



Speech by


**Michael Crandon**

**MEMBER FOR COOMERA**

Hansard Thursday, 16 February 2012

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## **BUILDING BOOST GRANT AMENDMENT BILL**

 **Mr CRANDON** (Coomera—LNP) (12.13 pm): I rise to make a contribution to the Building Boost Grant Amendment Bill 2012. On 13 January 2012 the midyear fiscal and economic review was released which announced that the eligibility period for the Building Boost grant was to be extended by three months. The Building Boost Grant Amendment Bill 2012 gives effect to that announcement. The bill was referred to the Finance and Administration Committee, of which I am a proud member, for consideration at our final meeting for this sitting of parliament. In reviewing the bill we noted that the total applications to 10 February was 5,481, of which 3,511 have been approved. The bill has retrospective effect to 1 February 2012 to cover the period of the administration arrangements. This will provide the legislative authority for the payment of grants on and from 1 February 2012 for eligible transactions having a commencement date on or after 1 February 2012 and, most importantly, to ensure that the scheme can be properly administered in relation to rights and obligations arising prior to royal assent.

The obligations side of the equation is probably the most important aspect of that, because, if anyone is found to be wrongly claiming the grant—putting in false applications and so forth—without the bill being passed and the legislation being in place, it would be extremely difficult for the government to recover those funds and also of course impose the penalties for that—that is, up to \$10,000 in themselves. So the refund of the \$10,000 grant plus penalties of up to \$10,000 can be imposed and it would be virtually impossible to recover that money if the bill was not put in place. That is why the Liberal National Party—the opposition—is supporting the bill, because we understand that it is proceeding. It has already started. It started on 1 February and we must protect the veracity of the scheme to ensure that, if we need to, we can prosecute and claw back those funds. As evidenced by the above figures, the \$10,000 grant has had limited uptake. I truly wish it was an outstanding success. I really do wish that it was an absolutely outstanding success because, if it were, then tradespeople and other building workers in my electorate suffering one of the highest unemployment rates in the state would have more work, and that is the bottom line. That is what it is all about. That is what this was intended to do—to increase employment opportunities for people but, sadly, it just has not done that.

Some \$140 million equals 14,000 grants. At the end of the initial three-month period there were around 5,000 applications, only 36 per cent of the targeted figure. On 10 February there were less than 5,500 applications and only 3,500 had been approved. Just as an aside, the member for Ipswich West in his contribution—and of course the member for Ipswich West is the chair of the committee—made some comments about the numbers. He said words to the effect that in slightly less than two weeks in early January 1,500 applications were received. I need to correct the record. The actual number was 507 applications in that time—not the 1,500 that the member for Ipswich West commented on, and those figures are in the report. My generous estimate is that around 8,700 applications will be received over the balance of the term. I have looked at the exponential growth of the number of applications coming through the system, bearing in mind that individuals will have a cut-off point or a cut-off date to make claim for their Building Boost grant towards the end. I have actually increased the number. I think the number at the moment is that around about—up to 10 February—28 a day are being received, including Saturdays and Sundays. I have actually increased that to 40 a day and projected that forward for the 80 days from 10 February and have come up with a figure of applications to be received of around 8,700.

I am assuming that not all of those applications will be accepted. I am assuming that perhaps a couple of hundred of them will drop away or, for one or reason another, will not qualify in some way, shape or form. Therefore, I project 8,500 receiving final approval. What does 8,500 mean as opposed to the 14,000? That is around 61 per cent of the targeted amount. Somewhere around \$85 million of the \$140 million budgeted will be paid out. After an extension of three months where we are only going to achieve something like 61 per cent of the original figure that was expected to be achieved in the first three months of \$140 million, does anyone seriously believe that the Building Boost grant program has truly succeeded?

The majority of those projects would have happened anyway. We know there would have been a natural increase in 2012 of new homes, the purchase of homes and so forth and we know that this Building Boost grant has simply added an additional number to that—bringing people's purchase decision forward. The Building Boost certainly has not been responsible for all of those houses that are coming on stream. The government is spending the bulk of this \$85 million for no real benefit to the revitalisation of the industry. There are better ways of investing in our building industry, but this tired old Labor government just cannot get anything right.

When debating such issues as the Building Boost grant it is important to compare and contrast other alternatives to those put forward in such a proposal. If the LNP wins government at the next election it will roll back the stamp duty impost that this government foisted on Queenslanders at the same time as this Building Boost grant was brought in. An average of \$7,000 was foisted on Queenslanders when they purchased a family home. For all intents and purposes, it is a brand-new tax. That \$7,000 on the family home minimises the benefit of this \$10,000. It cuts it back to basically a \$3,000 increase. In contrast to Labor's short-term Building Boost fizzer, the LNP has a real plan to get the property and construction industry back on track.

