

Pages 1 through 52 redacted for the following reasons:

Sch.3(2)(1)(a)&(b) - Cabinet Matter
Sch.3(2)(1)(b) - Cabinet Matter
Sch.3(6)(c)(i) - Parliamentary Privilege

RTI RELEASE

Lewis Holmes

RECEIVED
20 MAR 2017
OFFICE OF THE TREASURER

From: Jess Grant [REDACTED]
Sent: Wednesday, 29 March 2017 9:53 AM
To: Treasurer's Office
Cc: Martin Zaltron
Subject: Correspondence from UDIA Qld re Great Start Grant
Attachments: 1423_001.pdf

Categories: Blue Category, Office Work

Good morning Treasurer

Please find attached correspondence from UDIA Qld regarding the Great Start Grant. The hard copy will also follow in the post.

Kind regards,
Jess

Jess Grant
Corporate Services Manager

Urban Development Institute of Australia (Qld)

Level 12, 120 Edward Street, Brisbane QLD 4000
GPO Box 2279 Brisbane QLD 4001

P: 07 3233 2719 | E: [REDACTED]

W: udiaqld.com.au | envirodevelopment.com.au

[Facebook](#) | [Twitter](#) | [LinkedIn](#) | [Instagram](#)



SIGNATURE EVENTS

2017 UDIA Qld International Tour of Excellence - 6 October

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RTI RELEASE



28 March 2017

The Honourable Curtis Pitt MP
Treasurer
Level 9, Executive Building
100 George Street
Brisbane QLD 4000

GPO Box 2279
Brisbane QLD 4001
Level 17, 141 Queen Street
Brisbane QLD 4000

T: 07 3229 1589
F: 07 3229 7857
E: udia@qld.com.au

www.udiaqld.com.au

ACN 010 007 084
ABN 82 885 108 968

BY POST / EMAIL - Treasurer@ministerial.qld.gov.au

Dear Treasurer

I refer to the 2016-17 State Budget and specifically the commitment in your letter of 1 July to additional funding of \$40 million over two years to temporarily increase the Great Start Grant from \$15,000 to \$20,000 for newly built homes to assist Queenslanders to achieve their aspirations of home ownership and stimulate new investment in residential housing.

It is the UDIA Qld's understanding that the Great Start Grant is a temporary boost and the removal of the increase may be imminent.

I write to seek an extension to the \$5,000 boost to maintain the existing momentum of new housing investment that is an essential driver of our economy and helps to create jobs in our building and associated industries.

UDIA Qld provides the following reasons for retention of the grant:

- First homebuyers are currently at strong levels in the marketplace (near 2,000 buyers per month purchasing new and established homes as owner occupiers) representing a success for the government and more importantly for these Queensland households. It would be undesirable to undermine this achievement for the community.
- The removal of the grant at this time risks triggering a rapid drop in housing construction activity across the State including regional locations. Activity in the housing supply industry is presently declining with dwelling approvals in Queensland down 38% in the year to January 2017 and private sector house approvals down 7.9% (seasonally adjusted). UDIA Qld is concerned that the removal of the boost could exacerbate this decline, with flow-on impacts to affect employment and business stability.
- The six regional branches of UDIA Qld outside of South East Queensland namely Cairns, Townsville, Mackay/Whitsunday, Central Queensland, Bundaberg and Fraser Coast report that dwelling approvals and construction employment are well below long term levels, and the boost to the grant is very important to supporting and encouraging home building activity and retaining regional

residents. UDIA Qld believes that the removal of the boost at this time will compound the difficult economic and employment circumstances in regional areas.

- With the level of home prices having increased by more than 50% over the 10 years to September 2016 (ABS Residential Property Index - Brisbane) the relative value of the existing first home buyer grant has decreased and the boost, in part, addresses this disparity.

UDIA Qld acknowledges the Government's commitment to job creation and understands that the development industry has an important role to play in delivering on this commitment. UDIA Qld's key objective of creating better communities that includes expanded home ownership and contributive economic activity from the property development sector are consistent with the Government's commitment. UDIA Qld believes that an extension of the grant is critical to ensuring that the Government's commitments are met.

UDIA Qld also encourages further actions to enhance the ability of the industry to facilitate the Government's objectives including:

- Consider increasing the extent of transfer duty concession for first home buyers from \$505,000 to \$600,000 to match the rise in median house prices since it was put in place in 2012 and because further house price rises exponentially undermine the concession. This would better address the increased price of homes and remain competitive against the \$600,000 concession now available in Victoria.
- Make available statistics relating to the number of first home buyers taking up the grant for new housing to allow for better industry planning.
- Undertake an investigation of the transfer duty for owner occupiers to allow for home buyers to pay the duty on an annual basis rather than as a lump sum on purchase.

The UDIA Qld will shortly provide you with a number of recommendations for the 2017-18 State Budget for your consideration. We would welcome an opportunity to meet with you to discuss this letter. I can be contacted on 07 3229 1589.

Yours sincerely
Urban Development Institute of Australia (Queensland)

Contrary to public interest

Chief Executive



Treasurer
Minister for Trade and Investment

Our Ref: 01229-2017

1 William St Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone 07 3719 7200
Email treasurer@ministerial.qld.gov.au
Website www.treasury.qld.gov.au

ABN 90 856 020 239

27 APR 2017

Ms Marina Vit
Chief Executive
Urban Development Institute of Australia (Queensland)
GPO Box 2279
BRISBANE QLD 4001

Dear Ms Vit *MARINA*

Queensland First Home Owners Grant

Thank you for your letter of 28 March 2017 regarding the temporary increase of the Queensland First Home Owners Grant (QFHOG) from \$15,000 to \$20,000, announced in the 2016-17 Queensland Budget.

As you are aware, the 2016-17 Budget provided a temporary boost to support first home buyers and the construction of new housing. Since the boosted grant became available for contracts signed after 1 July 2016, it has assisted over 3,000 Queensland first home buyers purchase a new home.

Queensland is amongst the most generous of all states in assistance to first home buyers. The boosted \$20,000 grant for new homes is higher than or equal to, all other states.

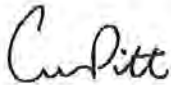
Transfer duty concessions also mean first home buyers in Queensland do not pay any duty for values up to \$500,000, and a reduced rate up to \$550,000 compared to other home buyers. These concessions are well-aligned with the Brisbane median house price of \$515,000 (ABS December 2016) and above the \$428,500 median house price for the rest of Queensland. The proposed duty relief for first home buyers in Victoria, which sets a threshold of \$600,000, should be considered in the context of the Melbourne median house price rising to \$675,000 in December 2016.

I note you have made other suggestions relating to this matter, such as making first home buyer grant statistics available for industry planning and the timing of payments for transfer duty. I look forward to receiving the UDIA Queensland submission for the 2017-18 Budget.

If you require further information your officers can contact Mr Jason Humphreys, Chief of Staff on (07) 3917 7200.

I trust this information is of assistance to you. I look forward to continuing to work productively with the UDIA Queensland in the future.

Yours sincerely



HON. CURTIS PITT MP
Treasurer
Minister for Trade and Investment

RTI RELEASE

Pages 59 through 122 redacted for the following reasons:

- Sch.3(2)(1)(b) - Cabinet Matter
- Sch.3(2)(1)(c) - Cabinet Matter
- Sch.3(6)(c)(i) - Parliamentary Privilege

RTI RELEASE

Pages 1 through 15 redacted for the following reasons:

Sch.3(2)(1)(c) - Cabinet Matter

RTI RELEASE

Our Ref: 00184-2016

Contrary to Public Interest

Dear Contrary to Public Int

Great Start Grant

I refer to your email of Contrary to Public 2015 to the Honourable Yvette D'Ath MP, Attorney-General and Minister for Justice and Minister for Training and Skills regarding the eligibility criteria for the Great Start Grant. As these matters fall within the portfolio responsibilities of the Honourable Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Sport your correspondence has been forwarded to this office for consideration. I have been asked to respond on the Treasurer's behalf.

I note your comments that the Great Start Grant should apply to established homes as younger people with young families would be more likely to buy older established houses on larger blocks of land.

The 2012-13 Queensland State Budget amended the former First Home Owners Grant (FHOG) scheme, renaming it the "Great Start Grant", increasing the grant amount from \$7,000 to \$15,000 and limiting it to first home buyers purchasing or building a new home. A value cap of \$750,000 applies to the home and, as such, to be eligible for the grant, the value of the home must be less than \$750,000. These changes resulted in first home buyers being assisted into the property market, increasing the supply of housing and providing support to Queensland's construction industry. Further, the Government is focused on jobs and job creation and understands the important contribution of the residential building sector in supporting employment.

Most state and territory governments have limited their first home buyer grants to new homes only, or have significantly reduced the grant available for established homes. While there are no plans to extend the Great Start Grant scheme to include established homes at this time, I thank you for bringing your concerns to the Government's attention.

Finally I note that while the availability of the Great Start Grant is now restricted to new homes, the transfer duty first home concession remains available to all first home owners, who purchase a home which they will occupy, regardless of whether the property is a new or

an existing home. Currently, for a first home, no transfer duty applies where the dutiable value is up to \$500,000 and a phasing-out rebate applies for values up to \$549,999.

I trust this information is of assistance.

Yours sincerely

Jason Humphreys
Chief of Staff

DRAFT



Office of the
Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport

Our Ref: 00184-2016

Level 9 Executive Building
100 George St Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone 07 3719 7200
Email treasurer@ministerial.qld.gov.au
Website www.treasury.qld.gov.au

04 FEB 2016

ABN 90 856 020 239

Contrary to Public Interest

Dear Contrary to Public Interest

Great Start Grant

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I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jason Humphreys', written over a faint, large watermark that says 'RTI RELEASE SE'.

Jason Humphreys
Chief of Staff

RTI RELEASE SE

For reply please quote: QT/EP – TF/16/4850 – 01461-2016

Contrary to Public Interest

Approved by

Director of ComroUnit

Chief of Staff

Thank you for your email of Contrary to Pu 2016 regarding stamp duty (now known as transfer duty), and the First Home Owners Grant (FHOG) (now known as the Great Start Grant). I have been requested to reply to you on behalf of the Premier.

I note your concerns about the effect of transfer duty on housing affordability for first home buyers. As you are aware, a first home transfer duty concession is available to first home buyers who purchase a home which they will occupy, whether it is a new or an established home. With the first home concession, no transfer duty is payable when the dutiable value of the home is up to \$500,000, and a phasing-out rebate applies for values up to \$549,999. First home buyers who purchase a home for more than \$550,000 qualify for a transfer duty home concession available to all Queenslanders, that provides a saving of up to \$7,175.

I further note your request that the \$7,000 FHOG be reinstated, given your concerns about buying a new home. The original FHOG of \$7,000, which applied to purchases of both established and new first homes, was introduced as a measure to compensate first home buyers for the expected increase in the cost of housing following the introduction of the Goods and Services Tax (GST) in 2000.

In recent years, the FHOG was subject to criticism including that it was no longer achieving its intended purpose of offsetting the impact of GST on new housing, it failed to make housing more accessible for low-income earners and pushed up the price of housing by increasing demand, without increasing supply. As a result, the 2012-13 Queensland State Budget amended the former FHOG scheme, renaming it the "Great Start Grant", increasing the grant amount from \$7,000 to \$15,000 and limiting it to first home buyers purchasing or building a new home. A value cap of \$749,999.99 applies to the home.

