirement age over the next decade, but many of them may not be able to afford retirement.[1] The same recent survey found 18% of renters approaching retirement age (in their 50s and 60s) think they will never retire. 60% are currently in housing stress with over 30% of their income going to rent, leading to reduced spending on food, social connection, and healthcare.

The situation does not improve in retirement. The Anglicare Australia Rental Affordability Snapshot for 2026 found only 0.2% of rentals were affordable for someone receiving the single Age Pension, and with only 0.7% of rentals affordable for a couple receiving the Age Pension.[2]

As shown by the highlighted yellow line added to Figure 1, while there has been a decrease in home ownership between generations, each generation is approximately reaching the ownership level of the previous generation. For instance, 'Born 1992-1996' has a lower ownership rate at age 25-29, but is equal to the 'Born 1987-1991' level by age 30-34. This suggests a – long-running – delay to home ownership rather than a decline across a lifetime. That is, the issue is affordable housing, not age.

[1] Retirement crisis for renters in Australia | Home in Place
[2] 2026: Rental Affordability Snapshot | Anglicare Australia

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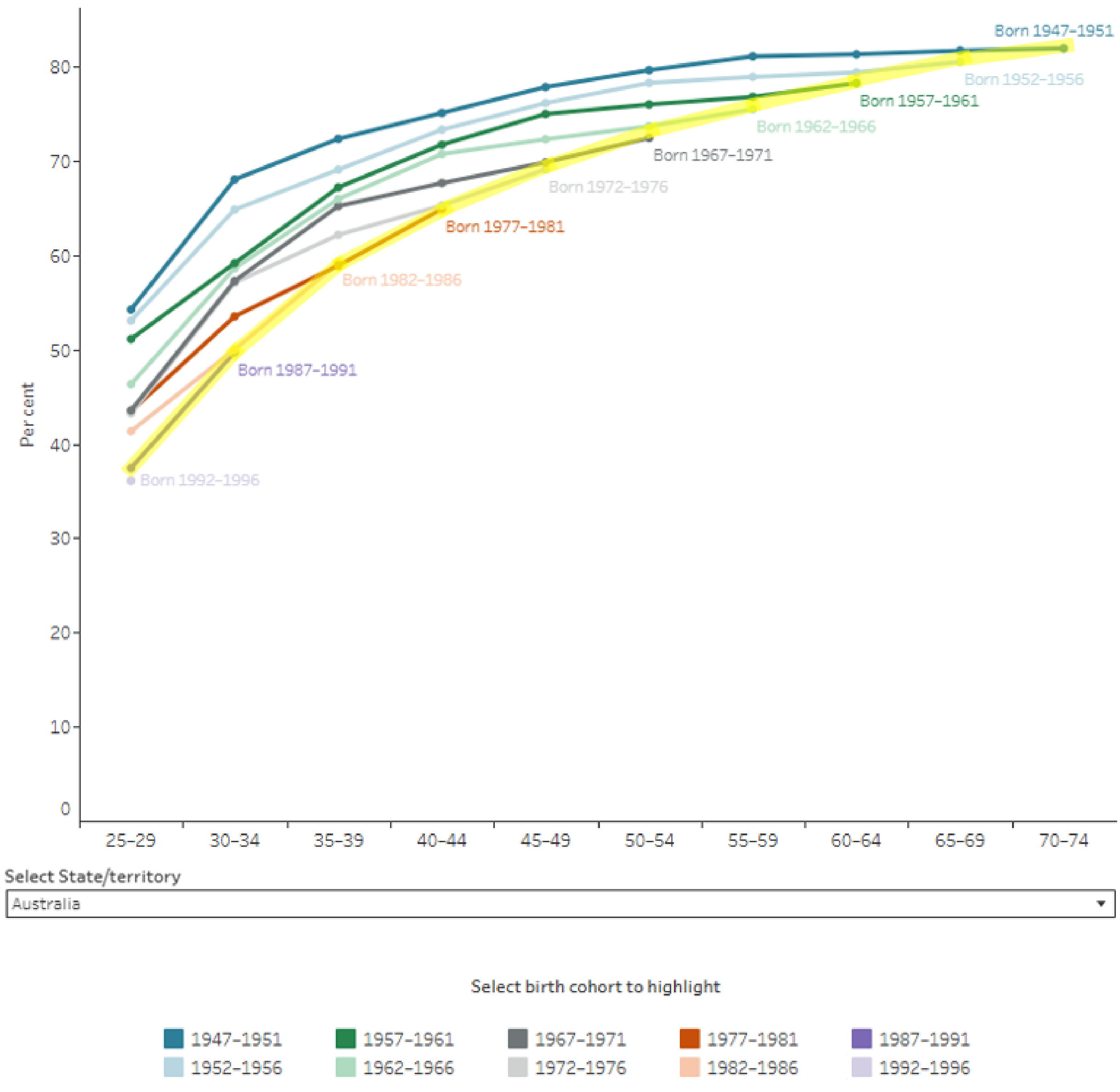

Figure 1: Home ownership rate by birth cohort and age group, 1947–1951 to 1992–1996 (yellow highlighting added) Source: AIHW[3]

[3] Australian Institute of Health and Welfare | AIHW

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Housing and Age Pension

Australia's retirement income system is calibrated under an assumption that people will own their own home outright in retirement.

