

FIRST HOME OWNERS SCHEME - GOODS AND SERVICES TAX

202. Mr RIPPER to the minister assisting the Treasurer:

- (1) Is the minister aware of cases of building companies making first homebuyers, who signed contracts last year but whose homes were not completed by 30 June 2000, liable for payment of the goods and services tax on the incomplete portion of their houses?
- (2) Is the minister aware that this situation is leaving some families with mortgages they cannot pay for houses they can never hope to occupy?
- (3) Does the minister agree that in many cases these homebuyers have been misled by building companies about the expected date of completion of their houses?
- (4) Will the minister take action to give these homebuyers full or partial access to the first homebuyers grant?
- (5) If not, why not?

Mr KIERATH replied:

- (1)-(5) Before the legislation for the first home owners scheme was introduced into this House, the Minister for Housing and I issued warnings about people entering into binding contracts before 1 July of this year. I made a statement and answered questions in this House, and issued press releases. We used the trade organisations to get the message across. We were aware then that some unscrupulous people were trying to sign people up for contracts before 1 July of this year. I will give the member the exact figures but, off the top of my head, I think between 40 and 50 of the people who applied for first home owner scheme grants are ineligible because they entered into some form of contract prior to 1 July. When I introduced the legislation to this House, I said that at the state level we had some sympathy with those people and wanted to help them through that difficult period but that conditions were imposed on us by the Federal Government as part of the intergovernmental agreement. On that basis we are bound to certain criteria, no matter what we want to do. Somebody said that the Labor Government in New South Wales was supposedly helping out people. I have checked that and found it to be completely false.