

SECOND READING SPEECH – HON. PETER GUTWEIN MP

First Home Owner Grant Amendment Bill 2015

Madam Speaker

In the Budget later this week, funding will be provided for an extension of the First Home Builder Boost of \$20 000 for a further six months. Extension of the Boost is expected to support ongoing demand for new homes by first home buyers and allow a slower taper of the current surge in residential building activity.

Demand for the \$30 000 First Home Builder Boost in particular has been high with the building industry advising of continued first home buyer demand.

The Boosts are continuing to have an effect in bringing forward first home buyer building activity and contributing to an increase in the supply of new housing. As an indicator, building approvals were up 32.8 per cent for the year ending March 2015 compared to the year ending March 2014. Over this same period, first home builders have accounted for approximately 44 per cent of this residential building activity compared to the long run average of around 13 per cent.

With historically low interest rates and increased business and consumer confidence influencing first home buyers to buy or build a new home, there is no better time for Tasmanians to be investing in housing.

Madam Speaker, this Bill will amend the *First Home Owner Grant Act 2000* to extend the availability of the \$20 000 grant to first home builders for a further six months, which will now cease from 1 January 2016.

From this date, the First Home Builder grant will then continue at \$10 000 ongoing. Building activity and job creation will continue to be supported and Tasmania will be able to retain its skilled workforce.

Madam Speaker,

This Government recognises the importance of Tasmania's building and construction industry with over \$2 billion of building and construction work done in Tasmania in 2013-14, employing around 17 500 Tasmanians. We support measures to attract and retain skilled tradespeople in

Tasmania, which is why we supported (and have extended) the first Home Builder Boost to encourage first home buyers to build or purchase a newly constructed home.

This further extension of the first home builder boost will assist Tasmania's building and construction industry and help to continue to create jobs and grow our economy.

I commend this Bill to the House and move that the Bill be read a second time.