The Age Pension alone is not enough to support someone who is renting or paying off a mortgage. According to NSW Centre for Population Ageing Research (CEPAR), while 10 percent of all older people fall below the poverty line (set at half the median income), the proportion is 40 percent among older Australians who rent[4].

The Age Pension rules appear designed on the basis that people either own a home or had the assets to buy a home but chose not to. For the people who don't own a home in retirement, the more likely explanation is that buying a home was never financially practicable for them.

That is why one of National Seniors Australia's key policy recommendations is to increase the maximum rate of Commonwealth Rental Assistance (CRA) and to index CRA in line with housing costs not overall CPI[5]. It is also why we are calling for a targeted Pensioner Concession Extras Card (PCEC) to provide pensioners with lower wealth/income access to additional or higher concessions[6].

Age Pension rules allow a higher level of assets for non-homeowners before their pension is reduced under the asset test; but for most people this is irrelevant. The amount at which the asset test for single non-homeowner starts to reduce Age Pension entitlements is $579,500.[7] Though 96% of this group have total assets below this level, with 61.4% having total assets in the range $0 - $49,999.

Similarly, Age Pension rules, such as the Work Bonus – which allows people to supplement their pension with some work before the pension is reduced – have failed to keep up with wages or cost-of-living. Using the minimum wage as a proxy for wages growth, in 2009/10 the Work Bonus was the equivalent of 17.5 hours of work; in 2025/26 the $300 work bonus, with a minimum wage of $24.95, was the equivalent of 12 hours of work. While many are not able or willing to continue to work to supplement the pension as they get older, those that can and are willing should not be penalised if this gives them the means to meet their living costs.

[4] UNSW Centre for Population Ageing Research (CEPAR)
[5] Rent assistance recommendation | NSA
[6] Pensioner Concessions Extra Card recommendation | NSA
[7] Assets test | Services Australia

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National Seniors Australia long advocated for restrictions on the amount that people receiving the Age Pension can work without impacting their pension to be removed as part of our Let Pensioners Work campaign[8], This policy would largely support pensioners with limited savings who need and want to work, modelling suggesting this could be cost-neutral to the federal government[9].

Housing and aged care

While narratives about housing inequality tend to portray older homeowners in a negative light, it is important to recognise that housing ownership is heavily relied on as a basis for funding and financial sustainability of the aged care system.

All permanent residents in Australian government-subsidised aged care may be required to pay for accommodation costs, but the amount depends on a means assessment. Those who are not supported are required to contribute to the cost of residential aged care via either a Refundable Accommodation Deposit (RAD) or Daily Accommodation Payment (DAP).

For people entering residential aged care in 2023/24, 60% paid for the room with either a full or partial Refundable Accommodation Deposit (RAD).[10] These amounts can currently be as high as $758,627 without approval[11], or far higher with regulatory approval – suggesting for people with their home being their largest asset, it may need to be sold to enter aged care.

As the Royal Commission into Aged Care Quality and Safety said, quoting a hearing, "While access to free capital has allowed the upgrading and refurbishing of many services, we heard that 'the residential aged care sector has effectively become a property industry rather than a care industry'".[12] The federal government is required to table a report into the operation of refundable deposits in residential aged care by the end of March 2030.

Housing and superannuation

Another factor that impacts on home ownership is superannuation.

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8 Let Pensioners Work recommendation | NSA
9 LPW modelling | Deloitte
10 Financial Report on the Australian Aged Care Sector 2023-24 | Department of Health, Disability and Ageing
11 Schedule of fees and charges for residential and home care – 1 January 2025 | Department of Health, Disability and Ageing
12 Final Report | Royal Commissions into Aged Care Quality and Safety

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People reaching Age Pension age in 2026 have not had the benefit of the current 12% rate of Superannuation Guarantee (SG) for their whole working lives.

Someone currently reaching age 67 on 1 July 2026 would have been 43 when the SG rate reached 9% and 33 when the SG was introduced, at 3%.[13, 14] This is likely a significant factor in the median superannuation balance for people age 65-69 (in 2022/23, the most recent year for the relevant ATO statistics) being $208,143, with a gender gap of $18,948.[15]

Superannuation has important implications for retirement income and home ownership as people increasingly reach older age with a mortgage.

This could be due to a later age at which people buy a home, larger loans taking longer to pay off, or a combination of these and other factors. Irrespective of the cause, prolonged paying down of a mortgage would increase net assets but at the cost of liquid retirement savings: their equity in the home may increase, but this doesn't provide any extra benefit in retirement.

