




Speech by

Dr Bruce Flegg

MEMBER FOR MOGGILL

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BUILDING BOOST GRANT AMENDMENT BILL

 **Dr FLEGG** (Moggill—LNP) (11.41 am): We should look back at the origins of why a Building Boost was instituted in Queensland in the first instance. It was a measure that the government implemented to run up until the appropriate date on which the state election was expected to placate people about the amazing decision the government had made to remove the stamp duty concession on the family home. Perhaps then it is not surprising that, given the election will be a little later than many people thought, here we are extending that date. But the real issue here is that the removal of the stamp duty concession on the family home goes on forever. The Building Boost not only does not apply to any existing home that a family may be buying in Queensland but of course will be gone very, very soon.

We heard a lot of nonsense from the government this morning about Labor's commitment to justice and fairness. You can get the Queensland Building Boost to buy your next beachfront holiday home. You can get it to buy your next investment property. You can get it if you are not a Queenslander at all and you are sitting back in Martin Place in Sydney or Collins Street in Melbourne. But if you are a Queensland family buying an existing home—which is the vast majority of purchasers of the family home—you have to pay full stamp duty as though you were an investor, as though you were an interstate person.

Government members interjected.

Mr DEPUTY SPEAKER (Mr Elmes): Order! Those on my right.

Dr FLEGG: The LNP happen to believe that people who buy their own home to provide a home for their family deserve some sort of recognition—certainly more recognition than what we would give to a wealthy interstate investor buying a beachfront pad to spend two weeks there at Christmas.

The fact that the government and the Treasurer had absolutely no idea how many people would take up this allowance—or how many people would not take it up, more to the point—or the red tape that they would have to go through in order to get it speaks volumes about their incredible lack of understanding about what is happening in the real world in property here in Queensland. It is a very difficult place out there in building and construction. It is a very difficult place for Queenslanders who want to buy their own home.

As we saw yesterday in discussing water utilities, again we have a government that is throwing around \$140 million of taxpayers' money but does not seem to have any idea about what effect it will have. There is not one member on the other side, including the Treasurer, who can get up and tell us how many new properties were built as a result of this \$140 million of taxpayers' money as opposed to stock that just happened to be sitting around because of the state of the market. It is only if we generated any additional building that we have created even one extra job as a result of this vast amount of money. There is no business case. There is no way of saying whether Queensland taxpayers benefited or whether any jobs were created or whether any Queensland small businesses in the building industry got more work than they would otherwise get. In fact, there is no evidence at all.

I stood in this place on 27 October 2011 and said that this measure would be ineffective. I think the fact that we are having this debate today and that the Treasurer has not even been able to give away his money indicates that it has been ineffective. In fact his slug on the purchase of the family home in

Queensland has done more damage to property sales in this state than what any short-term allowance to buy new property could ever do to boost them.

Mr Rickuss: Bruce, flood victims haven't been able to get it either.

Dr FLEGG: I take that interjection from the member for Lockyer, that some flood victims have been caught up in the red tape of trying to get this money for the restoration of their homes.

I read a comment in the media from the Treasurer that he has had to spend \$1.6 million of this money to advertise for people to come and get it—\$1.6 million to advertise that he is giving away free money. It really has been an exercise that again demonstrates the incompetence of this government to understand the economy of this state or how to deal with it.

We heard a lot said this morning in parliament about corporations and that ordinary Queenslanders do not use corporations. So I went online and I entered the eligibility tester for the Building Boost. I put myself down as an interstate corporation and I got a response back saying, 'Yes, you may be eligible for the Building Boost. Please apply.' So there is nothing for Queensland homeowners buying their own home, but interstate corporations can pick it up.

There is one thing that I can only speculate about but do so with considerable confidence because we have seen it before and we will see it again after the election—and that is, the effect of short-term payments of this nature bring forward activity that would have occurred anyway and after the payments finish the activity drops off because the activity had been brought forward. We saw it with the first home buyers grant. We saw it in a massive way in this country with the GST. There was a rush of activity for homes prior to the date of the introduction of the GST and then it fell off a cliff into an abyss immediately after that.

Queenslanders who are in the building industry and the like will not see a drop off in activity before the election but they can be guaranteed that the bulk, if not all, of any extra activity created by this short-term measure that has pulled forward investment will be lost after the withdrawal date. In fact, the member for Ipswich West gave us the figures for the various months that this has been in effect, showing an exponential increase in the draw-forward of activity as we head towards the Treasurer's cut-off date. That goes to support the idea that the withdrawal effect of this measure is going to be very, very severe.

I heard some interjections from the other side asking why we are not opposing this measure. Obviously the LNP by opposing this measure would not restore the concession to Queenslanders buying their own home. At least there may be a small number of Queenslanders who are buying their own home, albeit required to be a brand-new home, who might be able to counteract some of the impost of this government's tax. However, we should be under no illusion that construction jobs in this state are under very serious pressure, and much of that has been the result of very poor policy on the part of the government. This measure has done little or nothing to improve that situation. It has certainly been a huge inequity for homebuyers in Queensland and its effects will be greatest felt after the cut-off date. Who is going to sign a contract the day after it cuts off who could have got that payment the day before? A lot of the activity and the numbers that those opposite want to crow about are simply aberrations of the date.

Once again, I reiterate that any money which assists homebuyers is not going to be opposed by the LNP, but this is a measure that has shown in itself to be ineffective and whose greatest adverse effect will be seen the day after it stops being paid.