Recently, the LNP released its property and construction strategy as part of its plan to grow a four-pillar economy. While Labor has given up on jobs, the LNP has set a target of reducing unemployment in Queensland to four per cent in six years. I reiterate: this is a building boost grant that is all about increasing employment opportunities, particularly for my constituents in an area where there is a very high unemployment rate in the building industry. The LNP's property and construction strategy recognises the importance of the property and construction sector in the state's economy and the fundamental role it plays in creating our built environment, providing jobs, investment and growth opportunities across Queensland. That is a building boost.

Our plan delivers leadership from government through the establishment of a cabinet committee, chaired by the Queensland Treasurer, focusing on property and construction. It appoints a dedicated 'go to' person for property and construction issues, provides a proper recognition of the importance of the property and construction industry as a key driver of Queensland's economy and places a greater focus on making Queensland a natural home for the property and construction industry. Once again, that is a building boost, as opposed to the Building Boost grant scheme that has been imposed on Queenslanders by this government. Our plan will improve job, career and investment opportunities in the property and construction industry and provide a clearer and more efficient planning system, reduced taxes and less regulation. The LNP's four-pillar plan will create a strong economy and will work to properly meet the vocational, leisure and housing demands of a growing population.

**Mr DEPUTY SPEAKER** (Mr O'Brien): Order! Member for Coomera, I have given you a good go. You will have five weeks to spruik this, but right now you can come back to the provisions of the bill before the House, which are quite narrow.

**Mr CRANDON:** Mr Deputy Speaker, thank you for your direction. The focus on affordable housing for Queensland families is what this issue is all about. Sadly, the Building Boost grant does not seem to quite get there. We have heard from the member for Cairns, who quoted written comments from various organisations about their support for the Building Boost grant scheme. I must say that I was in the same room as the member for Cairns. I am on the committee. I was in that room. I heard what was said by the various people—by the people from HIA Queensland. I heard the comments of various other witnesses and I have to say that the message that I received very clearly was that there was little happening as a result of this Building Boost grant scheme. Yes, they wanted to come on board. Yes, they were on board from the perspective that they wanted and needed something. They were clutching at anything they could clutch to get an increase in the building industry. They are literally on their knees.

The Executive Director of HIA Queensland, Warwick Temby, has said in relation to our alternative strategies to this Building Boost grant—

The LNP gives welcome focus to the efficiency of Queensland's economically crucial building and construction industries.

So, on the one hand, we have the member for Cairns reading from a letter signed jointly by these fellows saying, 'Yes, we need, we need, we need.' On the other hand, we are not in government and yet

Warwick Temby, the Executive Director of HIA Queensland, makes it very clear that he is welcoming our strategy, which I talked about a little earlier. He went on to say—

We particularly appreciate the acknowledgement of housing affordability as a critical issue and of the important role our industry plays in delivering economic growth and jobs in Queensland.

Matthew Wallace, the President of UDIA Queensland said—

UDIA (Queensland) in particular welcomes the LNP's promise to reinstate the stamp duty discount on the family home.

I discussed that matter a little earlier. At the same time, in the same announcements by the Treasurer when the Building Boost grant was brought in, the Treasurer wiped out that stamp duty concession. Kathy MacDermott, the Queensland Executive Director of the Property Council of Australia, who I believe was one of the signatories of the letter that the member for Cairns preferred on us today, said—

The Property Council of Australia welcomes the LNP's recognition of the importance of the property sector in driving Queensland's economy.

Paul Bell, President of the Local Government Association of Queensland, has stated—

The Local Government Association of Queensland has welcomed confirmation that an LNP government in Queensland would hand back to local councils the power to determine local planning decisions.

It is time for a change.

**Mr DEPUTY SPEAKER:** Order! There is clearly nothing in this bill about local councils and planning. The provisions of the bill are quite narrow. I warn the member for the second time to come back to the provisions of the bill and I also warn him about tedious repetition.

**Mr CRANDON:** Mr Deputy Speaker, thank you for your direction. It is time for Queensland to get back on track. I thank the committee's support and research staff for their efforts throughout this parliament as well as for the work they did to put together a report on this bill—the extra hours that they put in to make sure that we were ready to bring this important bill to the House so that it could be debated, so that it could make law, and so that the administrative arrangements are in place. Yes, our committee has recommended the passing of the legislation to make good the necessary legislative requirements.

One final thought comes to mind. We could perhaps rename the bill 'Fraser's Folly Amendment Bill 2012' in recognition of not only the failure of the Building Boost in the original three months of its life but also, as I said earlier, the expected failure over its second three months as well.