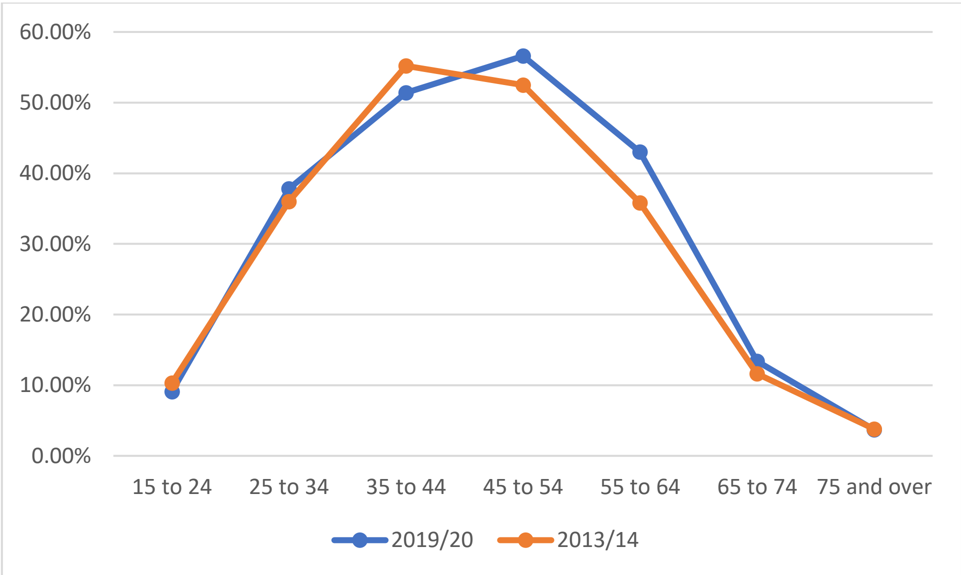

Figure 2: Proportion of people classed 'owner with a mortgage' Source ABS[16]
(Note that 2019/20 is the most recent version of this data available from the ABS)

[13] Super guarantee | ATO
[14] Superannuation in Australia: a timeline | APRA
[15] Taxation Statistics 2022-23 - Snapshot - Table 5 - Data.gov.au
[16] Household Income and Wealth, Australia, 2019-20 financial year | Australian Bureau of Statistics

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Housing supply

Issues of housing supply are largely out of the hands of individuals – rather this is subject to broader economic factors and decision-making at all three levels of government. Likewise, the accumulation of housing assets is the result of previous government policy decisions. Framing housing with a generational lens excludes solutions related to housing supply policy. It focusses attention on existing housing, rather than how creating new housing can improve access and affordability – for both existing and new housing.

Based on ABS data, the national estimated dwelling stock increased by 10.75% between 2016 and 2022. Over the same period, the 'estimated resident population' increased by 14.15%. So, population was growing faster than housing, but these changes are not occurring in the same locations. Rather, there are 25 localities in Australia (Statistical Area 3's) where there is a greater than 5% differential between housing growth and population growth (See Table 1 over).

The impacts on housing supply are complex and diverse, but they include the availability of land, labour and materials costs, financing costs, and approvals processes.[17] Broader inflation has also impacted the housing sector through the cost of materials. Several construction-related roles have a shortage of workers nationally, according to the Occupation Shortage List[18], including bricklayers, building inspectors, carpenters, civil engineers, construction project managers, electricians, glaziers, painters, plasterers, plumbers, tilers, and surveyors.

It is not just the quantity of housing that matters, but also the type of housing – the need for which will also change over a person's life. Australia tends to build bifurcated housing: either large separate housing or large mid-to-high-rise apartments, leaving little in between – what is referred to as the "missing middle" of housing, of multi-occupancy housing, townhouses and low-rise apartments.[19, 20] This is particularly necessary given the trend for smaller households, as shown by RBA data comparing the Labour Force Survey and the ABS Census (see Figure 3 over).

[17] Review of housing supply challenges and policy options for NSW | NSW Government
[18] Occupation Shortage List | Jobs and Skills Australia
[19] Missing Middle Housing Reforms - City and Environment Directorate - Planning | ACT Government
[20] Unlocking the missing middle | HIA

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State	SA3 name	Change in dwelling stock	Change in population	Largest dwelling-population gap
NSW	Bourke - Cobar - Coonamble	-12.25%	1.11%	**-13.36%**
NSW	Botany	29.06%	41.43%	**-12.38%**
NSW	Auburn	23.85%	34.30%	**-10.45%**
VIC	Melbourne City	33.27%	43.30%	**-10.03%**
NT	Litchfield	-2.68%	6.82%	**-9.51%**
VIC	Stonnington - West	2.52%	11.12%	**-8.60%**
VIC	Maribyrnong	8.89%	16.19%	**-7.30%**
VIC	Brimbank	-2.95%	4.28%	**-7.22%**
VIC	Essendon	6.08%	13.22%	**-7.13%**
NSW	Pennant Hills - Epping	17.18%	24.29%	**-7.11%**
NSW	Moree - Narrabri	-5.84%	0.94%	**-6.78%**
WA	West Pilbara	-4.95%	1.81%	**-6.76%**
VIC	Stonnington - East	4.79%	11.49%	**-6.70%**
NSW	Marrickville - Sydenham - Petersham	0.89%	7.39%	**-6.50%**
VIC	Yarra	9.19%	15.62%	**-6.43%**
NSW	Lachlan Valley	-3.63%	2.78%	**-6.41%**
NSW	Strathfield - Burwood - Ashfield	9.61%	15.98%	**-6.37%**
NSW	Sydney Inner City	8.60%	14.97%	**-6.37%**
NSW	Parramatta	12.54%	18.65%	**-6.11%**
VIC	Boroondara	0.75%	6.52%	**-5.77%**
NSW	Eastern Suburbs - North	-1.10%	4.53%	**-5.63%**
NSW	Canterbury	4.33%	9.80%	**-5.48%**
NSW	Eastern Suburbs - South	-1.64%	3.75%	**-5.39%**
VIC	Port Phillip	5.13%	10.29%	**-5.17%**
NSW	Leichhardt	-0.31%	4.70%	**-5.01%**