These changes resulted in first home buyers being assisted into the property market, increasing the supply of housing and providing support to Queensland's construction industry. I note most state and territory governments have limited their first home buyer grants to new homes only, or have significantly reduced the grant available for established homes.

While there are no plans to extend the Great Start Grant scheme to include established homes at this time, I thank you for bringing your concerns to the Government's attention.

Again, thank you for taking the time to write to the Premier and I hope this information is of assistance to you.

Yours sincerely

MARK BIDDULPH
DEPUTY CHIEF OF STAFF
PARLIAMENT AND POLICY

RTI RELEASE

Pages 22 through 63 redacted for the following reasons:

Sch.3(2)(1)(c) - Cabinet Matter

RTI RELEASE



Office of the
Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport

Our Ref: 01703-2016

30 MAY 2015

Level 9 Executive Building
100 George St Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone 07 3719 7200
Email treasurer@ministerial.qld.gov.au
Website www.treasury.qld.gov.au

ABN 90 856 020 239

Contrary to Public Interest

Dear Contrary to Public

First Home Owner Grant

I refer to your email of Contrary 2016 to the Honourable Jackie Trad MP, Deputy Premier, Minister for Infrastructure, Local Government and Planning, Minister for Trade and Investment regarding the First Home Owner Grant (now known as the Great Start Grant). As this matter falls within the portfolio responsibilities of the Honourable Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Sport your email has been forwarded to this office for consideration. I have been asked to respond on the Treasurer's behalf.

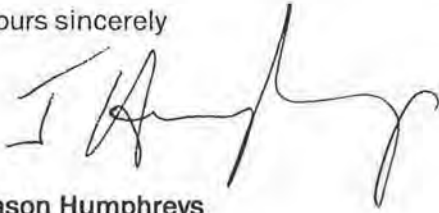
Following the introduction of the Goods and Services Tax (GST) in 2000, the First Home Owner Grant (the Grant) was introduced by State and Territory Governments as a measure to compensate first home buyers for the expected increase in the cost of housing. It was considered individuals who had purchased a home prior to the introduction of the Grant had benefited from owning residential property not subject to GST. Therefore, individuals who have owned a home prior to the introduction of the Grant continue to be ineligible for it.

While the availability of the Grant is restricted to first home owners, a transfer duty home concession remains available to all homebuyers who purchase a home which they will occupy. The concessional transfer duty rate saves Queenslanders up to \$7,175. Queensland continues to offer the most significant general concession for home buyers of any State.

If you have any further questions about the Grant, you are invited to contact Mr Chris Elliott, Senior Revenue Officer, Duties and Grants Division, Office of State Revenue on (07) 3035 3348 or by email to chris.elliott@treasury.qld.gov.au.

Thank you for taking the time to write to the Government, and I hope this information is of assistance to you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Humphreys', written in a cursive style.

Jason Humphreys
Chief of Staff

RTI RELEASE

Pages 66 through 101 redacted for the following reasons:

Sch.3(2)(1)(a)&(c) - Cabinet Matter
Sch.3(2)(1)(c) - Cabinet Matter

RTI RELEASE

Cindy Ma

From: Narelle A Houston
Sent: Thursday, 9 June 2016 1:53 PM
To: Anthony Lim; Cindy Ma
Subject: FW: Media club speech

For file.

From: Elizabeth Goli
Sent: Thursday, 9 June 2016 1:48 PM
To: Narelle A Houston
Subject: Fwd: Media club speech

Begin forwarded message:

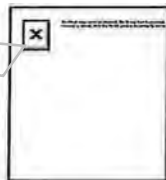
From: Eva Ford-Murphy [redacted]
Date: 9 June 2016 at 12:45:26 PM AEST
To: Elizabeth Goli [redacted] Dennis Molloy
[redacted] Tony Kulpa [redacted]
Subject: Media club speech

Hi all

Please find below the Treasurer's speech.

Begin forwarded message:

From: Lindsay Marshall
[redacted]
Date: 9 June 2016 at 12:13:17 PM AEST
To: Lindsay Marshall
[redacted]
Subject: media club speech



Lindsay Marshall
Principal Media Advisor
Office of the Hon. Curtis Pitt MP
Treasurer, Minister for Aboriginal and
Torres Strait
Islander Partnerships, Minister for Sport

P 07 3719 7200 | M [redacted] Contrary to Public

| Email: [redacted]
GPO Box 611 Brisbane QLD 4001


The Honourable Curtis Pitt MP

Treasurer
Minister for Aboriginal and Torres Strait
Islander Partnerships
Minister for Sport

Queensland Media Club
Brisbane
Thursday 9 June 2016

INTRODUCTION

s.73 - irrelevant information



RTI RELEASED

Pages 104 through 113 redacted for the following reasons:

s.73 - irrelevant information

RTI RELEASE

FIRST HOME OWNERS SCHEME

But it is not just the big-ticket projects that keep our economy going and growing, and keeping people in jobs.

The building industry is a key contributor to economic growth and stimulating activity will create new jobs directly and indirectly. And, many people need help to get into the housing market.

In Tuesday's Budget we will tackle both through a new **Queensland First Home Owner Grant** to run for 12 months from July 1.

We will lift the current \$15,000 grant – for buyers of their first newly constructed home – to \$20,000. The grant will be able to be used to buy a newly constructed house, apartment, or townhouse valued less than \$750,000.

This a great time to build in Queensland with affordable housing on offer and the Palaszczuk Government's First Home Owners Grant will make it even easier to enter the property market.

The new \$20,000 grant will instil more confidence in our building sector, as well as more jobs, and help more people into home ownership.

And in any industry confidence is key.

Pages 115 through 116 redacted for the following reasons:

s.73 - irrelevant information

RTI RELEASE

s.73 - irrelevant information

And despite the current challenges we face, I have absolute confidence in Queensland and its future.

Thank you.

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Please consider the environment before printing this email.



Pages 118 through 147 redacted for the following reasons:

Sch.3(2)(1)(c) - Cabinet Matter

RTI RELEASE

Narelle A Houston

From: Elizabeth Goli
Sent: Friday, 17 June 2016 2:38 PM
To: Melinda Kross; Narelle A Houston
Subject: FW: Property Council draft response
Attachments: Property Council draft response.docx

Melinda & Narelle,

Can you please have a look at this. I don't see any issues with it as it seems to reflect Narelle's draft.

Regards,

Liz

Elizabeth Goli

Commissioner of State Revenue
Office of State Revenue
Queensland Treasury
Level 14, 33 Charlotte Street
Phone: 07 3211 6575

Fax: 07 3211 6577

Mobile: [Redacted] Contrary to public interest

Email: [Redacted]

Web: www.qld.gov.au/osr



Queensland
Government

From: Lachlan Smith [Redacted]
Sent: Friday, 17 June 2016 2:32 PM
To: Elizabeth Goli
Subject: Property Council draft response

Hi Liz,

Can you please check that this proposed response does not present any issues.

Thanks,

Lachlan

This email, together with any attachments, is intended for the named recipient(s) only; and may contain privileged and confidential information. If received in error, you are asked to inform the sender as quickly as possible and delete this email and any copies of this from your computer system network.

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Unless stated otherwise, this email represents only the views of the sender and not the views of the Queensland Government.

Please consider the environment before printing this email.

Our Ref: 02198-2016

Mr Chris Mountford
Queensland Executive Director
Property Council of Australia
Level 6, 300 Queen Street
BRISBANE QLD 4000

Dear Mr Mountford

s.73 - irrelevant information

Thank you for your letter of 10 June 2016

s.73 - irreievant information

s.73 - irrelevant information

RTI RELEASE

s.73 - irrelevant information

RTI RELEASE

Further, the \$5,000 boost to the First Home Owners' Grant, applicable only to new dwellings, is likely to increase overall demand for new dwellings over the next 12 months (with impacts on construction stretching beyond this period). This may include additional demand for new houses and units from first home buyers who may have otherwise purchased existing dwellings.

Given the \$750,000 upper threshold for the First Home Owners' Grant, any increased demand over this period may include additional demand for inner city apartments, to the extent that first home buyers are looking to purchase high and medium density dwellings in or near the city centre.

I note that activity in Queensland's new dwelling market is currently strong, with 35,261 private dwelling units under construction in Queensland in December quarter 2015, the highest level of activity on record. A further 11,826 dwelling units were approved in Queensland in March quarter 2016, indicating a strong pipeline of future construction work. This strong growth in the supply of new dwellings is likely to have a favourable impact on housing affordability for buyers, including first home buyers.

As the Office of State Revenue progresses towards implementation of the measure on 1 October 2016, and further material is published in that regard, should the PCA continue to have unresolved queries, I would be happy to meet with you to discuss these.

In the meantime if you require further information, please contact Jason Humphreys, Chief of Staff of my office on (07) 3719 7200.

I trust this information is of assistance to you.

Yours sincerely

HON. CURTIS PITT MP
Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport

Anthony Lim

From: Narelle A Houston
Sent: Friday, 17 June 2016 3:00 PM
To: Elizabeth Goli; Melinda Kross
Cc: Anthony Lim
Subject: RE: Property Council draft response
Attachments: Property Council draft response (OSR review).docx

Liz – see marked up comments from MK and I for progression back to Lachlan.

Regards,

Narelle Houston
Special Policy Advisor
Policy & Legislation Division
Office of State Revenue
Queensland Treasury
Phone: 3211 6492 (dial full number)
Email: [REDACTED]
Web: www.qld.gov.au/osr



**Queensland
Government**

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Elizabeth Goli
Commissioner of State Revenue
Office of State Revenue
Queensland Treasury
Level 14, 33 Charlotte Street
Phone: 07 3211 6575
Fax: 07 3211 6577
Mobile: [REDACTED] Contrary to Public Interest
Email: [REDACTED]
Web: www.qld.gov.au/osr



Queensland
Government

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Lachlan

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If not an intended recipient of this email, you must not copy, distribute or take any action(s) that relies on it; any form of disclosure, modification, distribution and /or publication of this email is also prohibited.

Unless stated otherwise, this email represents only the views of the sender and not the views of the Queensland Government.

Please consider the environment before printing this email.

