

2 October 2018

Hon Jackie Trad MP
Deputy Premier, Treasurer and
Minister for Aboriginal and Torres Strait Islander Partnerships

Email: treasurer@ministerial.qld.gov.au

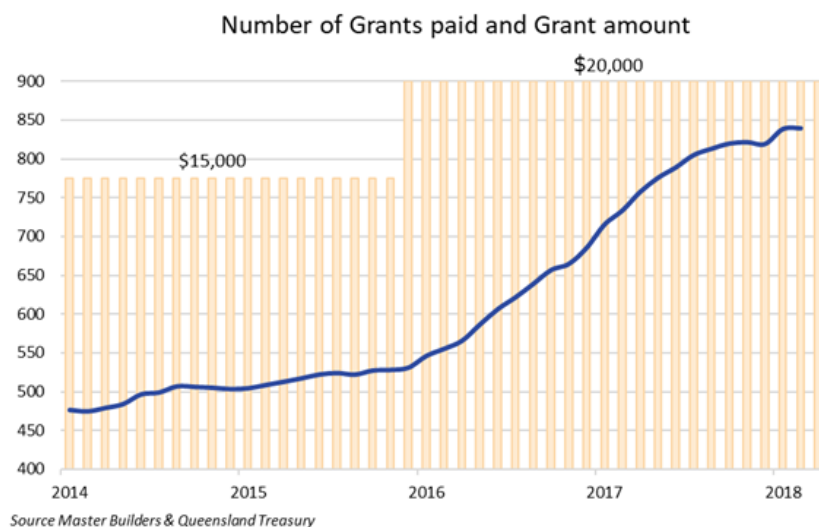
Dear Treasurer,

Regional Boost to the First Home Owners Grant

I am writing on behalf of Master Builders' members and Queensland's building and construction industry. We seek your support to bring back the boost to the First Home Owners Grant for regional Queensland.

The industry greatly appreciated the Queensland Government's \$5,000 boost to the First Home Owners Grant, which was in place from July 2016 to June 2018. The boost increased the grant from \$15,000 to \$20,000 and was critical in supporting demand for new housing.

During the two years the boost was offered, there was a 48 per cent increase in the number of grants paid, compared with the two years before the boost. That is an extra 6,000 first home owners helped into a new home; and an extra 6,000 new builds that created additional jobs which had a flow-on effect to regional economies.



HEAD OFFICE

417 Wickham Tce, Brisbane Qld 4000

T (07) 3225 6444

F (07) 3225 6545

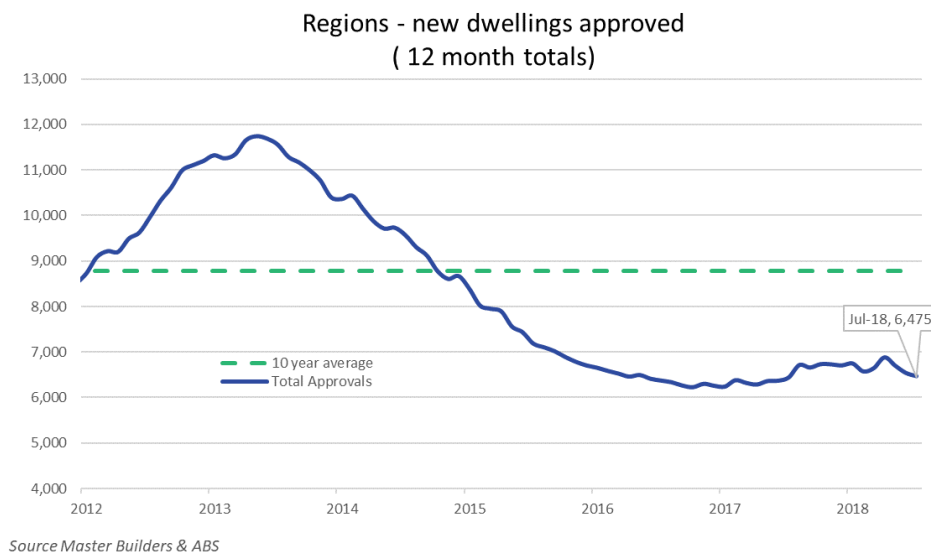
mbqld.com.au

Members from across the state have told us how important the boost was to their businesses, particularly in regional Queensland. In Mackay for example, where a typical house and land package costs \$300,000, the \$20,000 grant made a significant impact. And the \$5,000 boost, in many cases, made the difference to getting finance.

The data confirms that the grant is more important in the regions than South East Queensland: 25 per cent of the grants paid to first home buyers are in the regions, whilst only 15 per cent of new dwellings are in the regions.

For many regional builders, first home buyers are their biggest market. And it is these areas that continue to struggle with weak demand for new construction.


Demand for new housing across Queensland has been waning. The total value of residential work was down eight per cent in 2017-18 on the previous financial year. The brunt of the weak demand (reflected in building approvals for new dwellings) is being borne by regional Queensland. There has been no meaningful recovery since the highs of 2013. Recent increase in demand in some of the regions has been off a very low base.



South East Queensland is faring better. While there have been falls, building approvals for new dwellings continue at a historic high when compared with the 10-year average.

A regional boost would be an investment in regional jobs and local businesses. It would cost approximately \$13 million per annum, creating approximately 116 new jobs each year across regional Queensland. It would also serve as a lifeline for many regional small businesses.

There is historical precedent for a regional boost under the Bligh Government in 2010 with the *Revenue Legislation Amendment Act 2010*.



Master Builders is urging you to bring back the \$5,000 boost to the First Home Owners' Grant for regional Queensland. This would help more Queenslanders get into their first home as well as providing a much needed 'shot in the arm' for regional businesses which have been doing it tough for a long time.

I look forward to your response. Please do not hesitate to contact me if I can provide any further information.

Yours sincerely,

Grant Galvin

CEO

cc. Hon Mick de Brenni
Minister for Housing and Public Works