Table 1: Comparison of change in dwelling stock and population by SA3 2016-2022
Source: ABS [21, 22]

[21] Estimated dwelling stock, June Quarter 2022 | ABS
[22] Regional population, 2024-25 financial year | ABS

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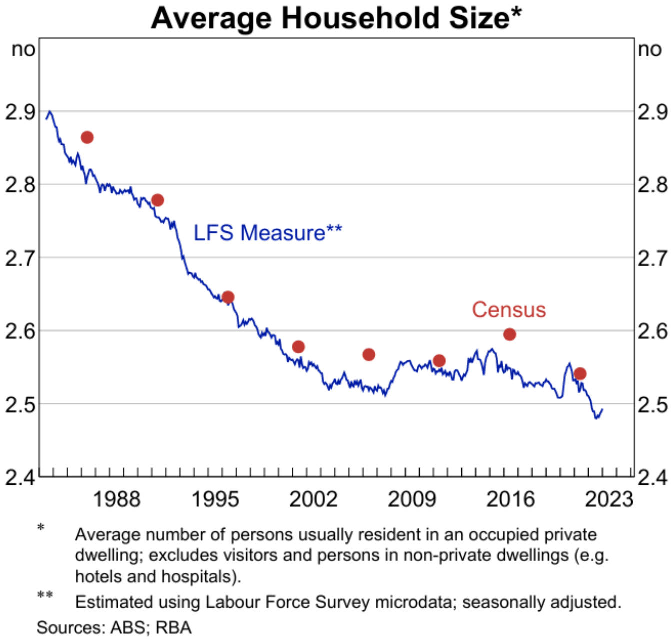

Figure 3, Average number of residents per dwelling Source: RBA[23]

The mismatch between the types of housing being built, and the types of housing people want, is likely a result of the drive to maximise profits from development. The way to maximise profit from a parcel of land is to build as high as possible, with the most highly-priced – 'luxury' – apartments, or where land is more available to build as cheaply as possible with as little room between houses as allowed. For instance, analysis found that as of 2023 it was not feasible to profitably construct a mid-rise apartment (four to nine stories) in Sydney.[24]

These trends also interact with regulations at all three levels of government, including the land use rules and planning processes. The Productivity Commission has highlighted reform of planning and zoning as a priority for state and territory governments, along with local councils, to improve affordability through increased supply.[25] The NSW Productivity and Equality Commission made similar findings and highlighted the above construction bottlenecks.[26]

These regulations should enable rather than discourage different housing options, including multi-generational housing such as 'granny flats'. Such housing can expand capacity, while also providing size and accessibility appropriate housing for seniors, with flow on effects for younger generations.

[23] A New Measure of Average Household Size | RBA
[24] Review of housing supply challenges and policy options for NSW | NSW Government
[25] Study Report - Housing and Homelessness Agreement Review | Productivity Commission
[26] Review of housing supply challenges and policy options for NSW | NSW Government

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This why National Seniors Australia has policy recommendations to: enable home care recipients to downsize without pension penalties[27], remove barriers to home sharing[28], include 'accessible housing' design standards in the National Construction Code (NCC), and create a capital grants scheme for the construction of rental housing suitable for older people[29]

While one might expect that retirement villages would provide an important part of the housing market, this model remains a niche offering due to poor consumer protections.

Disappointingly, some retirement village contracts see people lending large amounts to the retirement villages to 'own' the home but not the land. The village keeps the benefit of the appreciating land, while the home depreciates, and charges significant fees against the loan – in some cases 10% a year for the first three years[30], or as we have seen 3.5% each year with no cap.

National Seniors Australia has long called for better consumer protections for people entering retirement villages, including nationally consistent legislation. It is why National Seniors Australia has a policy to strengthen retirement village protections and for retirement villages to come under federal laws as a financial product.[31]

Housing and stamp duties

The absence of appropriate housing stock for downsizing is compounded by state duties on land transfers. Stamp duties – which are in effect a tax on changing housing – adds to the cost of moving to more appropriate housing: be that to larger housing as families expand, to smaller easier-to-maintain housing with better accessibility as people age or to move to be closer to employment, family or lifestyle opportunities.

That is why National Seniors Australia has a policy recommendation to provide stamp duty concessions for eligible seniors in all states and territories – in line with those offered in Australian Capital Territory, Victoria and South Australia[32]

[27] Downsizing exemption recommendation | NSA
[28] Home sharing recommendation | NSA
[29] Better Housing | NSA
[30] Why retirement village contracts need to be regulated like insurance | The Conversation
[31] Stronger retirement village protections | NSA
[32] Better Housing | NSA

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Housing and tax concessions

While the inquiry frames housing as an intergenerational issue, tax concessions related to housing are not strongly correlated with age. Instead, the underlying factor relevant to Capital Gains Tax (CGT) and negative gearing tax concessions is income. Consider, for instance, the Treasury Tax Expenditure Statement figures for the value of rental property deductions (including an aspect of negative gearing) by age in figure 4 and income in figure 6 below.

