Senate Economics References Committee

An inquiry into Improving consumer experiences, choice, and outcomes in Australia's retirement system.

Additional written questions on notice from Senator Bragg to Super Members Council, 3 April 2025.

Due date for response: 17 April 2025

SMC's constructive engagement with this inquiry

The Super Members Council (SMC) deeply respects the Senate and its processes.

SMC received the following 11 questions from Senator Bragg via the Committee secretariat on 3 April 2025.

SMC has previously responded to 43 written questions sent in several tranches over recent months on a wide array of topics. In total, SMC has now responded to 54 written questions from the Committee.

SMC also made two comprehensive written submissions to this inquiry, which featured new robust modelling and analysis to assist and inform the Committee. Submission one is here and submission two is here.

Further, SMC appeared before this inquiry on 14 November 2024 and provided additional information on notice to the Committee following that hearing.

About SMC

The Super Members Council brings an evidence-based approach to advocate for the system-level policy interests of over 11 million everyday Australians with their retirement savings in profit-to-member super funds. Our purpose is to protect and advance the interests of super fund members throughout their lives, advocating on their behalf to ensure superannuation policy is stable, effective and equitable.

SMC's advocacy for the policy interests of millions of everyday Australians includes education initiatives. Consistent with ASIC's insights and recommendations that the super sector should engage Australians about their super, SMC engages with younger Australians to strengthen their understanding of how super works. Research shows Australians with a better understanding of super make better financial decisions on super.

QUESTIONS FROM SENATOR BRAGG

1. Was research funding provided by the SMC for Professor Leishman's study? If so, how much?
2. What directive for the study was provided to Professor Leishman? Please provide all copies of correspondence and engagement letter.
3. Was a draft report provided to SMC for comment?
4. Does SMC believe that housing supply is a variable impacting housing prices?
5. What variables impacting house prices has Professor Leishman's research not considered?
6. Where in Professor Leishman's analysis has he considered the impact of supply side policies?
7. How have those supply side policies impacted the analyses within the two economic models?
8. How was the Professor's potential conflicts of interest managed and disclosed?
9. What funding was provided to Cheek Media Co. for their post on social media?
10. What material was provided to Cheek Media Co. for their post on social media?
11. Have you paid Hannah Ferguson of Cheek media and the Daily Oz to support your policy positions? If so, how much?

RESPONSE

Questions 1-8: SMC engaged one of the nation's most respected leading housing policy experts – University of South Australia Professor Chris Leishman – to undertake his own rigorous independent assessment of the national house-price impacts of a policy proposal to allow the early withdrawal of superannuation (super) for first-time homebuyers to put towards a deposit.

Professor Leishman's rigorous independent expert analysis found allowing first home buyers to withdraw super for house deposits could push up house prices across Australia by 7.4% to 10.3%.

Professor Leishman is one of a very long list of distinguished economists – including Saul Eslake, Chris Richardson, Luci Ellis, Richard Holden and many others – who warn demand-side measures such as early withdrawals of super for deposits would just push up house prices and worsen housing affordability.

This proposal would have a material impact on super fund members' savings, the housing market, the broader economy, and Australian taxpayers' Age Pension expenditure. In the interests of evidence-informed public policy debate, these are important impacts for Australians to understand in detail.

Professor Leishman's report *The housing market effects of using superannuation savings for housing* can be accessed here: https://smcaustralia.com/app/uploads/2025/03/Report_Housing-market-effects-of-super-for-a-house.pdf

SMC engaged Professor Leishman to (a) undertake an extensive review of house pricing models to identify previously published models relevant to understanding the economics of housing markets, then (b) based on this research, identify the models most applicable to modelling the Australian housing market and assess the impact of the super for a house proposal using these models, and finally (c) produce an academic report with his findings.

In relation to part (a), Professor Leishman reviewed 4921 papers, shortlisted it to 46 for closer analysis, which resulted in identifying two internationally robust pricing models that are applicable to the Australian housing market. These were Adams and Fuss 2010 and Fry et al 2010.

His findings are clear and compelling: allowing first home buyers to withdraw super for house deposits could push up house prices across Australia by 7.4% to 10.3%.

This would have the following effects on capital city house prices and mortgage repayments:

Table 1. House price increases from allowing first home buyers to withdraw up to $50,000 from their super, Chris Leishman modelling

Capital city	Median house price after 10.3% hike	Price hike in $	Extra fornightly mortgages $
Sydney	$1,316,100	$122,900	$345/fn
Melbourne	$851,800	$79,500	$223/fn
Brisbane	$985,600	$92,000	$259/fn
Adelaide	$903,800	$84,400	$237/fn
Perth	$893,300	$83,400	$234/fn
Hobart	$726,000	$67,800	$191/fn
Darwin	$554,400	$51,800	$146/fn
Canberra	$938,100	$87,600	$246/fn
All capitals	$990,100	$92,500	$260/fn

Further details on the study's scope and methodology – including the test results and underlying assumptions – are outlined in the academic paper which is publicly available.

The report, modelling and findings are Professor Leishman's work and conclusions.

SMC has previously provided evidence to the Committee noting individual supplier arrangements are commercial-in-confidence – this is standard practice for organisations across a wide array of sectors. This ensures an ongoing ability to negotiate the best terms in members' best financial interests and not suffer a disadvantage in the market. Quite reasonably, SMC therefore does not disclose commercial-in-confidence information, consistent with the approach of other similar organisations.

As a highly esteemed and accomplished academic who is respected widely by his peers and the housing sector, Professor Leishman holds other roles in addition to his position at the University of South Australia. This includes being a board member with Housing Choices Australia (HCA), a not-for-profit community housing provider including for people with disabilities, where he acts entirely in a governance capacity and plays no role in operational matters. HCA has no connection with either SMC, the University, or the content of his report for SMC. Any assertion of a conflict is absurd.

It is worth noting for the Committee's benefit that this academic study is not alone in making these unremarkable findings. Indeed, it is the latest in a long line of rigorous research confirming the unexceptional fact that allowing first home buyers to withdraw super for house deposits in a supply-constrained market like Australia's would increase house prices significantly.

A summary of what other leading economists say about using super to get into the housing market can be found on page 3 of this report: https://smcaustralia.com/app/uploads/2025/02/SMC-Report_Home-Truths-the-KiwiSaver-experience_Feb-2025.pdf

Questions 9-11: In addition to the very long line of respected independent economists who understand that withdrawing super early for house deposits would just throw more fuel on the fire on house prices and push the Great Australian Dream of home ownership even further out of reach for young Australians, a wide array of respected thought leaders, social media content creators and media commentators have formed their own view on the damaging consequences of proposed policies of early withdrawals of super.

A wide array of organisations, sectors and entities - including Senators on this Committee – regularly engage with social media influencers to connect with younger audiences.

These questions are similar to others asked previously - see our response to question 37. In a roundtable with social media content creators and influencers last year, ASIC called on super funds and industry participants to do more to find new ways to connect with young Australians about super. Younger Australians are typically more likely than previous generations to access information via social media rather than traditional media. SMC engages via social media based on research that shows members who are more engaged with their super are more likely to make good financial decisions about their super. If SMC engages in a paid partnership with content creators, our involvement will always be attributed by the creator.

SMC has previously provided evidence to the committee noting that individual supplier arrangements are commercial-in-confidence – this is standard practice in many entities and organisations in a wide array of sectors. This practice ensures an ongoing ability to negotiate the best terms in members best financial interests and not suffer a disadvantage in the market. Quite reasonably, SMC therefore does not disclose commercial-in-confidence information, consistent with other similar organisations.