



Speech by

HOWARD HOBBS

MEMBER FOR WARREGO

Hansard 13 November 2003

FIRST HOME OWNER GRANT AMENDMENT BILL

Mr HOBBS (Warrego—NPA) (2.39 p.m.): I am pleased to speak to the First Home Owner Grant Amendment Bill 2003. There are a number of issues that I want to address. The main objectives of the 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; to include a six-month residency period which applicants must satisfy for entitlement to the grant; and to include a general anti-avoidance provision.

I note that a stamp duty exemption can still be claimed by those under 18 years of age if they choose not to take up the \$7,000 first home owner grant. So they can decide to waive that but still claim a stamp duty exemption. That is an interesting scenario. Maybe that will be resolved down the track but I raise it as an issue. The scheme is a national one administered by the states and territories under their own legislation enacted in accordance with Commonwealth policy. It is really up to the states to ensure that their legislation works well. Generally speaking, it has over the years.

There are a few anomalies which this bill is set to rectify which we support. At present a person must be a natural person who is either an Australian citizen or permanent resident and the age of the applicant is not relevant for eligibility purposes as there is no age limit specified in legislation. A minor may be used in transactions to obtain grants when the real purchaser, such as their parents or family, would be ineligible for the grant or had already received the grant. This legislation will amend those provisions so that a person must be at least 18 years of age at the commencement date of the eligible transaction.

I think it is important that there is discretion in this legislation governing situations where young people for various reasons might need assistance to buy a home. Some examples mentioned in the explanatory notes where discretion is likely to be exercised include that of a paraplegic child who has received a compensation payout or a child who has received funds from an inheritance to purchase a home in which to live. Therefore, we need flexibility in the legislation so they can buy their home and they do not necessarily have to be over 18 years old.

An interesting scenario which I have encountered a couple of times now, particularly in rural areas of my electorate—and I guess it happens all around the countryside as well—is that of a son or daughter on a family farm who may, for various reasons, have obtained a shareholding in that farm. They cannot sell it. They are living with their mum and dad and a portion—maybe one-sixteenth, one-eighth or one-tenth—of the property may be in their name. While the place is, generally speaking, fairly unviable or just making enough to get along, they cannot sell it because it is their parents' home. Those young people are denied an opportunity to receive the first home owner grant. I am not sure how we can go about addressing this, but I am simply raising the issue. They are at present ineligible to receive the grant. If it were quite clear that there would be no immediate benefit to the applicant, perhaps some assistance could be given to them overall or they could be eligible for the \$7,000 grant. That is just another interesting bit of information.

I had the TV on upstairs and was listening to some of the contributions of Labor members, and I have been a bit surprised at the tone of the contributions. It seems that some of the members opposite do not seem to be all that enthusiastic about the first home owner scheme, and I fail to understand why.

Mr Terry Sullivan: It hasn't helped those most in need.

Mr HOBBS: A \$7,000 grant is better than no grant at all. I am talking about a chance to buy a house of some description. Whether it is in the member's area or Boonah or Winton or whether they pay \$200,000 or \$20,000, I would have thought that it would have been great for someone to have a first home.

Mr Reynolds: What about if someone is buying a million-dollar home?

Mr HOBBS: We do not want that. I agree with that.

Mr Terry Sullivan: That is what has happened.

Mr Reynolds: They are getting a grant now.

Mr HOBBS: Yes. But it just seemed to me that the tone was that the first home owner scheme was not a good thing to have, and I was interested to find out why.

I remember Tom Burns, in the Goss era, put together a first home owner scheme and it turned out to be a disaster. I think his attempts were genuine to try to give people home ownership. That was his intention, but Paul Keating's interest rates really caught up with him and people ended up owing more as the years went by than they did when they first started. So the scheme was a bit of a disaster. But, as I say, I believe it was a genuine attempt by him to put something together to give people some ownership. That is the greatest thing we can do for people: enable them to buy their own home. With those few comments, I support the bill.