RTI REQUEST

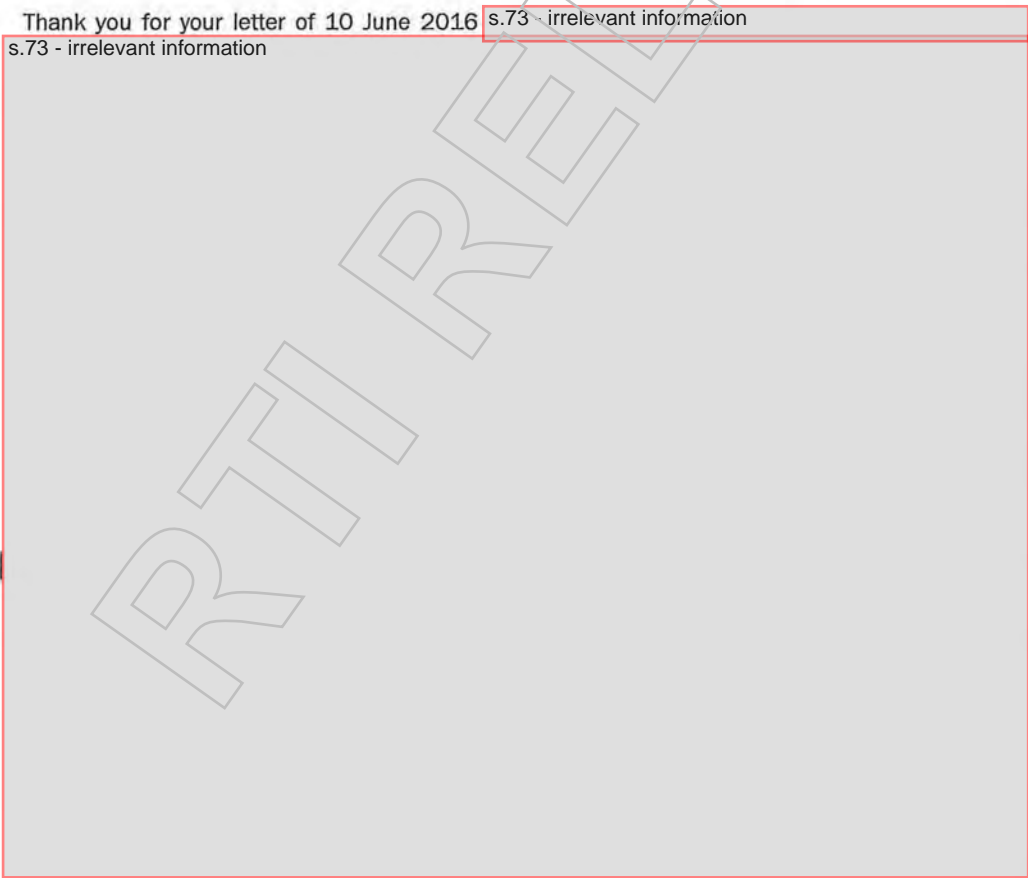
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Property Council of Australia
Level 6, 300 Queen Street
BRISBANE QLD 4000

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s.73 - irrelevant information

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s.73 - irrelevant information



s.73 - irrelevant information

RTI RELEASE

s.73 - irrelevant information

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Yours sincerely

HON. CURTIS PITT MP
Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport

Narelle A Houston

From: Elizabeth Goli
Sent: Friday, 17 June 2016 3:05 PM
To: lachlan.smith [REDACTED]
Cc: Melinda Kross; Narelle A Houston
Subject: FW: Property Council draft response
Attachments: Property Council draft response (OSR review).docx

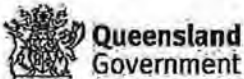
Lachlan,

We have made some marked up edits and there is a comment that the economic implications text will need clearance by Glenn Miller.

Regards,

Liz

Elizabeth Goli
Commissioner of State Revenue
Office of State Revenue
Queensland Treasury
Level 14, 33 Charlotte Street
Phone: 07 3211 6575
Fax: 07 3211 6577
Mobile: [REDACTED] Contrary to Public Interest
Email: [REDACTED]
Web: www.qld.gov.au/osr



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Sent: Friday, 17 June 2016 2:32 PM
To: Elizabeth Goli
Subject: Property Council draft response

Hi Liz,

Can you please check that this proposed response does not present any issues.

Thanks,

Lachlan

This email, together with any attachments, is intended for the named recipient(s) only; and may contain privileged and confidential information. If received in error, you are asked to inform the sender as quickly as possible and delete this email and any copies of this from your computer system network.

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Please consider the environment before printing this email.

RTI RELEASE

Our Ref: 02198-2016

Mr Chris Mountford
Queensland Executive Director
Property Council of Australia
Level 6, 300 Queen Street
BRISBANE QLD 4000

Dear Mr Mountford

s.73 - irrelevant information

Thank you for your letter of 10 June 2016 s.73 - irrelevant information

s.73 - irrelevant information



s.73 - irrelevant information

RTI RELEASE

s.73 - irrelevant information

Further, the \$5,000 boost to the First Home Owners' Grant, applicable only to new dwellings, is likely to increase overall demand for new dwellings over the next 12 months (with impacts on construction stretching beyond this period). This may include additional demand for new houses and units from first home buyers who may have otherwise purchased existing dwellings.

Given the \$750,000 upper threshold for the First Home Owners' Grant, any increased demand over this period may include additional demand for inner city apartments, to the extent that first home buyers are looking to purchase high and medium density dwellings in or near the city centre.

I note that activity in Queensland's new dwelling market is currently strong, with 35,261 private dwelling units under construction in Queensland in December quarter 2015, the highest level of activity on record. A further 11,826 dwelling units were approved in Queensland in March quarter 2016, indicating a strong pipeline of future construction work. This strong growth in the supply of new dwellings is likely to have a favourable impact on housing affordability for buyers, including first home buyers.

As the Office of State Revenue progresses towards implementation of the measure on 1 October 2016, and further material is published in that regard, should the PCA continue to have unresolved queries, I would be happy to meet with you to discuss these.

In the meantime if you require further information, please contact Jason Humphreys, Chief of Staff of my office on (07) 3719 7200.

I trust this information is of assistance to you.

Yours sincerely

HON. CURTIS PITT MP
Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport



Queensland
Government

Speech notes

For

The Honourable Curtis Pitt MP

Treasurer, Minister for Aboriginal and Torres Strait

Islander Partnerships, Minister for Sport

Post-Budget speech - Rockhampton

Wednesday 22 June 2016

s.73 - irrelevant information

s.73 - irrelevant information

RTI RELEASE

s.73 - irrelevant information

RTI RELEASE

RTI RELEASE

Pages 165 through 173 redacted for the following reasons:

s.73 - irrelevant information

RTI RELEASE

51

52

SLIDE 27

We've announced a **\$5000 boost to the First Home Owners Grant.**

For **12 months from July 1.**

And we've changed the name back, from **Great Start Grant, to something people actually understand.**

The scheme will now provide **\$20,000 towards the cost of a newly constructed home.**

I want to emphasise just how important this increase will be here in the Fitzroy.

The latest Australian Property Monitors report on the Rockhampton property market showed a median house price of \$320,000.

So, our new boost to the First Home Owners Grant – its more than half the deposit on a newly built house.

So it's going to have a massive impact on the building industry here.

Getting tradies and builders Back to Work.

Pages 175 through 176 redacted for the following reasons:

s.73 - irrelevant information

RTI RELEASE

RTI RELEASE

[PAUSE]

Thank you.



Our Ref: 02021-2016

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Website www.treasury.qld.gov.au

18 JUL 2016

ABN 90 856 020 239

Mr Ian Rickuss MP
Member for Lockyer
Shop 1, 47 North Street
GATTON QLD 4343

Dear Mr Rickuss

Queensland First Home Owners' Grant and First Home Concession

I refer to your email of 24 May 2016 to the Honourable Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Sport, on behalf of your constituent, **Contrary to Public Interest** regarding conditions of the first home transfer duty concession (first home concession) and the Queensland First Home Owners' Grant (QFHOG). I have been asked to respond on the Treasurer's behalf.

To assist first home buyers, a first home concession is available when the dutiable value of the home is less than \$500,000 and a phasing-out rebate is available for dutiable values of up to \$549,999 (the threshold amount). I note **Contrary to Public Interest** dissatisfaction that **Contrary to Public Interest** are ineligible for the first home concession because the home they wish to purchase together is valued above the threshold amount.

Concessions and grants must be administered within certain parameters for a variety of reasons, including to ensure they are targeted where the assistance is needed, particularly in consideration of State budget constraints. It is important to consider the first home concession continues to benefit a large number of first home buyers in Queensland, with nearly 30,000 first home buyers receiving the benefit of the first home concession in 2015-16.

I note **Contrary to Public Interest** comment that if **Contrary to Public Interest** separately purchased properties valued at \$499,999, then they would be eligible to claim the first home concession for both purchases. All first home buyers in Queensland are entitled to claim the first home concession on their first home purchase when certain conditions are met. The fact that **Contrary to Public Interest** may have been eligible to claim the first home concession on two separate homes valued less than the threshold amount, is not justification in itself to provide the first home concession for a joint purchase valued above the threshold amount.

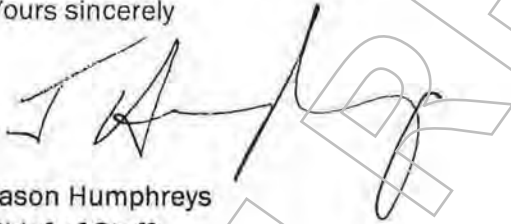
Although **Contrary to Public Interest** would not be eligible for the first home concession in the circumstances, they may be eligible for the transfer duty home concession. On a purchase of a home valued at \$550,000 or more, the home concession would save a Queensland home buyer over \$7,000 in transfer duty. Like the first home concession, the home concession is subject to certain conditions, including occupancy requirements. Further information about the home concession is available at <http://www.qld.gov.au/housing/buying-owning-home/home-concession/>.

I note **Contrary to Public** concerns that the QFHOG is limited to purchases of new homes. In recent years, the QFHOG was subject to criticism for no longer achieving its intended purpose of offsetting the impact of the Goods and Services Tax on new housing, failing to make housing more accessible for first home owners, and pushing up the price of housing by increasing demand without increasing supply. As a result, the QFHOG scheme was amended as part of the 2012-13 Queensland State Budget, to increase the grant amount from \$7,000 to \$15,000 but also to limit the grant to first home buyers purchasing or building a new home. I also note most state and territory governments have limited their first home buyer grants to new homes only, or have significantly reduced the grant available for established homes.

The Queensland Government remains committed to assisting first home buyers who are buying or building new homes. The 2016-17 Queensland State Budget further assisted first home buyers by temporarily increasing the QFHOG from \$15,000 to \$20,000 for contracts on newly constructed homes valued at less than \$750,000 signed between 1 July 2016 and 30 June 2017.

I hope this information is of assistance.

Yours sincerely



Jason Humphreys
Chief of Staff



Office of the
Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport

Our Ref: 02294-2016

18 JUL 2016

Contrary to Public Interest

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ABN 90 856 020 239

Dear Contrary to Public Interest

Queensland First Home Owners' Grant

I refer to your email Contrary to 2016 to the Honourable Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Sport regarding the Queensland First Home Owners' Grant (QFHOG). I have been asked to respond on the Treasurer's behalf.

I note your suggestion that the Queensland Government consider making the QFHOG available for established homes at a lower rate of \$10,000. In recent years, the QFHOG was subject to criticism, including that it was no longer achieving its intended purpose of offsetting the impact of the Goods and Services Tax on new housing, that it failed to make housing more accessible for low-income earners and pushed up the price of housing by increasing demand, without increasing supply. As a result, the 2012-13 Queensland State Budget amended the QFHOG scheme to limit it to first home buyers building or buying a new home. While there are no plans to extend the QFHOG scheme to include established homes at this time, I thank you for bringing your suggestion to the Government's attention.

The Queensland Government remains committed to assisting first home buyers to enter the housing market. As you may be aware, the 2016-17 Queensland State Budget introduced a temporary increase in the grant from \$15,000 to \$20,000 for contracts on newly constructed homes signed between 1 July 2016 and 30 June 2017.

While the availability of the QFHOG is restricted to new homes, the transfer duty first home concession remains available to all first home owners, who purchase a home which they will occupy, regardless of whether the property is a new or an existing home. Currently, for a first home, no transfer duty applies where the dutiable value is up to \$500,000 and a phasing-out rebate applies for values up to \$549,999.

Again, I thank you for bringing your concerns to the Queensland Government's attention. I trust this information has been of assistance.

