

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates – 25–26 February 2009

Question: aet 47

Topic: First Home Owner Grant – Timeframe for New Dwellings

Hansard Page: E63 (25 February 2009)

Senator PAYNE asked:

Senator PAYNE—Feedback is being received that that 26-week time frame is not that easy to achieve, and that is often because of expensive and complex approval processes, preconstruction processes—some might even call it local government red tape—and other things. I think there are concerns in the construction industry that that is a difficult requirement to meet and there are concerns from consumers that it could jeopardise eligibility for the First Home Owner Grant boost. Are you aware of whether the government has contemplated addressing those concerns?

Mr Ray—No, I am not aware that we have received representations to that effect, but again I am happy to have a look.

Senator PAYNE—Thank you; that would be helpful.

Answer:

The government has received a number of representations regarding the length of time allowed for building of new homes under the First Home Owners Boost.

A key objective of the First Home Owners Boost is to provide short-term stimulus to the housing markets. The time limits on commencement and completion of new homes support this objective.

The time frame for building allows first home buyers a reasonable time period to construct a new dwelling.

The States and Territories have the discretion to extend the deadlines for the construction of new houses in exceptional circumstances.