

## HOUSE OF ASSEMBLY

TUESDAY 30<sup>TH</sup> OCTOBER 2012

### FIRST HOME OWNER GRANT (HOUSING GRANT REFORMS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 18 October 2012.)

**Mr PEDERICK (Hammond) (11:57):** I rise, too, to speak in support of the First Home Owner Grant (Housing Grant Reforms) Amendment Bill which the Treasurer introduced only a couple of weeks ago into this house. This bill introduces the legislative framework required to implement the changes to the housing assistance grants that the government announced on 14 October 2012. It also introduces the required amendments to implement changes to the First Home Bonus Grant announced in the 2012-13 budget.

We get some renaming. The First Home Owner Grant Act 2000 will become the First Home and Housing Construction Grants Act 2000. Also, the bill will amend the First Home Owner Grant Act 2000 to increase the First Home Owner Grant for new homes from \$7,000 to \$15,000 for contracts entered into, on or after 15 October 2012. The bill will also reduce the First Home Owner Grant for established homes from \$7,000 to \$5,000. This grant will be abolished for established homes from 1 July 2014. In the definitions, for the purposes of this bill, a new home is considered to be a home that has not been previously occupied or sold as a place of residence and includes a substantially renovated home.

Also, this piece of legislation removes the phase-out of the First Home Bonus Grant from \$8,000 to \$4,000 from 1 July 2012. This was announced in the 2012-13 budget. The First Home Bonus Grant remains at \$8,000 for eligible transactions entered into between 1 July 2012 and 14 October 2012 inclusive.

From 15 October 2012 the \$8,000 First Home Bonus Grant will be abolished and replaced with a housing construction grant of \$8,500. This grant will be available for all new home contracts entered into between 15 October 2012 and 30 June 2013, or where building commences during that time for an owner/builder and where the property has a value up to \$400,000. The grant phases out properties valued up to \$450,000. I think this legislation will help people making decisions to buy housing and certainly, throughout my electorate, from Pinnaroo through to Goolwa, there will be many opportunities for people to buy homes in the budgeted band width where this money would be available.

The concern I have, as we have seen with these programs in the past, whether they have been state programs or federal programs that come in as well, is that the builders just add the grant to the price of the quote. Essentially, the incentive just gets eaten up and it just becomes a higher price structure for people to build. That is something we have to be very aware of, that it is just not used for industry to profiteer. It might all feel warm and fuzzy to get a few thousand dollars for a grant—and sometimes more than a few thousand dollars—but if it is only going to be tacked on in the background in the original quotes that people get for building a dwelling, there is really not much point apart from people getting a good feeling, because you are still spending the equivalent amount of money. I certainly think there have been such problems in the past.

With all the developments throughout my electorate—and one of the major developments that springs to mind is the Murray Bridge Racing Club proposal at Gifford Hill where there will be 3,500 opportunities for new homes—this could certainly come well into play, and I think that projects like that development could see more support from this government.

We also have to ask the question why we are in such a state in South Australia. Why is industry at such a low ebb? Why is there such a lack of confidence that the government have decided to introduce this legislation? It is because people do not have confidence, working in an environment of the highest taxed state in the nation, the hardest place to do business in this country, and it is just becoming totally uneconomic for some people to even survive with the rising cost of amenities, the rising cost of essential services like water and power, and I think that is one of the reasons we are here today debating this bill.

As I indicated, I think there is a lot of merit in this, but it will be absolutely pointless if all that happens is industry grabs hold of it and just tacks on whatever the amount is, whether it is \$8,000 or \$8,500, whatever the appropriate grant is for the quote at the time. People will feel good, they will think they have saved that amount of money, but it is just built into the price. I am not sure how a government of any persuasion will be able to make sure that does not happen; I will be interested in the Treasurer's remarks. With those few words, I indicate our support for the bill.