Yours sincerely

Jason Humphreys
Chief of Staff



Office of the
Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport

Our Ref: 02367-2016

18 JUL 2016

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A&N 90 856 020 239

Contrary to Public Interest

Dear Contrary to Public Interest

Queensland First Home Owners' Grant

I refer to your email of Contrary 2016 to the Honourable Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Sport regarding the Queensland First Home Owners' Grant (FHOG). I have been asked to respond on the Treasurer's behalf.

I note your query regarding why the FHOG is only available for first home buyers purchasing or constructing a new home. The FHOG was first introduced to assist first home buyers offset the impact of the Goods and Services Tax on new housing. In recent years, the FHOG had been subject to criticism, including that it was no longer achieving its intended purpose of offsetting the impact of the GST, it failed to make housing more accessible for low-income earners and pushed up the price of housing by increasing demand, without increasing supply.

Consequently, as part of the 2012-13 Budget the FHOG (then called the Great Start Grant) was limited to first home buyers building or buying a new home. I note most state and territory governments have limited their first home buyer grants to new homes only, or have significantly reduced the grant available for established homes. While there are no plans to extend the FHOG scheme to include established homes at this time, I thank you for bringing your concerns to the Government's attention.

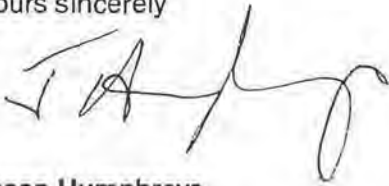
I note your concerns about the lack of available land on which to build new homes. The FHOG is also available for "substantially renovated" homes. A substantial renovation is a renovation in which all, or most, of the structural and/or non-structural components of a building are removed or replaced.

More information about substantially renovated homes and the FHOG is available from <https://firsthomeowners.initiatives.qld.gov.au/definitions.php#new-home>.

In addition to the temporary increase of the FHOG from \$15,000 to \$20,000 for contracts signed between 1 July 2016 and 30 June 2017, the Queensland Government also provides a first home owner concession on transfer duty. While the availability of the FHOG is now restricted to new homes, the first home concession remains available to all first home owners, who purchase a home which they will occupy, regardless of whether the property is a new or an existing home. Currently, for a first home, no transfer duty applies where the dutiable value is up to \$500,000 and a phasing-out rebate applies for values up to \$549,999.

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Humphreys', written over a large, faint, diagonal watermark that says 'RTI RELEASE'. The signature is fluid and cursive.

Jason Humphreys
Chief of Staff

RTI RELEASE



Office of the
Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport

Our Ref: 02506-2016

18 JUL 2016

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Contrary to Public Interest

Dear Contrary to Public Interest

Queensland First Home Owners' Grant

I refer to your email of Contrary 2016 to the Honourable Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Sport regarding the Queensland First Home Owners' Grant (QFHOG). I have been asked to respond on the Treasurer's behalf.

The QFHOG is an initiative to help first home owners into their new first home sooner by providing a one-off payment towards the purchase or construction of a new house. In addition, the requirement to purchase or construct a new house helps to support the building industry. As you know, the 2016-17 Queensland State Budget provided a 12 month increase to the QFHOG from \$15,000 to \$20,000.

Grants must necessarily be administered within certain parameters and accordingly, all grants are subject to conditions. The QFHOG is therefore only payable to first home buyers who meet certain eligibility criteria as defined under the *First Home Owner Grant Act 2000* (Qld) (the Act).

I note your suggestion that the QFHOG would be of more assistance if parents could co-sign with their children. I understand your suggestion to mean parents who act as guarantor or co-borrower on a home loan. I am pleased to inform you that the FHOG is available to an applicant who co-signs a home loan with their parent provided that there is no disqualifying arrangement. A disqualifying arrangement exists where a person is buying or building a new home with financial help from a related person (who is not eligible for the grant) who will also stay in the home often or live in the home for long periods of time.

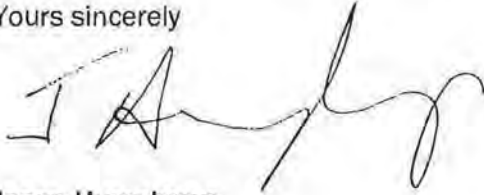
Financial help includes agreeing to act as guarantor or co-borrower on a home loan. This is an anti-avoidance provision which was introduced to address the issue of parents purchasing family homes in the name of adult children who live with them. Therefore, if a parent is eligible for the QFHOG themselves or will not use the property themselves, it is unlikely that co-signing will prevent the applicant from receiving the QFHOG. Moreover, to cater for genuine cases, the Commissioner has discretion not to apply the provision.

I also note your suggestion that two or more children should be allowed to each claim the full QFHOG amount if they purchase a property together. As you may be aware, the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Arrangements (the IGA), to which Queensland is a party, provided for the introduction of a first home owners grant in each state and territory from 1 July 2000. The IGA prescribes certain principles to be included in the grant. One of these principles is that eligible applicants will only be entitled to one grant per application. Under the Act, all persons who gain a right to immediate occupation of the property within 12 months of acquiring their interest in it must be party to an application for the grant. To allow the grant to be claimed multiple times for the same application would be contrary to the principles which the Queensland Government has committed to under the IGA.

Although there are no current plans to amend the eligibility for grant, I thank you for bringing your suggestions to the Government's attention.

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jason Humphreys', written over a large, diagonal watermark that says 'RTI RELEASED'.

Jason Humphreys
Chief of Staff



Office of the
Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport

Our Ref: 02646-2016

27 JUL 2016

Ms Sandra Dal Broi
Correspondence Officer
Executive Correspondence Unit
premier.liaison@premiers.qld.gov.au

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A&N 90 856 020 239

Dear Ms Dal Broi

Queensland First Home Owners' Grant - **Contrary to Public Interest**

I refer to your email request of 13 July 2016 (reference TF/16/8841), seeking information on which a reply can be based to **Contrary to Public Interest** regarding the Queensland First Home Owners' Grant (QFHOG).

The following is a suggested response to **Contrary to Public Interest**.

'Thank you for your email of 6 July 2016 regarding the Queensland First Home Owners' Grant (QFHOG).

The Queensland Government acknowledges the challenges associated with entering the property market. For this reason, concessions and grants are available for first home buyers who meet eligibility criteria and are purchasing residential property which they will occupy. As you know, the 2016-17 Queensland State Budget introduced a temporary increase in the QFHOG from \$15,000 to \$20,000 for contracts on newly constructed homes signed between 1 July 2016 and 30 June 2017.

I note your proposal that QFHOG be made available to first home owners buying an established home. In recent years, QFHOG had been subject to criticism including that it was no longer achieving its intended purpose of offsetting the impact of GST on new housing, that it failed to make housing more accessible for low-income earners and pushed up the price of housing by increasing demand, without increasing supply. Consequently, as part of the 2012-13 Queensland State Budget the grant was increased from \$7,000 to \$15,000, however, it became limited to first home buyers who are purchasing or building a new home.

These changes resulted in first home buyers being assisted into the property market, increasing the supply of housing and providing support to Queensland's construction industry. I note most state and territory governments have limited their first home buyer grants to new homes only, or have significantly reduced the grant available for established homes. While there are no plans to extend QFHOG to include established homes at this time, I thank you for bringing your concerns to the Queensland Government's attention.

I note that while the availability of QFHOG is now restricted to new homes, the transfer duty first home concession remains available to all first home owners who purchase a home which they will occupy, regardless of whether the property is a new or an existing home. Currently, for a first home, no transfer duty applies where the dutiable value is up to \$500,000 and a phasing-out rebate applies for values up to \$549,999.

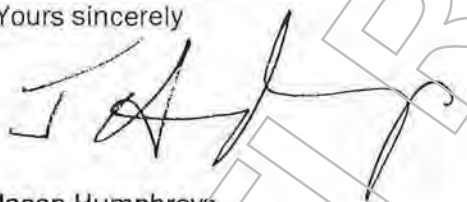
I also note your proposals regarding bank lending practices. Unfortunately, the State Government has no control over commercial lending practices or the lending guidelines adopted by financial institutions in this respect. The Queensland Government does however provide information and assistance to Queenslanders who are having trouble obtaining finance to purchase a home. Further information can be found at <https://www.qld.gov.au/families/financial/housing/pages/loans.html>.

I note your concerns that foreign purchasers are pushing up the cost of housing in Brisbane. As announced in the 2016-17 Queensland State Budget, the *Duties Act 2001* has been amended to impose 3 per cent additional duty where a foreign person acquires specified residential land in Queensland. Foreign buyers of residential land are not necessarily subject to some of the other major sources of state government revenue, such as the Goods and Services Tax. Consequently, this additional duty ensures that foreign buyers of residential land, who benefit from Government services and infrastructure, make an appropriate contribution to their delivery as local buyers do.

I trust this information is of assistance. '

I trust this will provide a suitable response. If you need to clarify the content in this response you can contact Mr Peter Cross, A/Policy Officer, Policy and Legislation Division, on (07) 3012 2799 or

Yours sincerely



Jason Humphreys
Chief of Staff

Our Ref: 02980-2016

Mr Dale Last MP
Member for Burdekin
Shadow Minister for Agriculture, Fisheries and Forestry
Shop 30 Centrepoint Arcade
AYR QLD 4807

Dear Mr Last

Queensland First Home Owners' Grant

Thank you for your letter of 16 August 2016 regarding the eligibility requirements for the Queensland First Home Owners' Grant (QFHOG).

I note your constituent's concerns regarding the requirements for the QFHOG. As you may be aware, the QFHOG (previously known as the First Home Owners Grant and the Great Start Grant) was originally introduced to minimise the impact of the Commonwealth Goods and Services Tax on first home buyers. The framework principles for QFHOG were prescribed by the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations (IGA), signed in 1999 and available at <https://www.coag.gov.au/node/75>. One of the IGA principles is that to qualify for assistance, neither the person applying for the grant, or their spouse, must have previously owned a home either jointly, separately or with some other person.

In the 2016 Queensland State Budget, the Queensland Government renamed the grant to QFHOG and temporarily increased it from \$15,000 to \$20,000 for eligible transactions dated on or after 1 July 2016. To extend the current arrangements to pay the QFHOG to applicants who have previously owned a home in Australia would require the scheme to be greatly expanded (at a significant cost) and would change the fundamental objectives of assisting people buying or building their first new home in Australia. There are no current plans to alter the eligibility criteria for QFHOG.

While the availability of the QFHOG is restricted to first home owners, the transfer duty home concession remains available to all homebuyers who purchase a home which they will occupy.

If you require further information your officers can contact Jason Mew, Manager, Duties and Grants Division, Office of State Revenue on (07) 3211 6413

I trust this information is of assistance to you.

Yours sincerely

HON. CURTIS PITT MP

Treasurer

Minister for Aboriginal and Torres Strait Islander Partnerships

Minister for Sport

DRAFT



Our Ref: Q2582-2016

08 AUG 2016

Ms Brittany Lauga MP
Member for Keppel
PO Box 1474
YEPPOON QLD 4703

Dear Ms Lauga **BRITTANY**

Queensland First Home Owners' Grant

Thank you for your email of 6 July 2016 regarding the Queensland First Home Owners' Grant (QFHOG).

The 2012-13 Queensland State Budget amended the former QFHOG scheme, to increase the grant amount from \$7,000 to \$15,000. However, the grant was limited to first home buyers purchasing or building a new home. These changes resulted in first home buyers being assisted into the property market while also providing support to Queensland's construction industry and increasing the supply of housing.