Much has been said about older generations being the largest owners of investment properties and this having negative impacts on the younger peoples' ability to own property. The argument is that older people have befitted from tax incentives, such as negative gearing allowing them to own property for investment purposes.

However, this ignores the fact that younger people also benefit from these concessions. Data in 2024 from Commbank showed that the largest group of investors were millennials (born 1981 – 1996) with the average age of property investors being 43 years old[33].

As data below also shows, the impact of rental deductions accrues across generations.

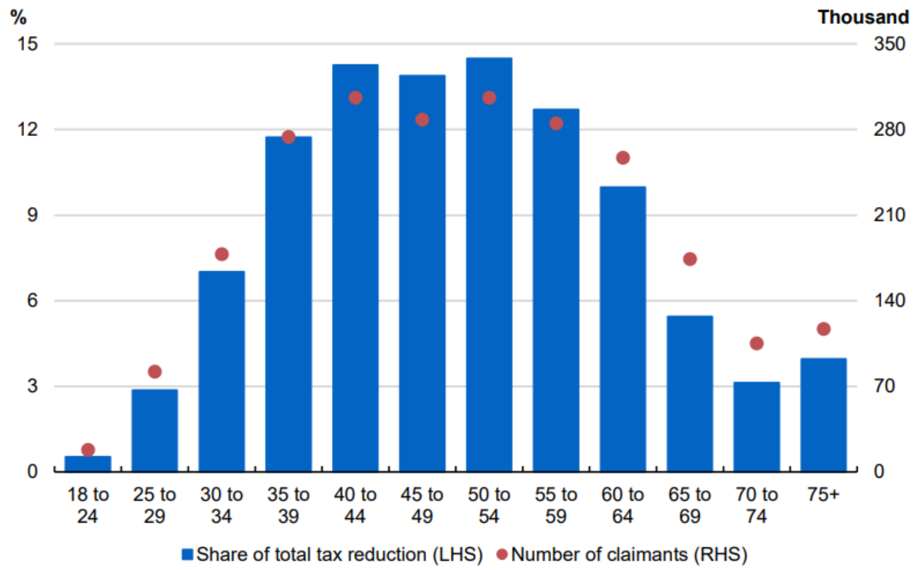

Figure 4: Share of total tax reduction and claimants by age, 2022-23 Source: Treasury[34]

[33] Millennials the most active property investors | Commbank
[34] 2025–26 Tax Expenditures and Insights Statement | Treasury

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Effectively, this pattern is just the difference of income by age – the highest deductions are claimed by those in their peak earning years:

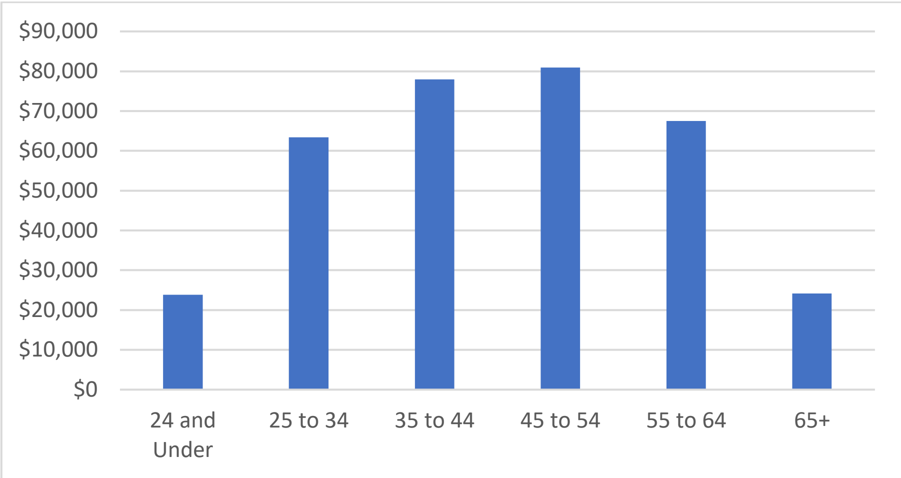

Figure 5, Median total income by age, 2022-23 Source: ABS[35]

