

## DRAFT SECOND READING SPEECH

HON MICHAEL FERGUSON MP

*HOMEBUILDER GRANT BILL 2020*

*\*check Hansard for delivery\**

Madam Speaker,

COVID-19 has been the biggest health, economic and societal shock to hit our state in a century. It has challenged all of us in ways previously unimagined, and forced action, which has curbed our freedoms and driven thousands of Tasmanians into unemployment.

Tasmania's coronavirus challenge came at the same time our economy was leading the nation, across a raft of key economic performance indicators.

This means Tasmania's core economic foundations – including our balance sheet, at the time our borders went up, and our jobs went down, was in a solid position.

We now face the second and arguably tougher phase of this fight – to reboot our economy, while avoiding a deadly second wave of the virus.

The way that our broader economy operates and how our society interacts with it, will be considerably different to the recent past, and there will be challenges ahead.

Measures to manage the virus will mean business will need to find new ways to do old things, to stay profitable and employ their fellow Tasmanians in a COVID-Safe environment, and we will work closely with them to achieve that.

It's no longer about shutting down and saving lives it's about opening up our economy and rebuilding livelihoods.

The Tasmanian Liberal Government is set to reboot the economy with a record construction blitz over two years, underpinning around 15,000 jobs.

The package will build on the Government's current infrastructure package of \$1.8 billion over the next two years, and in total will support an estimated construction value of \$3.1 billion across the next two years.

It brings forward government expenditure, it will stimulate investment in the private sector, it will strengthen and underpin the economy and it will create thousands of jobs.

The best way to get our budget back on track and grow business confidence and create jobs is to grow the economy, and that is what we are doing.

The program of works will build next-generation infrastructure, improve the opportunity for more Tasmanians to become a home owner and provide houses for more Tasmanians, it will get our economy back on track, fuel the supply chain across the state and create jobs.

The centrepiece of the package delivers 2300 new dwellings, including social and affordable houses across the state.

With this package there's no better place in the country right now to build a house with our state funding of \$20,000 for any owner occupier to build a house.

Combined with the Federal Government's injection of \$25,000 it means there's a massive \$45,000 available.

Together these grants will assist the residential construction market in Tasmania by encouraging the commencement of new home builds and renovations this year, stimulating investment in the private sector, strengthening the economy and creating jobs.

Madam Speaker

The Australian Government's \$25 000 HomeBuilder Grant is to be administered by the states and territories under a National Partnership Agreement and the HomeBuilder Grants Bill 2020 provides legislative authority for both of these grants to be provided in Tasmania.

The Australian Government's HomeBuilder Grant will provide \$25 000 to eligible persons to build a new home or substantially renovate an existing home, where the relevant contract is signed between 4 June 2020 and 31 December 2020.

To be eligible for the Australian Government's HomeBuilder grant, owner-occupiers must be a natural person, aged 18 years or older and be an Australian citizen.

Applicants must also meet one of two income caps and enter into the eligible contract for a new home as a principal place of residence, where the property value does not exceed \$750 000, or substantially renovate their existing home as a principal place of residence, where the renovation contract is between \$150 000 and \$750 000, and where the value of the existing property does not exceed \$1.5 million.

Naturally, any new homes commenced prior to 4 June 2020 will not meet the criteria for the grant. However, if a builder had commenced a new home without a contract for purchase (also known as a "spec home") on or after 4 June 2020 it will be covered provided a contract for sale has been entered into during the same date range of 4 June to 31 December 2020.

Owner builders and those persons seeking to build a new home or renovate an existing home as an investment property will be ineligible for the HomeBuilder Grant.

Madam Speaker,

Applications for the HomeBuilder Grant will be backdated to 4 June 2020 and construction must commence no later than three months after the contract is entered into.

The Commissioner of State Revenue will have discretion to extend the three month commencement deadline by up to a further three months where commencement is delayed due to unforeseen factors.

Building works must be undertaken by registered builders and the building contract must be negotiated at arm's length.

If undertaking renovations, the works must be to improve the accessibility, safety and liveability of the dwelling. It cannot be for additions to the property such as swimming pools, tennis courts, outdoor spas and saunas, sheds or garages (unconnected to the dwelling).

Madam Speaker,

The Tasmanian HomeBuilder Grant will provide an additional \$20 000 to eligible persons that build a new home.

The eligibility criteria for the Tasmanian HomeBuilder Grant closely mirrors the eligibility criteria for the HomeBuilder Grant to make it seamless for applicants to be eligible for both grants.

However, the Tasmanian grant will not apply to home renovations and construction is required to be completed within 18 months of commencing building.

While applicants may be eligible for both grants, applicants can only receive each grant once and each grant will only be available once per eligible transaction.

Both grants are subject to standard administrative provisions that closely align with the administrative provisions of the First Home Owner Grant.

Madam Speaker,

The grants provided for in this Bill alongside the Tasmanian Government's long-standing \$20 000 First Home Owner Grant will play an important role in stimulating activity in the residential

construction industry as the State recovers from the economic impacts of the COVID-19 pandemic.

As we have long said, the best way to get our budget back on track, grow business confidence and create jobs is to grow the economy, and that is exactly what we are doing.

With both Commonwealth and State grant programs, it means Tasmanians can potentially access up to \$45,000 for their new build, making it one of the best places in Australia to build a home.

These grants will assist the residential construction market by encouraging the commencement of new home builds and renovations this year. Aside from additional housing outcomes, this policy is protecting and creating jobs as we rebuild Tasmania's economy.

In the short time since this scheme was announced, almost 500 Tasmanians have already expressed interest in the State's HomeBuilder Grant and we are keen to see these people get on with their build, create employment, support Tasmanian families and move into their new homes.

I commend this Bill to the House.