



Speech by

**Dr DAVID WATSON**

**MEMBER FOR MOGGILL**

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Hansard 18 May 2000

**FIRST HOME OWNER GRANT BILL**

**Dr WATSON** (Moggill—LP) (Leader of the Liberal Party) (12.06 p.m.): I rise to speak to the First Home Owner Grant Bill 2000. At the outset, I should say that the Opposition will be supporting the Bill.

**Mr Hamill:** I am really surprised at that!

**Dr WATSON:** As the Treasurer said, he is somewhat surprised, but we on this side are extremely generous to the Treasurer.

The first home owners grant scheme is an initiative of the Howard Federal Government as part of its historic changes to the overall Australian taxation system. This scheme is designed to provide a grant to help people purchase or build their first home. This is a worthwhile initiative supported by those of us on this side of the House.

The grant provided will not be a loan and will not need to be repaid. The grant will compensate first home owners for price increases associated with the introduction of the goods and services tax on 1 July this year. Of course, along with the goods and services tax comes a significant revamping of Australia's taxation system—one which makes it more internationally competitive.

To be eligible for the scheme, applicants need to enter a contract to purchase an established home or a contract to build a new home on or after 1 July 2000. It should be noted that this scheme is not a Queensland-only initiative, as all State and Territory Governments are providing the grant under arrangements agreed to with the Federal Government. The payment of the grant to first home owners is not means tested and there is no upper limit on the value of the property to be acquired. The eligibility criteria for the grant will disqualify any applicant whose spouse or co-applicant has previously received an earlier grant anywhere in Australia or has held a relevant interest in residential property, including an investment property, prior to 1 July 2000. Another eligibility requirement provides that all applicants must occupy the home to which the grant relates as their principal place of residence within a 12-month period. The Opposition supports both of those criteria. Only one grant is payable for the same eligible transaction. This means that, where two or more persons jointly purchase or build their first home, only one amount of \$7,000 will be paid. That is another criterion supported by the Opposition. However, there are a number of issues associated with this scheme and the proposed legislation before us that I wish to comment on further.

Firstly, given the calls of the building industry for Government assistance to overcome any post-GST implementation slowdown in the construction sector, why has this Government failed to assist eligible Queenslanders with details of the scheme? What has the State Government done to reduce the effort required for a person to apply for a grant by working with a range of financial institutions and associated financial providers to allow potential applicants to apply for the grant through their financial institution at the time they seek finance?

Why has the State failed to advertise this scheme to encourage first home buyers to apply for assistance under this scheme? I can inform this House that the Minister for Housing in Western Australia has been actively promoting this scheme since at least March this year. It is not as if the Beattie Government is media shy. The only reason for the failure of the Beattie Government to adequately promote and implement the scheme is its opposition to tax reform in Australia and any benefits to Queenslanders that flow from it.

Premier Beattie and his group of incompetents do not care about first home buyers and builders or the creation and maintenance of jobs within the construction sector. Why else would this Government sit on its hands? This is simply another example—an ever-growing list—of the Beattie Government putting politics ahead of the interests of Queenslanders. This from a Premier who repeatedly claims that he does not play politics with important issues. For this, the Premier, the Treasurer and the Government are guilty.

One clause in this Bill that is of particular concern to members on this side of the House is clause 49, which gives the Government the right to place a registered charge or caveat over an applicant's interest in the land. Clause 85 of the Domestic Building Contracts Act 2000, which was passed in this House at its last sitting, specifically removed the right to place a caveat over land by a builder in a dispute over the payment of moneys. It was a right that was rarely used by builders. Nonetheless, it was a very important tool for builders to ensure rightful, prompt payment.

However, the Office of State Revenue in this Bill through clause 49 maintains the right to place a registered charge or a caveat over an applicant's interest in the land. Therefore, it appears that the Government believes it is reasonable for the State to retain the right to place a caveat over an applicant's interest in the land under the scheme but not for a small businessperson in Queensland. It is simply one more example of the Beattie Government believing it is better than the average citizen and more deserving of greater rights than those conferred on average Queenslanders working hard for a living in the building industry. What hypocrisy!

I want to refer briefly to what the Minister for Fair Trading said in her speech on the Domestic Building Contracts Bill. In introducing clause 85, she stated—

"In future, builders will still have the right to introduce or lodge a caveat over a developer, but we do not agree—and this is the principal point of difference between us"—

that is, the Opposition and the Government—

"that builders or developers Bill should have a right to lodge a caveat over a resident owner. We are making the distinction between the resident owner—the consumer—and developers, and that is the essential point of difference here. We believe that it is right."

Further on, when referring to builders being able to lodge a caveat if owed money, the Minister stated—

"That is an unfair situation for consumers, and consumers have no right to object to it. This is good consumer law."

From what I understood, I thought the Treasurer was interested in taxpayers and the protection of taxpayers' money. That is why I ask: what was the trade-off for good consumer law versus the protection of taxpayers in the unlikely event that there is a loss of money?

The Minister for Fair Trading develops that theme in her speech; that is, very rarely do consumers end up not paying the builder. In other words, it is a very low risk situation. That was part of the justification for denying builders the right to put a caveat on the land in a domestic building contract.

So, with domestic building contracts, even though the Government has suggested there is a very low probability that the builder will not get paid—and I suspect even a lower probability if there is a problem that the Government would not get repaid—it has chosen to keep its right to a caveat but has failed to provide the same opportunity for those in the small business who drive the economy of this State.

This legislation will have a significant and ongoing impact on ensuring that home affordability and ownership for first home buyers is maintained and/or increased for the people of Queensland. Therefore, the legislation deserves the best efforts of this Government for its promotion and accessibility to eligible Queenslanders. If this Government was, as it claims to be, above politics and a Government for all Queenslanders, we would have a Minister for Housing and a Treasurer fighting to claim credit for the scheme. Instead, we have a Minister for Housing who has been fighting fellow Labor members at Labour Day functions and a Treasurer who is more interested in making millionaires of his Labor mates.

**Mr Hamill:** Where did that come from?

**Dr WATSON:** I just thought I would throw it in.

**Mr Hamill:** Another irrelevancy.

**Dr WATSON:** Since November last year there has been some more information on what the benefits might have been from a certain licence arrangement.

**Mr DEPUTY SPEAKER** (Mr Reeves): Order! I remind the member for Moggill to get to the relevant provisions of the Bill.

**Dr WATSON:** I am about to finish, Mr Deputy Speaker, but I could not help responding in a friendly manner to the Treasurer's untimely interjection.

**Mr DEPUTY SPEAKER:** Order! If the member is going to conclude, I suggest that he do so.

**Dr WATSON:** In conclusion, this scheme will assist not only first home owners but also the building industry and those who participate in it. As I said at the beginning of my remarks, the Opposition will support this Bill.

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