



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON THE COVID-19 PANDEMIC RESPONSE

Mr Alistair Coe MLA (Chair), Ms Tara Cheyne MLA (Deputy Chair), Mrs Vicki Dunne MLA,
Mr Michael Pettersson MLA, Ms Caroline Le Couteur MLA

ANSWER TO QUESTION TAKEN ON NOTICE DURING PUBLIC HEARINGS

Asked by VICKI DUNNE MLA on 3 July 2020: ANDREW BARR MLA took on notice the following question(s):

Ref: Hansard Transcript 3 July 2020 PAGE P437

In relation to:

MRS DUNNE: Could I go back to the HomeBuilder scheme. I am not sure if the Chief Minister can answer this, or Mr Salisbury or Mr Nicol. The rough parameters are a \$25,000 grant for contracted work, up to the value of \$750,000 for new work. How many house and land packages et cetera are there available in the ACT that would meet the criteria of work up to \$750,000?

Mr Barr: A considerable number, but I would have to take on notice—

MRS DUNNE: Where would we source some sort of house and land package that would come in under \$750,000?

Mr Barr: In terms of new land?

MRS DUNNE: Well, yes, new land.

Mr Barr: In Gungahlin, in the suburbs that are currently for sale; in west Belconnen, in the suburbs that are current for sale, and there would be potential for the Molonglo Valley, most likely in Whitlam. There may be some blocks in the privately developed Denman Prospect estate that could fit within that threshold.

MRS DUNNE: Could you come back to the committee with some more definitive information on that?

Mr Barr: Yes, certainly.

MRS DUNNE: It just seems that, given the land price in the ACT, it may be difficult. Does this also cover unit developments, where people would be buying off the plan, as well?

Mr Barr: I think there is a question of clarification that we need to seek from the commonwealth. It is their scheme. They have designed it, so they have picked a one-size-fits-all number for the nation, which is one of the difficulties with the way that they have designed the scheme. It does not work particularly well in Sydney or Melbourne, either. All state and territory treasurers have expressed their great dissatisfaction with the way this was announced with no detail.

They are national partnerships that needed a lot of work in terms of the fine detail, and they were not circulated for weeks after the public announcement. So it is a classic

example—and I said this in the treasurers' meeting this morning—of how not to do a national partnership. Ironically, one of the things that we are discussing at a national cabinet level is having fewer of these highly guided processes where the commonwealth seeks to impose upon states and territories a one-size-fits-all approach.

We want fewer national partnership agreements, yet ironically in the months since we have been discussing the need to have fewer national partnerships we have added two more. In relation to off the plan, it has been raised with us. We are working through with the commonwealth how that will work. What you have highlighted is another problem with the way this scheme has been rolled out. But I want to assure you, Mrs Dunne, that, even though I disagree with how the scheme has been designed and the process through which we have got to that—and I even disagree with elements of the targeting of the scheme—we have, nonetheless, signed the national partnership and we will endeavour to implement this. Most of our challenges relate to the commonwealth because it has imposed all of these rules that do not necessarily work for us, as they do not for many other states or territories, or they just have not thought about these issues.

MRS DUNNE: Okay. Could you outline the rules that do not work for the ACT?

Mr Barr: Yes. I am happy to provide quite a detailed list of those but, in essence, the assumptions that the commonwealth had in relation to this scheme related to its ability to be delivered by state and territory revenue offices against a delivery mechanism that was associated with home owner grants, as opposed to the way we do things in the ACT, which is zero stamp duty. So we have had a difficulty in that regard. There have also been assumptions in relation to IT and other systems that would be in place to undertake compliance and monitoring. That is another fundamental challenge. So we are going to have to do this manually.

Then it relates to the criteria that they have set around the value of the grant, the types of projects, the minimum spends and the income thresholds, all of which are the same no matter where you are in the nation. In some parts of Australia it makes it very difficult—it narrows who is eligible. In others it narrows it even further because the people just do not have that capacity. They do not have \$150,000 to put into the program to qualify for the \$25,000 grant. I will ask Mr Nicol and Mr Salisbury to go through some of the other negotiation points that we have had with the commonwealth in recent weeks. And I will remember to turn off my mic so that you do not get feedback.

ANDREW BARR MLA: The answer to the Member's question is as follows:—

The Suburban Land Agency (SLA) has considered how many of the of blocks that it has available for sale now could be suitable for this grant. The SLA advises that it is unlikely that HomeBuilder will be accessed by those purchasing blocks valued at over \$420,000, with the scheme most likely to benefit purchasers of blocks at or below \$400,000.

This estimate is based on a \$330,000 home build cost, bringing the total home and land costs within the \$750,000 total property value cap for HomeBuilder. The home build cost reflects what could be reasonably built on the blocks available within the price threshold that are likely to be purchased to access the \$25,000 grant

As at 7 July 2020, up to 159 of the SLA's 368 available single dwelling block inventory could be suitable for the HomeBuilder. Data is not readily available on the price and number of blocks available through private developments.

Approved for circulation to the Select Committee on the COVID-19 pandemic response

Signature: 

Date: 20.7.20

By the Treasurer, Andrew Barr MLA