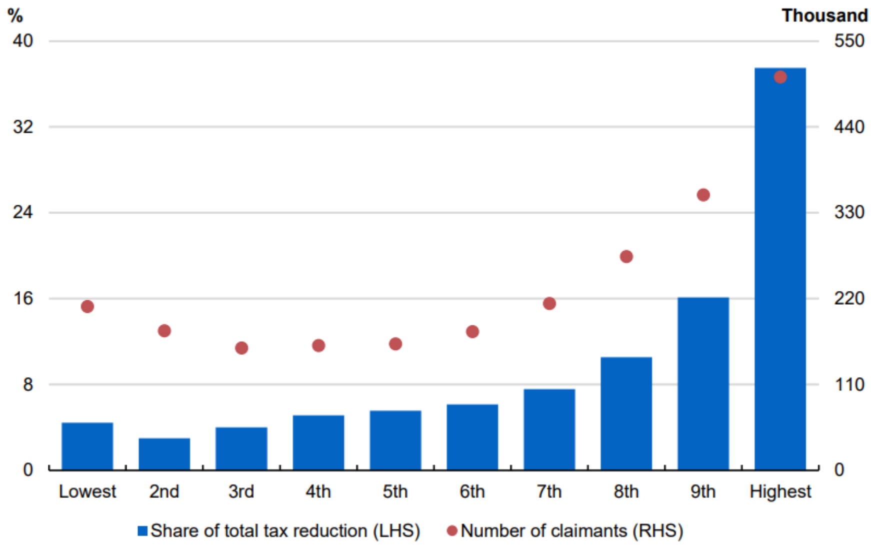

Figure 6: Share of total tax reduction and claimants by taxable income decile 2022-23 Source: Treasury[36]

[35] [Personal Income in Australia | ABS]
[36] [2025–26 Tax Expenditures and Insights Statement | Treasury]

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The impact of income on the distribution of CGT concessions (for individuals and trusts, excluding Main Residence Exemption) is even more pronounced.

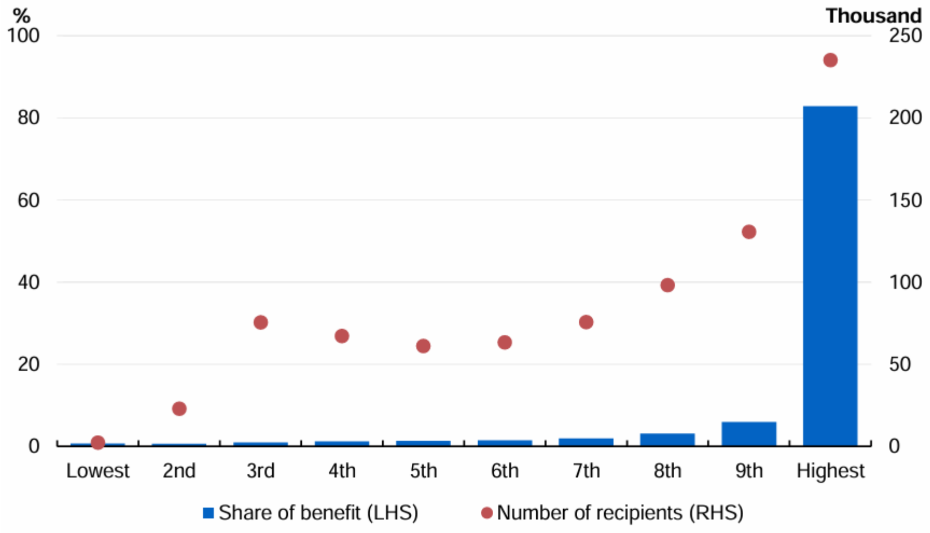

Figure 7: Share of benefit and recipients of Capital Gains Tax concession by taxable income decile, 2022-23 source: Treasury[37]

We hope the Select Committee keeps an open mind as it conducts the inquiry and allows the evidence to take it where it leads, rather than allow the terms of reference determine the conclusion.

Effectiveness and risks of First Home Buyer Schemes

While First Home Buyer schemes have been a policy solution that federal and state governments often turn to, they may not achieve their stated goals and can increase debt risks for first home buyers and inflate property prices.

Research by Australian Housing and Urban Research Institute (AHURI) indicates that such schemes have tended to result in higher house prices, largely benefiting people who already own homes.[38] The report notes that in comparable countries, and previously in Australia, demand-side first home buyer schemes were complemented by supply-side policies as well. Even then, rather than expanding home ownership to new people the schemes bring-forward a likely purchase.

[37] 2025–26 Tax Expenditures and Insights Statement | Treasury
[38] Transitions into home ownership: a quantitative assessment | AHURI

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The RBA also comes to similar conclusions: "On the demand side, it is now widely accepted that policies that simply give people more money to spend on housing are likely to be capitalised into higher housing prices. On the supply side, efforts to improve housing affordability should be focused on policies regarding land use and on improving efficiency in the supply of land and housing."[39]

This is not a new finding, a Productivity Commission report in 2004 found that: "Especially in the short to medium term, all assistance measures aimed at helping first home buyers are likely to have flow-on effects that will dilute the benefits for recipients and adversely affect other home buyers. In particular, during periods of strong demand for housing and with inelastic supply in the short term, such measures will tend to push up house prices across the market."

Debt isn't a solution to an income problem

First Home Buyer assistance has been focussed on getting people into housing, not what happens after they buy a property. Most recently, on 1 October 2025 the federal government expanded eligibility for the Australian Government 5% Deposit Scheme.

While it is too early to properly assess the long-term impacts of this program, NSA has concerns that focussing on the deposit required to get a loan could leave first home buyers in a precarious financial situation.

Evidence suggests that governments eager to increase the level of owner-occupied housing by using debt to make it easier to buy (if not keep) a home, have contributed to economic crises. For instance, the United States Financial Crisis Inquiry Commission report found that in the lead up to the 2008 Global Financial Crisis, some lenders "offered lower teaser rates—as low as 1%—and loan-to value ratios as high as 100%. All of these features raised the chances that the borrower's required payment could rise more sharply, more quickly, and with less cushion."