A new home is a home that has not previously been occupied or sold as a place of residence, or is a substantially renovated home. A home which has been occupied but not sold is not a new home, therefore a grant would not be available for a subsequent purchase of that home.

As you are aware, the 2016-17 Queensland State Budget introduced a temporary increase in the grant from \$15,000 to \$20,000 for contracts on newly constructed homes signed between 1 July 2016 and 30 June 2017.

I note your comment regarding new home prices in your region. Unfortunately, I cannot comment on the mean figures you have quoted. In my Rockhampton post-Budget speech on 22 June 2016, I cited the latest Australian Property Monitors report on the Rockhampton property market, which showed a median house price of \$320,000. Consequently, it is correct to say the temporary \$20,000 QFHOG is more than 50 per cent of a \$32,000 deposit on a median priced house in Rockhampton.

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ABN 90 856 020 239

Further, the Queensland Government Statistician's Office regional profile for the Rockhampton Regional Council Local Government Area states that the median new house sale price was \$299,000. Therefore, it is also correct to say that the QFHOG is more than 50 per cent of a \$29,900 deposit on a median priced new house.

Further information on how the \$299,000 figure was arrived at can be found by visiting <http://statistics.qgso.qld.gov.au/qld-regional-profiles> and selecting "Local Government Area 2014", "Rockhampton", comparison with "State (Queensland)" and "resident" report type.

I trust this information is of assistance to you.

Yours sincerely



HON. CURTIS PITT MP

Treasurer

Minister for Aboriginal and Torres Strait Islander Partnerships

Minister for Sport

RTI RELEASE

Our Ref: 03059-2016

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12 SEP 2016

Contrary to Public Interest

ABN 90 856 020 239

Dear Contrary to Public

Queensland First Home Owners' Grant

I refer to your letter of Contrary 2016 to the Honourable Annastacia Palaszczuk MP, Premier and Minister for the Arts regarding the Queensland First Home Owners' Grant (QFHOG) and other concessions that assist home ownership. As these matters fall within the portfolio responsibilities of the Honourable Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Sport, your correspondence has been forwarded to this office for consideration. I have been asked to respond on the Treasurer's behalf.

Attached are application forms for the QFHOG, transfer duty first home owner concession and transfer duty home concession. These forms contain information on eligibility conditions and how to lodge the application forms. If you have any specific questions regarding the QFHOG or concessions or require any assistance in completing the forms, please contact Ms Karen Roper, Senior Revenue Officer, Duties and Grants Division, Office of State Revenue (OSR) on (07) 3035 3644, or by email at karen.roper@treasury.qld.gov.au, or write to the Office of State Revenue (OSR) at GPO Box 953, Brisbane QLD 4001. Alternatively, if you provide OSR with your telephone number an OSR officer can telephone you.

As you may know, the purpose of the QFHOG is to encourage and help home ownership for first home buyers in Australia. In the 2016-17 State Budget it was temporarily increased to \$20,000 for eligible transactions to buy or build a new home between 1 July 2016 and 30 June 2017. In recent years, the QFHOG had been subject to criticism, including that it was no longer achieving its intended purpose of offsetting the impact of GST on new housing, failed to make housing more accessible for low-income earners and pushed up the price of housing by increasing demand, without increasing supply. Therefore, the 2012-13 Queensland State Budget amended the scheme by limiting it to first home buyers purchasing or building a new home. These changes resulted in first home buyers being assisted into the property market, increasing the supply of housing and providing support to Queensland's construction industry.

I note that you propose to purchase a flat that would likely be "some years old" and which you expect to cost around \$280,000. A flat will ordinarily meet the definition of a home. A new home is defined as a home that has not been previously occupied or sold as a place of residence or that is a substantially renovated home. I note your concern that you may not be able to afford a new home. Currently there are no plans to extend the QFHOG scheme to include established homes (as opposed to new homes).

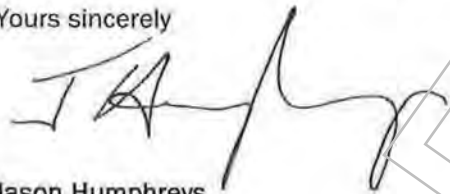
To be eligible for QFHOG, an applicant must be an Australian citizen or a permanent resident, must not have received the grant before, and must not have had a relevant interest in residential property in Australia. As part of the conditions of the QFHOG, an applicant must purchase or build a new home for no more than \$750,000, and reside in the home as their principal place of residence for a continuous period of at least six months.

In your letter you also ask about the availability of other concessions. The transfer duty first home concession remains available to all first home owners who purchase a home which they will occupy, regardless of whether the property is a new or an existing home. To be eligible for the first home concession, under the *Duties Act 2001*, the property must be a person's first home and the person must occupy the property on which they claim the concession as their home within a year of the transfer date.

If you are not a first home owner, you may still be eligible for the transfer duty home concession. This is available for all homes, regardless of whether they are new or not. You are eligible for the transfer duty home concession if you buy a home and move into it within one year of the transfer date and live in the home as your principal place of residence.

I trust this information is of assistance and encourage you to contact OSR if you have any further queries regarding the QFHOG or home concessions.

Yours sincerely



Jason Humphreys
Chief of Staff

Encl.

RTI RELEASED

Contrary to Public Interest

Dear Contrary to Public

Queensland First Home Owners Grant

I refer to your email of Contrary to Public Interest 2016 to Mr Trevor Watts MP regarding the Queensland First Home Owners Grant (formerly known as the Great Start Grant and the First Home Owners Grant). As these matters fall within the portfolio responsibilities of the Honourable Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Sport your correspondence has been forwarded to this office for consideration. I have been asked to respond on the Treasurer's behalf.

Firstly, I would like to express my sympathies regarding your Contrary to Public Interest difficulties in purchasing a house and commend Contrary to Public Interest hard work.

As you note, the purpose of the Queensland First Home Owner Grant (QFHOG) is to encourage and help home ownership for first home buyers. As you may know, as part of the conditions of the grant an applicant must purchase or build a new home and reside in the home as their principal place of residence for a continuous period of at least six months.

The *First Home Owner Grant Act 2000* prescribes that a new home is a home that has not been previously occupied or sold as a place of residence, or, in certain circumstances, a substantially renovated home. To be eligible for the grant when buying a substantially renovated home, the sale of the home must be a taxable supply as a new residential premises under Commonwealth Goods and Services Tax (GST) laws, renovations made to the property must have been substantial, and the renovated home must not have been previously occupied or sold as a place of residence. There is no direct requirement that a home be less than five years old if these conditions are met. Further information on what is a substantially renovated home can be found at <https://firsthomeowners.initiatives.qld.gov.au/definitions.php>. However as I understand that your Contrary to Public Interest may be interested in acquiring a renovated home, I would encourage you or your Contrary to Public Interest to contact Elias

Serrano, Senior Revenue Officer, Office of State Revenue, on (07) 3012 2815 for a further explanation of these requirements.

I note your concern that the QFHOG scheme is limited to purchases of new homes. In recent years, the former First Home Owners Grant (FHOG) was subject to criticism including that it was no longer achieving its original intended purpose of offsetting the impact of the GST on new housing, and that it failed to make housing more accessible for low-income earners and pushed up the price of housing by increasing demand, without increasing supply.

Consequently, the 2012-13 Queensland State Budget amended the former FHOG scheme, renaming it the "Great Start Grant", increasing the grant amount from \$7,000 to \$15,000 and limiting it to first home buyers purchasing or building a new home. The 2016-17 Queensland State Budget announced a further one-off, 12 month boost of \$5,000 to the grant amount, which is now worth \$20,000 from 1 July 2016, and renamed it QFHOG. These changes resulted in first home buyers being assisted into the property market, increased the supply of housing and provided support to Queensland's construction industry. I note most state and territory governments have limited their first home buyer grants to new homes only, or have significantly reduced the grant available for established homes. While there are no plans to extend the QFHOG scheme to include established homes at this time, I thank you for bringing your concerns to the Government's attention.

While the availability of QFHOG is restricted to new homes, the transfer duty first home concession remains available to all first home owners, who purchase a home which they will occupy, regardless of whether the property is a new or an established home. Currently, for a first home, no transfer duty applies where the dutiable value is less than \$500,000 and a phasing-out rebate applies for values up to \$549,999.

I trust this information has been of assistance.

Yours sincerely

Jason Humphreys
Chief of Staff

Our Ref: 03661-2016

Contrary to Public Interest

Dear Contrary to Public Interest

Queensland First Home Owners Grant

I refer to your email of Contrary to P 2016 to the Honourable Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Sport regarding the Queensland First Home Owners Grant (QFHOG) (formerly called the Great Start Grant and First Home Owner Grant). I have been asked to respond on the Treasurer's behalf.

I note your concern that QFHOG is limited to purchases of new homes. In recent years, the former First Home Owner Grant Scheme (FHOG) had been subject to criticism including that it was no longer achieving its intended purpose of offsetting the impact of the Goods and Services Tax on new housing, and that it had failed to make housing more accessible for low-income earners and had pushed up the price of housing by increasing demand, without increasing supply.

Consequently, the 2012-13 Queensland State Budget amended the former FHOG scheme, renaming it the "Great Start Grant", increasing the grant amount from \$7,000 to \$15,000 and limiting it to first home buyers purchasing or building a new home. The 2016-17 Queensland State Budget announced a further one-off, 12 month boost of \$5,000 to the grant amount, which is now worth \$20,000 from 1 July 2016, and renamed it QFHOG. These changes resulted in first home buyers being assisted into the property market, increasing the supply of housing and providing support to Queensland's construction industry. I note most state and territory governments have limited their first home buyer grants to new homes only, or have significantly reduced the grant available for established homes.

I note your query about whether there is a way to allow first home buyers to purchase your house. The Commissioner of State Revenue only has power to pay the grant in accordance with the *First Home Owners Grant Act 2000* (Qld), which prescribes that the grant is only payable for eligible transactions for new homes. Consequently there is no way to allow first home buyers to receive the grant when purchasing an existing home. While there are no

plans to extend QFHOG to include established homes at this time, I thank you for bringing your concerns to the Government's attention.

While QFHOG is now restricted to new homes, first home buyers are not precluded from purchasing your house. Even though a first home buyer cannot qualify for a QFHOG when purchasing an established home, the transfer duty first home concession remains available to all first home owners, who purchase a home which they will occupy, regardless of whether the property is a new or an existing home. Currently, for a first home, no transfer duty applies where the dutiable value is up to \$500,000 and a phasing-out rebate applies for values up to \$549,999.

If you require further information you can contact Elias Serrano, Senior Revenue Officer on (07) 3012 2815.

I trust this information is of assistance to you.

Yours sincerely

Jason Humphreys
Chief of Staff



Office of the
Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport

Our Ref: 03849-2016

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11 NOV 2016

ABN 90 356 020 239

Contrary to Public Interest

Dear Contrary to Public Int

Queensland First Home Owners' Grant

I refer to your email of Contrary to Publ 2016 to the Honourable Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Sport regarding the Queensland First Home Owners' Grant (previously known as the First Home Owner Grant and the Great Start Grant). I have been asked to respond on the Treasurer's behalf.

I note your concern that the Queensland First Home Owners' Grant (QFHOG) is only available for the purchase of a new home and note your suggestion that the QFHOG be available for the purchase of established homes in regional areas of Queensland. I have raised this matter with the Commissioner of State Revenue, who administers the QFHOG. The Commissioner has advised that the original First Home Owner Grant (FHOG) was introduced as a measure to compensate first home buyers for the expected increase in the cost of housing following the introduction of the Goods and Services Tax (GST) in 2000.

