

**Master
Builders**

7 April 2015

Research Director
Finance and Administration Committee
Parliament House
George Street
Brisbane QLD 4000

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Finance and
Administration Committee

Via email: fac@parliament.qld.gov.au

Dear Sir/Madam

Subject: Inquiry into the Payroll Tax Rebate, Revenue and Other Legislation Amendment Bill 2015

I note that the Committee is considering an amendment to the *First Home Owner Grant Act 2000* in order to amend a technicality that has resulted in unintended consequences. I would like to bring to your attention a similar technicality that has resulted in equally unjust outcomes.

In particular I would like the Committee to consider a clarification to the definition of 'new home' in the legislation. Section 6(1) of the legislation states that a 'home is a building, fixed to land'. In section 6(2) a new home is defined as one that 'has not been previously occupied or sold as a place of residence'. The 'element of 'fixed to land' is not included.

A home is a building fixed to land. Conversely if it is removed from its location it ceases to be a home. It is disconnected from plumbing and electricity; tiles, flooring, roofing often need to be replaced; new access needs to be provided. Together these are the elements necessary to class a structure as a home.

At most, a building that has been relocated becomes the raw material for the construction of a new home. Local government recognises this in treating the removal of a home as a demolition. The National Construction Code (NCC) recognises this by requiring buildings that are relocated to meet the standard of a new construction before being regarded as habitable. The Queensland Building and Construction Commission (QBCC) makes available the 'new home construction contract' and requires new home warranty insurance for such projects.

The *First Home Owners Grant Act 2000* is alone in adopting a different approach.

We have an example in the case of a member. She recently built a home for a client using a relocated structure. Permits to demolish, remove and rebuild were required. The structure was moved to the new location and used as a starting point in the construction of the new home. The cost of trades and material used in the build are comparable to a home built from new materials. The substantial list of planning and

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building requirements to make the structure habitable after relocation were the same as if it was a new build. The home was built under a standard contract for a new residential building and subject to statutory insurance and warranties as if it were a new build.

Still the client has been unable to receive the First Home Owners Grant as under the existing section 6(2) definition it was treated as a '*home that was previously occupied*' [OSR Case No. GAR 227-14].

In the interests of red tape reduction a consistent approach should be adopted to bring the *First Home Owner Grant Act 2000* into line with the approach used by the NCC, QBCC and local authorities. That is, where a building has been moved to a new location it ceases to be a home. As such, a relocated structure should not be regarded as a 'home that has been previously occupied'.

It is only in completing building work on the relocated structure to meet local government and NCC requirements that the structure becomes a home. It is through these works that a home is built, one that has not been previously occupied.

We ask therefore, that the Committee consider amending section 6(2)(a) to include a reference to 'fixed to land'. If the home is to be regarded as previously occupied it must be at the same location.

Thank you for your consideration of this issue.



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