This followed the introduction of a 'Zero Down Payment Initiative' under President George W. Bush, with efforts to boost homeownership having "broad political support—from Presidents Bill Clinton and George W. Bush and successive Congresses".[40]

[39] Some Observations on the Cost of Housing in Australia | RBA
[40] Financial Crisis Inquiry Commission full report | Stanford Law School

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For the Australian scheme, the 5% minimum deposit applies for most first home buyers, however a minimum 2% deposit applies for "single parents and legal guardians". In "capital city and regional centres" in New South Wales the current price cap is $1,500,000.[41]

The idea that housing can be solved by increasing levels of debt ignores the fundamental issue: it is not a lack of access to debt that is preventing access to housing, but a lack of income relative to the cost of housing.

While the government guarantee means borrowers don't need to pay for Lenders Mortgage Insurance, it does not appear to address the higher interest rates applying to high-Loan-to-Value-Ratio (LVR) loans. Current variable interest rates for a loan from the major four banks with an LVR of 95% are in the range of 6.44%-7.49%.

Taking the average of 6.97% with a 5% deposit against the median Sydney unit price of $844,390[42] gives monthly repayments of $5,321, or $63,852 a year. If applying 30% of pre-tax income as an indicator of mortgage stress, for two people this would require an annual income of $106,420 each. The median weekly earnings for employees in NSW was $1,464 in August 2025, or $76,128 a year. This leaves a median working couple $60,584 a year short of income of even meeting the threshold for mortgage stress on the median unit.

The above is based on current interest rates, which are forecast to follow inflation higher over the coming year. In July 2025, APRA retained the 'mortgage serviceability buffer' at 3 percentage points, which had "not been restrictive on new credit to the household sector". At that time the RBA 'Lending rates; Housing loans; Banks; Variable; Standard; Owner-occupier' was 8.27% and the cash rate was 3.85%. Assuming a 1:1 pass through from the cash rate to mortgages, the buffer would be exceeded if the cash rate passed 6.85%, which was last reached (and exceeded) in the lead up to the Global Financial Crisis in 2008. Though mortgage rates have been higher than 11.27%, most recently in late 1992.

High levels of debt create a precarious situation, leaving people vulnerable to an external shock, be it a financial crisis, a pandemic, or an oil shock. As the RBA data shows, the situation currently is stable, though "these forecasts were produced before the escalation of conflict in the Middle East".[43]

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[41] Australian Government 5% Deposit Scheme | Australian Government
[42] Domain house-price-report - December 2025 | Domain
[43] Financial Stability Review – March 2026 | RBA

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In late 2025, APRA said that "high household debt is a key vulnerability of the Australian financial system", with household debt-to-income at near-highs (both historically and internationally) of over 180%. The regulator also warned that:

> *"While overall housing lending standards remain sound, APRA is seeing some signs of higher risk lending picking up ... In addition, an increase in high loan-to-valuation ratio (LVR) loans is expected alongside the expanded 5% Deposit Scheme. Moreover, from its supervisory engagements APRA is seeing heightened competition for market share in housing lending, which could lead to pressure to ease underwriting standards and increase risk appetite. For example, APRA has observed that some banks have increased appetite to make lending decisions for certain customer cohorts that are exceptions to their internal lending policies."*[44]

High debt-to-income (DTI) lending is being monitored by regulators, though the recent increase in lending appears confined to the investor segment.[45]

There are limited direct measures of mortgage stress publicly available. Bankruptcy data is not reported by age, and thankfully, according to Financial Councillors Australia, banks "now rarely use bankruptcy". The ABS Survey of Income and Housing for 2023/24 was not released "due to data collection issues", leaving 2019/20 as the most recent release.[46] Much relevant data comes from the HILDA survey, but this data takes time to process: for instance, the "Proportion of households who experienced a cash flow problem in the last 12 months" was 28.1% in 2023/24. It would be helpful to have more frequent and detailed information on these important topics.

Though mortgage stress may appear in sectors other than loan repayments; people will likely prioritise housing over other expenses. For instance, Foodbank found the level of food insecurity was double among people with a mortgage compared to people who owned their home outright, at 30% compared to 15% (48% of renters were food insecure).[47]

Encouraging people to take on very high levels of debt, with very low buffers, at a time of rising interest rates and geopolitical uncertainty, likely at-best presents only a temporary solution to a problem which more debt will make worse in the long-run.

[44] System Risk Outlook - November 2025 | APRA
[45] Financial Stability Review – March 2026 | RBA
[46] Survey of Income and Housing results will not be released | ABS
[47] Hunger Report 2025 | Foodbank Australia

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Education debt undermines ability to save and borrow

When considering housing access, it is important to consider other factors that impact on a person's capacity to purchase a home.

The cost of education is another variable that can impact on income and the capacity to obtain a loan to purchase housing. Many younger people take on significant debt to fund education to obtain the qualifications needed for employment via the Higher Education Loan Program (HELP).
Before its predecessor, the Higher Education Contribution Scheme (HECS) was introduced in 1989, higher education was free.

