



Speech by

**Mrs D. PRATT**

**MEMBER FOR NANANGO**

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Hansard 13 November 2003

**FIRST HOME OWNER GRANT AMENDMENT BILL**

**Mrs PRATT** (Nanango—Ind) (2.26 p.m.): I rise to speak to the First Home Owner Grant Amendment Bill 2003. This is a bill which I can support. This week has been really good; I have been able to support a lot of government bills without any trepidation whatsoever.

The first home owner grant, when introduced, was \$7,000 to compensate buyers for the additional cost imposed by the GST on the building industry. I think it was an excellent move. A lot of people starting out—first home buyers—do find it difficult and the GST made it a hell of a lot harder for them to accumulate the money in the first place for their deposit, et cetera. The policy objectives of this bill are to restrict the circumstances in which the first home owner grant may be paid to applicants who are under 18 years of age, include a six-month residency period which applicants must satisfy for entitlement to the grant and include a general antiavoidance provision. The reason, I understand, that this bill had to come forward is simply because there were so many people who were abusing the system. It is quite amazing that people will go to any lengths to abuse a system which was put there in the first place to remedy a problem first with the GST and to combat the unaffordability of low income persons when it came to buying a home.

The policy settings for the First Home Owner Grant Scheme were developed by the Commonwealth as part of a national tax reform in accordance with the intergovernmental agreement on Commonwealth-state financial relations. The scheme is a national scheme administered by the states and territories under their own legislation. The Commonwealth's eligibility criteria for the scheme imposed no minimum occupation period of a home and no age limit on the applicants. It was because of these simple directions that this legislation has to go ahead.

One thing that amazed me was the number of people who tried to abuse this scheme. This abuse was not restricted to Queensland; it occurred right across the country. The number of children technically holding ownership in a home made me smile—for example, an eight-month-old baby owning a home. That child in another 18 years, if this scheme continues, will not be able to invest in a home or obtain the grant. Basically, the parents who are doing this are robbing the futures of their children. It amazes me that anyone would be prepared to do that.

**Mr Quinn** interjected.

**Mr Mackenroth:** What's that, Bob?

**Mrs PRATT:** Exactly.

**A government member:** Sell, Bob!

**Mr Mackenroth:** Now you'll be home late for dinner.

**Mrs PRATT:** I do not think anyone who was drafting the original legislation would have thought that any parent would do that to their child. Perhaps they did not think about it. Some people do not think long term any more. That is a sign of the times. Governments do not think long term, so we cannot really condemn individuals for not thinking long term. We can condemn the parents who did this, because they were not thinking of their children's future. It was purely a selfish act on their part. I congratulate the minister in moving fairly rapidly to close these loopholes.

**Ms Nelson-Carr:** Are you going to use up your whole time?

**Mrs PRATT:** I will go as slow or fast as I feel like, thanks.

It was mentioned yesterday by the Housing Minister that 2,570 Housing Commission homes were sold off. People who cannot afford homes need to be able to at least find some form of accommodation. I would like to know where that money went—if it was invested back into the housing market for the purchase of or building of more homes.

It worries me that, because of the abuse of this scheme by the parents, many members on the opposite side of the House believe that this First Home Owner Grant Scheme should be abolished altogether. I find that almost like throwing the baby out with the bath water. Yes, there have been a lot of people who have taken it when they should not have. Millionaires have claimed it when they should not have, but I do not believe the scheme should be stopped. I believe it should be continued by any government in office. Governments should support it. They should find out where the loopholes are, close them, as the minister is doing, but keep the scheme, because an awful lot of people find buying a house very difficult.

When this scheme came in my daughter was looking at buying a home. The \$7,000 was very advantageous for her. It helped her, her husband and three children get into their own home a lot sooner than they otherwise may have done so. They are extremely happy where they are and with their position in life. I also have a son who is doing the calculations to make it possible for him and his family to get into a home a lot sooner than they expected.

I support this bill. I think it is a wonderful idea. I hope that if, in the future, the Labor Party gets into power in the Commonwealth, it does not wipe out the scheme full stop, because I think it has merit. I trust that rather than just say, 'No, we're going to get rid of it,' it will iron out the loopholes to which I referred. With that I support the bill.