Speech by

# CHRIS FOLEY

## Member for MARYBOROUGH

Hansard 13 November 2003

### FIRST HOME OWNER GRANT AMENDMENT BILL

**Mr CHRIS FOLEY** (Maryborough—Ind) (2.53 p.m.): I rise to speak in support of the First Home Owner Grant Amendment Bill. Obviously the legislation needs to be for a person who is a genuine first home buyer. I am not at all thrilled to hear of the prospect of millionaires, or indeed multimillionaires, accessing a grant which philosophically is designed to help people who need to get a start in life. It has been well said that the first $10,000 is the hardest of any assets to get. So, if people can get a bit of a kick start, that is an excellent thing.

I believe that it should be a means tested and I offer a sensible solution as a person who comes from an accountancy and financial planning background. The simplest way is to align this to the Centrelink assets test. I give the members of the House these figures for reference. A single home owner can still access a full pension if they have assets of $149,500, and that single pension cuts out at $302,500. In the case of a couple, it is $212,500 for a full pension, and $466,500 where the pension shades out. We are talking there about figures for a person who already owns a home. For a non-home owner, the figures for a single full pension are $257,500 and $410,500 for a cut-off. For a couple who are a non-home owner, they can still get the full pension. The asset limit is $320,500 and the pension shades out at $574,500. Where I am going with this is that if people look at it from the non-home owner point of view, it averages out to about $500,000. I would have thought it is quite reasonable that if people have assets in excess of $500,000 they really do not need to access a first home owner grant.

I disagree with some of the members opposite who said that it should be restricted to new homes only in that many times lots of people have got their start as a young married couple by buying an old house—especially in Maryborough, buying an old Queenslander—at a very cheap price and gradually doing up the house over a period of time. They expend effort and time on weekends using building materials that are not tax deductible. On the other side of the equation, they are able to do up those homes and sell them capital gains tax-free because it has been their principal place of resident.

That provides still one of the great ways for Australian couples to be able to earn some real wealth—that is, to buy the owner-occupied home, to do it up over a period of time and then perhaps, as kids come along, sell that house, build a bigger house, do it up and keep going. I suspect that a good many members of both sides of this House have done exactly that to get a good start in life.

I noted that the member for Logan says that the first home owner grant has been severely abused. He gave some examples where couples had used it to reduce a mortgage. I would challenge the member, if that is the case, to report it to the Tax Office. Being an accountant by trade, I can tell members that the Tax Office would take great interest in someone who has abused the first home owner grant in that regard.

On balance, the scheme is a good idea. I say again that I do not like the prospect of millionaires accessing the first home owner grant, nor do I like the prospect of people who are too young to act in their own legal capacity owning a home, because that makes a farce of the whole business. On balance, I think it is a good bill and I commend it to the House.