The Commissioner has also advised that the former FHOG scheme was subject to criticism as it failed to make housing more accessible for low-income earners, pushed up the price of housing by increasing demand without increasing supply, and was no longer achieving its intended purpose of offsetting the impact of GST on new housing. Limiting the QFHOG to newly constructed homes now assists first home buyers entering the property market, whilst also increasing the supply of housing and providing support to Queensland's construction industry.

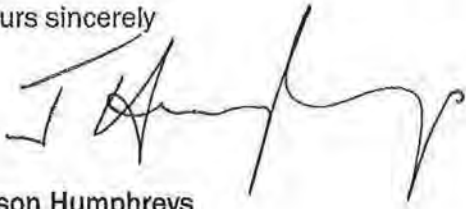
The 2016-17 Queensland State Budget has temporarily increased the amount of the grant from \$15,000 to \$20,000 for contracts entered between 1 July 2016 and 31 June 2017. The payment of a \$20,000 QFHOG on the purchase of a new home is just as valuable to first home buyers in regional Queensland as those in major cities, including Townsville.

Finally, the Commissioner has also advised that the first home transfer duty concession remains available to all first home owners who purchase a home which they will occupy, regardless of whether the property is a new or an existing home. Currently for a first home, no transfer duty applies where the dutiable value of the home is up to \$500,000 and a phasing-out rebate applies for values up to \$549,999.

While there are no plans to extend the QFHOG scheme to include established homes at this time I thank you for your suggestion.

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Humphreys', written over a large, faint, diagonal watermark that says 'RTI RELEASE SE'.

Jason Humphreys
Chief of Staff

RTI RELEASE SE



Office of the
Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport

Our Ref: 04175-2016

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06 DEC 2016

ABN 90 856 020 239

Contrary to Public Interest

Dear Contrary to Public Int

Queensland First Home Owners' Grant

I refer to your email of Contrary to Pul 2016 to the Honourable Mick de Brenni MP, Minister for Housing and Public Works regarding the Queensland First Home Owners' Grant (QFHOG). As this matter falls within the portfolio responsibilities of the Honourable Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Sport your correspondence has been forwarded to this office for consideration. I have been asked to respond on the Treasurer's behalf.

Firstly, I would like to express my sympathy for the hardship you have faced, and commend you on your hard work supporting your family and working towards a deposit.

The Commissioner of State Revenue has advised the First Home Owner Grant (renamed to QFHOG in 2015) was introduced in 2000 as a measure to compensate first home buyers for the expected increase in the cost of housing following the introduction of the Goods and Services Tax (GST). States and Territories agreed to fund and administer a first home owner grant scheme as a condition of receiving GST revenue from the Australian Government.

Although I am sympathetic to your circumstances, the Commissioner has advised that to extend the current arrangements to pay QFHOG to applicants who have previously owned a home in Australia would require the scheme to be greatly expanded, at a significant cost, and would change the fundamental objectives of assisting people buying their first home in Queensland after the introduction of the GST.

Whilst there are no current plans to alter the eligibility criteria for QFHOG, the Queensland Government supports the ideal of home ownership and understands the difficulties Queenslanders face in gaining ownership of a home. To provide assistance to Queenslanders in this regard, there is a transfer duty concession for the principal place of residence available. Subject to occupancy conditions, home buyers are eligible for a concessional transfer duty rate of \$1 for each \$100 or part of \$100 for the first \$350,000 of the consideration or value of the home, saving up to \$7,175. Duty at the general rates applies to any remaining part of the consideration or value. The home concession is available for both new and existing homes. Detailed information relating to this concession is available on the Queensland Government website at <https://www.qld.gov.au/housing/buying-owning-home/home-concession/>.

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Humphreys', written in a cursive style.

Jason Humphreys
Chief of Staff

RTI RELEASE

Our Ref: 04632-2016

Ms Antonia Mercorella
Chief Executive Officer
REIQ
PO Box 1555
COORPAROO DC QLD d4151

Dear Ms Mercorella

First Home Owners' Grant

Thank you for your letter of 6 December 2016 regarding the application of the Queensland First Home Owners' Grant (QFHOG) and your proposal for QFHOG to be reinstated for established homes in regional and central Queensland.

As you may know, the original First Home Owner Grant (FHOG) of \$7,000, which applied to purchases of both established and new first homes, was introduced with the intent of compensating first home buyers for the expected increase in the cost of housing following the introduction of the Goods and Services Tax (GST) in 2000.

In recent years, the FHOG was changed in response to concerns that it was no longer achieving its intended purpose of offsetting the impact of the GST on new housing and pushed up the price of housing by increasing demand without increasing supply. I note that all state and territory governments have now limited their first home buyer grants to new homes only, or have significantly reduced the grant available for established homes.

However, the 2016-17 State Budget provided a further boost to first home buyers by temporarily increasing the grant to \$20,000 for contracts entered between 1 July 2016 and 30 June 2017. This is more generous than the majority of the other States.

I understand the economic and financial pressures home owners in regional and central Queensland may be experiencing in a softening property market. This is a Government that is committed to economic growth and job creation in the regions, through the \$200M jobs and regional growth package. The FHOG is a Government initiative that aims to help first home buyers get into the property market and also to stimulate new housing and the

construction industry. The program is strategically designed to incentivise the construction of new housing which will in turn create work for the many local contractors, subcontractors and suppliers who rely on the building industry. It is not intended to support demand in the housing market generally.

In the seven months since the boosted scheme's launch on 1 July 2016, the \$20,000 FHOG has provided \$46.8 million to help 2,340 people purchase a new home, unit or apartment in Queensland.

While there are currently no plans to extend FHOG to include established homes at this stage, I thank you for bringing your concerns to the Government's attention.

While the availability of FHOG in Queensland is restricted to new homes, the transfer duty home concession and transfer duty first home concession remains available to all home owners who purchase a home which they will occupy, regardless of whether the property is a new or an existing home.

Currently, for a first home, no transfer duty applies where the dutiable value is up to \$500,000 and a phasing-out rebate applies for values up to \$549,999. For a home that is not a first home, transfer duty applies at a reduced rate on the dutiable value up to \$350,000 but duty is applied at normal rates on the dutiable value above this amount.

If you require further information your officers can contact Mr Chris Elliott, Senior Revenue Officer, Office of State Revenue on (07) 3035 3348.

I trust this information is of assistance.

Yours sincerely

HON. CURTIS PITT MP

Treasurer

Minister for Aboriginal and Torres Strait Islander Partnerships

Minister for Sport



Office of the
Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport

Our Ref: 00060-2017

20 JAN 2017

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ABN 90 856 020 239

Contrary to Public Interest

Dear Contrary to Public Inter

Queensland First Home Owners' Grant

I refer to your email of Contrary to P 2017 to the Honourable Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Sport regarding the Queensland First Home Owners' Grant (QFHOG). I have been asked to respond on the Treasurer's behalf.

I note your concerns about an oversupply of housing in Mackay and your suggestion that QFHOG be extended to established homes. As you may know, the original First Home Owner Grant of \$7,000, which applied to purchases of both established and new first homes, was introduced with the intent of compensating first home buyers for the expected increase in the cost of housing following the introduction of the Goods and Services Tax (GST) in 2000.

In recent years, the grant was changed in response to concerns that it was no longer achieving its intended purpose of offsetting the impact of the GST on new housing and pushed up the price of housing by increasing demand without increasing supply. I note that all state and territory governments have now limited their first home buyer grants to new homes only, or have significantly reduced the grant available for established homes.

Queensland's 2016-17 State Budget provided a further boost to first home buyers by temporarily increasing the grant to \$20,000 for contracts entered between 1 July 2016 and 30 June 2017. This is more generous than the majority of the other States.

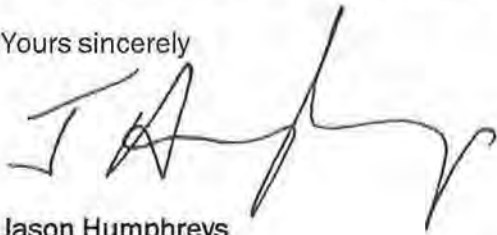
I understand the economic and financial pressures home owners in regional and central Queensland may be experiencing in a softening property market. This is a Government that is committed to economic growth and job creation in the regions, through the \$200 million Jobs and Regional Growth Package. However, the QFHOG is a Government initiative that aims to help first home buyers get into the property market. It is not intended to support demand in the housing market generally. While there are currently no plans to extend the QFHOG to include established homes at this stage, I thank you for bringing your concerns to the Government's attention.

While the availability of the QFHOG in Queensland is restricted to new homes the transfer duty home concession and transfer duty first home concession remains available to all home owners who purchase a home which they will occupy, regardless of whether the property is a new or an existing home.

Currently, for a first home, no transfer duty applies where the dutiable value is up to \$500,000 and a phasing-out rebate applies for values up to \$549,999. For a home that is not a first home, transfer duty applies at a reduced rate on the dutiable value up to \$350,000 but duty is applied at normal rates on the dutiable value above this amount.

If you require further information you can contact Mr Chris Elliott, Senior Revenue Officer, Office of State Revenue on (07) 3035 3348.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Humphreys', written over a large, faint, diagonal watermark that says 'RTI RELEASED'.

Jason Humphreys
Chief of Staff

RTI RELEASED

BRIEFING NOTE

FROM	Treasury		
FOR	Treasurer Minister for Aboriginal and Torres Strait Islander Partnerships Minister for Sport		
SUBJECT	Resolution by Local Government Association of Queensland calling for the State Government to expand the Queensland First Home Owners' Grant to include all new and existing dwellings		
Contact Officer	Melinda Kross, Policy and Legislation Division Phone (07) 3012 2786	Reference No.	04396-2016
Approved by	Elizabeth Goli, Commissioner of State Revenue	Approved by	Jim Murphy, Under Treasurer

PURPOSE

1. The purpose of this briefing note is to:
 - advise you of the Local Government Association of Queensland's (LGAQ) recent resolution calling for an expansion of the Queensland First Home Owners' Grant (QFHOG).
 - seek your signature on the attached letter to Mr Greg Hallam, CEO of the LGAQ.

BACKGROUND

2. The LGAQ wrote to you on 4 November 2016 to advise you that it had resolved at its annual meeting to lobby the Queensland Government to expand QFHOG to include established dwellings (refer Attachment). The letter requested your response at your earliest convenience.
3. The resolution was proposed by the Gladstone Regional Council which argued that the Gladstone region, like other parts of Queensland, has an oversupply of housing due to the rapid expansion and contraction in the liquefied natural gas industry. The LGAQ considers that this oversupply has resulted in an increase in loan defaults. The Gladstone Regional Council proposed an expansion of QFHOG to stimulate investment in surplus housing.
4. To be eligible for QFHOG a first home buyer must buy or build a new home (which includes a substantially renovated home). In the past, the former First Home Owners' Grant (FHOG) had been available for the purchase of both new and established homes. It was criticised on the grounds that:
 - it was no longer achieving its intended purpose of offsetting the impact of the GST on new housing;
 - it had failed to make housing more accessible for low-income earners; and
 - it had pushed up the price of housing by increasing demand without increasing supply.
5. Furthermore, economic analysis indicates house prices move higher to the benefit of the vendor rather than the first home buyer when the grant is available for established homes.
6. The 2012-13 Queensland State Budget amended the former QFHOG scheme by increasing the grant amount from \$7,000 to \$15,000 and limiting it to first home buyers buying or building a new home.