Since this time there has been changes to HECS and HELP that have increased the cost of education and the levels of debt accumulated. Reforms under the Job-ready Graduates Package, introduced in 2021, substantially increased the cost of some degrees.

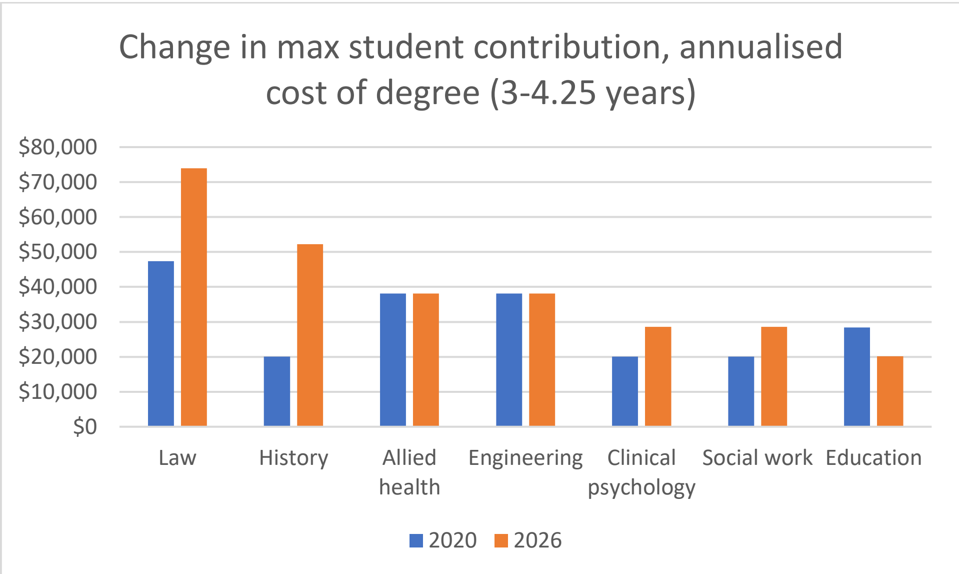

Figure 8, data source: Department of Education[48]

This means people in their early to mid- twenties could start working with over $70,000 in debt – impacting both their future borrowing capacity and forcing the redirection of income into repayments.

[48] Funding Clusters and Indexed Rates | Department of Education

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The need for ever higher qualifications combined with changes in policy is causing greater proportions of younger people to accumulate higher levels of debt, impacting their ability to purchase housing.

In 2025, the government announced changes to how banks assess HELP debts for mortgages. While welcome, the actual guidance only provides that a lender “may consider it reasonable to remove HELP repayments from a serviceability assessment where a borrower is expected to pay off their HELP debt within 12 months through the compulsory repayments deducted from gross income” (emphasis added). HELP debts under any other circumstances are likely to remain fully assessed in the lending assessment.

While the policy to provide a one-off 20 percent reduction in student loan debt will have alleviated this somewhat for those with existing HELP debt, this will not benefit younger people yet to enter higher education.

The issue of debt has led National Seniors Australia to recommend an increase in the Age Pension gifting limits to encourage older people to contribute to younger people needing deposits for housing and to pay off educational debts.[49]

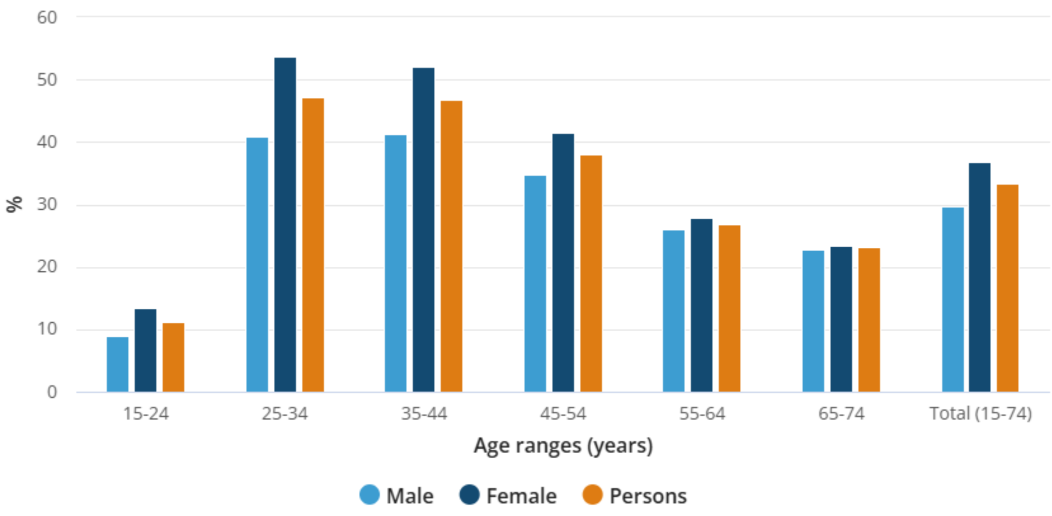

Figure 9: People with a bachelor degree or above as their highest qualification, by age groups and sex, 2024 Source: ABS[50]

[49] Gifting rules, why they should change | NSA
[50] Education and Work, Australia | ABS

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