7. This resulted in first home buyers being assisted into the property market, increasing the supply of housing and providing support to Queensland's construction industry. Most jurisdictions have limited their first home buyer grant to new homes only, or have significantly reduced the grant for established homes.
8. The 2016-17 Queensland State Budget temporarily increased the amount of the grant from \$15,000 to \$20,000 for contracts entered between 1 July 2016 and 30 June 2017.

ISSUES

9. QFHOG is not intended to support demand in the housing market generally.
10. While QFHOG is restricted to first home owners who are buying or building a new home, the transfer duty first home concession remains available to all first home owners who purchase a home which they will occupy as their principal place of residence, regardless of whether the property is a new or an existing home. Currently, no transfer duty applies where the dutiable value of the home is up to \$500,000 and a phasing-out rebate applies for values up to \$549,999.

FINANCIAL IMPLICATIONS

11. Expanding QFHOG to existing dwellings would require a significant increase in funding. Based on 2015-16 data (e.g. grant of \$15,000; number of grant applications in 2015-16), a broad estimate of the additional cost if QFHOG was extended to established dwellings would have been between \$200 million and \$250 million. It is important to note that there are limitations with this estimate, as it is based on ABS data on first home buyer financing commitments to derive a potential number of applications for established dwellings.

RECOMMENDATION

12. That you note this brief and sign the attached letter of reply to LGAQ.

Jim Murphy

Jim Murphy
Under Treasurer 20/11/16

<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Not approved	<input type="checkbox"/> Noted
Comments		
<p><i>Curt Pitt</i></p> <hr/> <p>HON. CURTIS PITT MP Treasurer Minister for Aboriginal and Torres Strait Islander Partnerships Minister for Sport</p>		
23/01/2017		



Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport

Our Ref: 04396-2016

27 JAN 2017

Mr Greg Hallam PSM
Chief Executive Officer
Local Government Association of Queensland
PO Box 2230
FORTITUDE VALLEY QLD 4006

Dear Greg

Resolution 87- Expansion of Queensland First Home Owners' Grant

Thank you for your letter of 4 November 2016 regarding the Local Government Association of Queensland's (LGAQ) recent annual conference. I acknowledge the LGAQ's resolution that the Queensland Government should expand the Queensland First Home Owners' Grant (QFHOG) to include all new and existing dwellings.

As you may know, the original First Home Owner Grant (FHOG) of \$7,000, which applied to purchases of both established and new first homes, was introduced with the intent of compensating first home buyers for the expected increase in the cost of housing following the introduction of the Goods and Services Tax (GST) in 2000. In recent years, the FHOG was subject to criticism that it was no longer achieving its intended purpose of offsetting the impact of the GST on new housing and pushed up the price of housing by increasing demand without increasing supply.

Consequently, the 2012-13 Queensland State Budget amended FHOG, increasing the grant amount to \$15,000 and limiting it to first home buyers purchasing or building a new home. These changes resulted in first home buyers being assisted into the property market, increased the supply of housing and provided support to Queensland's construction industry. Most state and territory governments (including the previous Queensland government) have limited their first home buyer grants to new homes only, or have significantly reduced the grant available for established homes.

The 2016-17 State Budget provided a further boost to first home buyers by temporarily increasing the grant to \$20,000 for contracts entered between 1 July 2016 and 30 June 2017.

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Website www.treasury.qld.gov.au

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I acknowledge that there is substantial demand for financial assistance to enter the housing market. However, I am unable to support the LGAQ's request for QFHOG to be extended to existing dwellings. QFHOG is an initiative that aims at helping first home buyers into the property market and stimulating new housing. It is not intended to support demand in the housing market generally. While there are no plans to extend QFHOG to include established homes at this time, I thank you for bringing your members' concerns to the Government's attention.

I note that while the availability of QFHOG is now restricted to new homes, the transfer duty first home concession remains available to all first home owners, who purchase a home which they will occupy, regardless of whether the property is a new or an existing home. Currently, for a first home, no transfer duty applies where the dutiable value is up to \$500,000 and a phasing-out rebate applies for values up to \$549,999.

If you require further information about QFHOG, your officers can contact Mr Chris Elliott, Senior Revenue Officer, Office of State Revenue on (07) 3035 3348.

I trust this information is of assistance to you.

Yours sincerely



HON. CURTIS PITT MP

Treasurer

Minister for Aboriginal and Torres Strait Islander Partnerships

Minister for Sport



Treasurer
Minister for Trade and Investment

Our Ref: 00558-2017

17 FEB 2017

Mr Brian Hartzler
Chief Executive Officer
Westpac
275 Kent Street
SYDNEY NSW 2000

1 William St Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone 07 3719 7200
Email treasurer@ministerial.qld.gov.au
Website www.treasury.qld.gov.au
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Dear Mr ~~Hartzler~~ **BRIAN**

Queensland First Home Owners' Grant

The Queensland Government is committed to ensuring that home ownership remains within reach of all Queenslanders. That's why the Palaszczuk Government offers assistance to get into the market through the Queensland First Home Owners' Grant.

The Palaszczuk Government has strengthened the Queensland First Home Owner's Grant by boosting the grant to \$20,000 for 12 months to 1 July 2017. The Queensland First Home Owners' Grant is actively helping more Queenslanders realise their dream of owning their own home.

By focusing the Queensland First Home Owners' Grant on newly built properties, this Initiative incentivises the construction of new homes which in turn creates more work for the many local contractors, subcontractors and suppliers whose employment relies on the building industry.

The building and construction sector creates jobs, stimulates the wider economy and keeps locals employed and this is critical in across the state, particularly in regional Queensland.

Following discussions with representatives from the housing and construction industry, I was concerned when it was suggested that some major financial institutions are not acknowledging the \$20,000 grant as part of the deposit in their assessment of applications for new mortgages.

Such an approach from mortgage lenders would hinder the benefits from the First Home Owners' Grant, namely to increase home ownership in Queensland and support job creation in the construction industry.

I note that CANSTAR's July 2016 analysis of First Home Buyer lending practices indicates that you allow first home buyer grants to be treated as a deposit for the purposes of first home buyers meeting the necessary deposit requirements to access a home loan. I appreciate this approach and encourage you to maintain this practice to ensure that your organisation continues to support mortgage applicants that seek to utilise the Queensland First Home Owners' Grant for the purchase of their new home.

Your financial institution has a key role to play in growing the Queensland economy and I acknowledge your organisation's efforts to this end. I ask that you maintain this commitment by ensuring that the Queensland First Home Owners' Grant can help more Queenslanders.

Yours sincerely



HON. CURTIS PITT MP
Treasurer
Minister for Trade and Investment

RTI RELEASE



Treasurer
Minister for Trade and Investment

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Website www.treasury.qld.gov.au

Our Ref: 00558-2017

ABN 90 856 020 239

17 FEB 2017

Mr Steve James
Chief Executive Officer
Teachers Mutual Bank
28-38 Pwell St
HOMEBUSH NSW 2140

Dear Mr James

Queensland First Home Owners' Grant

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The building and construction sector creates jobs, stimulates the wider economy and keeps locals employed and this is critical in across the state, particularly in regional Queensland.

Following discussions with representatives from the housing and construction industry, I was concerned when it was suggested that some major financial institutions are not acknowledging the \$20,000 grant as part of the deposit in their assessment of applications for new mortgages.

Such an approach from mortgage lenders would hinder the benefits from the Queensland First Home Owners' Grant, namely to increase home ownership in Queensland and support job creation in the construction industry.

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Your financial institution has a key role to play in growing the Queensland economy and I acknowledge your organisation's efforts to this end. I ask that you maintain this commitment by ensuring that the Queensland First Home Owners' Grant can help more Queenslanders.

Yours sincerely



HON. CURTIS PITT MP
Treasurer
Minister for Trade and Investment

RTI RELEASE



Treasurer
Minister for Trade and Investment

Our Ref: 00558-2017

17 FEB 2017

Mr Ross Miller
Managing Director
St George
Locked Bag 1
KOGARAH NSW 1485

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Telephone 07 3719 7200
Email treasurer@minlsterial.qld.gov.au
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ABN 90 856 020 239

Dear Mr Miller *Ross*

Queensland First Home Owners' Grant

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The building and construction sector creates jobs, stimulates the wider economy and keeps locals employed and this is critical in across the state, particularly in regional Queensland.

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Such an approach from mortgage lenders would hinder the benefits from the First Home Owners' Grant, namely to increase home ownership in Queensland and support job creation in the construction industry.

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Your financial institution has a key role to play in growing the Queensland economy and I acknowledge your organisation's efforts to this end. I ask that you maintain this commitment by ensuring that the Queensland First Home Owners' Grant can help more Queenslanders.

Yours sincerely



HON. CURTIS PITT MP
Treasurer
Minister for Trade and Investment

RTI RELEASE



Treasurer
Minister for Trade and Investment

Our Ref: 00558-2017

17 FEB 2017

Mr Ian Narev
Chief Executive Officer
Commonwealth Bank of Australia
Ground Floor, Tower 1
201 Sussex St
SYDNEY NSW 2000

1 William St Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone 07 3719 7200
Email treasurer@ministerial.qld.gov.au
Website www.treasury.qld.gov.au

ABN 90 856 020 239

Dear Mr Narev *IAN*

Queensland First Home Owners' Grant

The Queensland Government is committed to ensuring that home ownership remains within reach of all Queenslanders. That's why the Palaszczuk Government offers assistance to get into the market through the Queensland First Home Owners' Grant.

The Palaszczuk Government has strengthened the Queensland First Home Owner's Grant by boosting the grant to \$20,000 for 12 months to 1 July 2017. The Queensland First Home Owners' Grant is actively helping more Queenslanders realise their dream of owning their own home.

By focusing the Queensland First Home Owners' Grant on newly built properties, this initiative incentivises the construction of new homes which in turn creates more work for the many local contractors, subcontractors and suppliers whose employment relies on the building industry.

The building and construction sector creates jobs, stimulates the wider economy and keeps locals employed and this is critical in across the state, particularly in regional Queensland.

Following discussions with representatives from the housing and construction industry, I was concerned when it was suggested that some major financial institutions are not acknowledging the \$20,000 grant as part of the deposit in their assessment of applications for new mortgages.

Such an approach from mortgage lenders would hinder the benefits from the First Home Owners' Grant, namely to increase home ownership in Queensland and support job creation in the construction industry.

I note that CANSTAR's July 2016 analysis of First Home Buyer lending practices indicates that you allow first home buyer grants to be treated as a deposit for the purposes of first home buyers meeting the necessary deposit requirements to access a home loan. I appreciate this approach and encourage you to maintain this practice to ensure that your organisation continues to support mortgage applicants that seek to utilise the Queensland First Home Owners' Grant for the purchase of their new home.

Your financial institution has a key role to play in growing the Queensland economy and I acknowledge your organisation's efforts to this end. I ask that you maintain this commitment by ensuring that the Queensland First Home Owners' Grant can help more Queenslanders.

Yours sincerely



HON. CURTIS PITT MP
Treasurer
Minister for Trade and Investment

RTI RELEASE



Treasurer
Minister for Trade and Investment

1 William St Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone 07 3719 7200
Email treasurer@ministerial.qld.gov.au
Website www.treasury.qld.gov.au

Our Ref: 00558-2017

ABN 90 856 020 239

17 FEB 2017

Mr Steven Munchenberg
Managing Director
Bankwest
Level 20, 108 St George Terrace
PERTH WA 6000

Dear Mr Munchenberg

Queensland First Home Owners' Grant

The Queensland Government is committed to ensuring that home ownership remains within reach of all Queenslanders. That's why the Palaszczuk Government offers assistance to get into the market through the Queensland First Home Owners' Grant.

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By focusing the Queensland First Home Owners' Grant on newly built properties, this initiative incentivises the construction of new homes which in turn creates more work for the many local contractors, subcontractors and suppliers whose employment relies on the building industry.

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Following discussions with representatives from the housing and construction industry, I was concerned when it was suggested that some major financial institutions are not acknowledging the \$20,000 grant as part of the deposit in their assessment of applications for new mortgages.

Such an approach from mortgage lenders would hinder the benefits from the Queensland First Home Owners' Grant, namely to increase home ownership in Queensland and support job creation in the construction industry.

I note that CANSTAR's July 2016 analysis of First Home Buyer lending practices indicates that you do not allow first home buyer grants to be treated as a deposit for the purposes of first home buyers meeting the necessary deposit requirements to access a home loan. I encourage you to review this practice to ensure that your organisation will not reject mortgage applicants on the basis that they seek to utilise the Queensland First Home Owners' Grant for the purchase of their new home.

Your financial institution has a key role to play in growing the Queensland economy and I acknowledge your organisation's efforts to this end. I ask that you apply this commitment to this request and ensure that the Queensland First Home Owners' Grant can help more Queenslanders.

Yours sincerely



HON. CURTIS PITT MP
Treasurer
Minister for Trade and Investment

RTI RELEASE

Anthony Lim

From: Peter Cross
Sent: Wednesday, 22 February 2017 9:10 AM
To: Katherine Woods
Cc: Anthony Lim; Ruth M Sparkes; Mark Rogers
Subject: FW: First Home Owners Grant - Existing properties

Good morning Katherine,

Mark Rogers has approved the following response to Jonathan Scott:

"I note your concerns that the Queensland First Home Owners' Grant (QFHOG) and the first home transfer duty (formerly called stamp duty) concession are no longer feasible. As you know, the first home transfer duty concession is available to eligible first home buyers purchasing residential property which they will occupy as their home. Currently, for people purchasing a first home, no transfer duty applies where the dutiable value is \$500,000 or less and a phasing-out rebate applies for values up to \$549,999.

I understand your concerns that it is difficult to purchase a suitable home in Brisbane without paying transfer duty. While I sympathise with your situation, tax legislation must treat transactions equally, despite the variety of circumstances experienced by individual taxpayers. Transfer duty, along with other state duties and taxes, forms an important source of revenue for Queensland and is used to meet community needs in areas such as education, health and transport. Further, one of the Government's objectives is to maintain a competitive taxation system. Queensland has the lowest standard transfer duty rates for all homes compared to other Australian states..

I also note your suggestion that QFHOG be extended to established homes. The original First Home Owner Grant (FHOG) of \$7,000, which applied to purchases of both established and new first homes, was introduced with the intent of compensating first home buyers for the expected increase in the cost of housing following the introduction of the Goods and Services Tax (GST) in 2000. In recent years, the grant was subject to concerns that it was no longer achieving its intended purpose of offsetting the impact of the GST on new housing and pushed up the price of housing by increasing demand without increasing supply.

Consequently, the 2012-13 Queensland State Budget amended the former FHOG scheme, increasing the grant amount from \$7,000 to \$15,000 and limiting it to first home buyers purchasing or building a new home. It is not a requirement that applicants for the grant build a new home. The 2016-17 Queensland State Budget provided a further boost to first home buyers by temporarily increasing the grant to \$20,000 for contracts entered between 1 July 2016 and 30 June 2017 and renaming the grant the "Queensland First Home Owners' Grant". This is more generous than the majority of the other states.

These changes resulted in first home buyers being assisted into the property market, increasing the supply of housing and providing support to Queensland's construction industry. I note that all state and territory governments have now limited their first home buyer grants to new homes only, or have significantly reduced the grant available for established homes.

While there are no current plans to extend QFHOG to existing homes, I thank you for bringing your concerns to the Government's attention."

Please don't hesitate to contact me if you wish to discuss further.

Regards,

Peter Cross

A/Policy Officer
Policy and Legislation Division
Queensland Treasury
Level 21, 1 William Street
Phone: (07) 3012 2799 (dial full number)
Email: [REDACTED]
Web: www.treasury.qld.gov.au



**Queensland
Government**

From: Mark Rogers
Sent: Wednesday, 22 February 2017 8:49 AM
To: Peter Cross
Cc: Katherine Woods; Anthony Lim
Subject: RE: First Home Owners Grant - Existing properties

Approved to progress

Please be aware I read my emails early in the morning, in the middle of the day and at the end of each day. For urgent matters please call or text.

Kind Regards

Mark Rogers
Director Duties and Grants
Office of State Revenue
(Chair: Business Innovation & Improvement in Government network)
Queensland Treasury
Level 19, 1 William Street
Phone: 303 53667 (dial full number)
Mobile: [REDACTED] Contrary to Public Interest
E-Mail: [REDACTED]
Web: www.treasury.qld.gov.au



**Queensland
Government**



Proudly working with White Ribbon to create a safer workplace
Australia's campaign to stop violence against women



From: Peter Cross
Sent: Tuesday, 21 February 2017 3:08 PM
To: Mark Rogers
Cc: Katherine Woods; Anthony Lim
Subject: RE: First Home Owners Grant - Existing properties

Good afternoon Mark,

I am just following up on this request from the DLO. Unfortunately, I have to leave early today. Please contact Anthony Lim (A/Manager, Policy and Legislation Unit) if you wish to progress this matter today. He can be reached on (07) 3012 2755.

Otherwise, I will be in as normal tomorrow morning.

Thanks very much for your assistance in this matter.

Regards,

Peter Cross
A/Policy Officer
Policy and Legislation Division
Queensland Treasury
Level 21, 1 William Street
Phone: (07) 3012 2799 (dial full number)
Email:
Web: www.treasury.qld.gov.au



From: Peter Cross
Sent: Monday, 20 February 2017 9:11 AM
To: Mark Rogers
Cc: Katherine Woods; Ruth M Sparkes; Anthony Lim; Chris Elliott; Van Pham
Subject: RE: First Home Owners Grant - Existing properties

Good morning Mark,

Please find attached a standard wording for Jonathan Scott, Departmental Liaison Officer (for approval). Please note Jonathan has asked for OSR's response sometime early this week.

Please advise if you are comfortable with this response. If so, I will progress it to the Commissioner.

"I note your concerns that the Queensland First Home Owners' Grant (QFHOG) and first home transfer duty (formerly called stamp duty) concession are no longer feasible. As you know, the the first home transfer duty concession is available to eligible first home buyers purchasing residential property which they will occupy as their home. Currently, for people purchasing a first home, no transfer duty applies where the dutiable value is \$500,000 or less and a phasing-out rebate applies for values up to \$549,999.

I understand your concerns that it is difficult to purchase a suitable home in Brisbane without paying transfer duty. While I sympathise with your situation, tax legislation must treat transactions equally, despite the variety of circumstances experienced by individual taxpayers. Transfer duty, along with other state duties and taxes, forms an important source of revenue for Queensland and is used to meet community needs in areas such as education, health and transport. Further, one of the Government's objectives is to maintain a competitive taxation system. Queensland has the lowest standard transfer duty rates for all homes compared to other Australian states..

I also note your suggestion that QFHOG be extended to established homes. The original First Home Owner Grant (FHOG) of \$7,000, which applied to purchases of both established and new first homes, was introduced with the intent of compensating first home buyers for the expected increase in the cost of housing following the introduction of the Goods and Services Tax (GST) in 2000. In recent years, the grant was subject to concerns that it was no longer achieving its intended purpose of offsetting the impact of the GST on new housing and pushed up the price of housing by increasing demand without increasing supply.

Consequently, the 2012-13 Queensland State Budget amended the former FHOG scheme, increasing the grant amount from \$7,000 to \$15,000 and limiting it to first home buyers purchasing or building a new home. It is not a requirement that applicants for the grant build a new home. The 2016-17 Queensland State Budget provided a further boost to first home buyers by temporarily increasing the grant to \$20,000 for contracts entered between 1 July 2016 and 30 June 2017 and renaming the grant the "Queensland First Home Owners' Grant". This is more generous than the majority of the other states.

These changes resulted in first home buyers being assisted into the property market, increasing the supply of housing and providing support to Queensland's construction industry. I note that all state and territory governments have now limited their first home buyer grants to new homes only, or have significantly reduced the grant available for established homes.

While there are no current plans to extend QFHOG to existing homes, I thank you for bringing your concerns to the Government's attention."

Please do not hesitate to contact me if you wish to discuss further.

Thanks,

Peter Cross

A/Policy Officer
Policy and Legislation Division
Queensland Treasury
Level 21, 1 William Street

Phone: (07) 3012 2799 (dial full number)

Email:

Web: www.treasury.qld.gov.au



**Queensland
Government**

From: Mark Rogers
Sent: Tuesday, 14 February 2017 10:48 AM
To: Peter Cross
Cc: Chris Elliott; Van Pham; Katherine Woods
Subject: FW: First Home Owners Grant - Existing properties

Peter, would you please prepare a suitable response.

Please be aware I read my emails early in the morning, in the middle of the day and at the end of each day, For urgent matters please call or text.

Kind Regards

Mark Rogers
Director Duties and Grants
Office of State Revenue
(Chair: Business Innovation & Improvement in Government network)
Queensland Treasury
Level 19, 1 William Street
Phone: 303 53667 (dial full number)
Mobile: Contrary to Public Interest
E-Mail:
Web: www.treasury.qld.gov.au



**Queensland
Government**



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Australia's campaign to stop violence against women



From: Chris Elliott
Sent: Tuesday, 14 February 2017 10:17 AM
To: Mark Rogers
Cc: Van Pham
Subject: FW: First Home OWners Grant - Existing properties

Hi Mark,

This type of enquiry would normally be handled by Peter Cross. Would you like me to forward it to him to draft a response?

Regards

Chris Elliott
Senior Revenue Officer
Duties and Grants Division
Office of State Revenue
Queensland Treasury
Phone: 07 3035 3348 (dial full number)
Web: www.qld.gov.au/osr



**Queensland
Government**

From: Katherine Woods
Sent: Tuesday, 14 February 2017 9:35 AM
To: Mark Rogers; Chris Elliott
Subject: FW: First Home OWners Grant - Existing properties

Good morning gents,

Are either of you able to assist with a standard wording answer for the below enquiry?

Regards,
Katherine

Katherine Woods
Executive Officer to the Commissioner
Office of State Revenue
Queensland Treasury
Level 21, 1 William Street
Phone: 07 3035 1904
Email: [Redacted]
Web: www.qld.gov.au/osr



**Queensland
Government**

From: DLO
Sent: Tuesday, 14 February 2017 9:01 AM
To: Katherine Woods
Subject: FW: First Home OWners Grant - Existing properties

Hi Katherine

I'm sure we have some standard lines on this but for the life of me I can't find them. Are you able to locate the wording we have on this?

Cheers
Jon

Jonathan Scott
Departmental Liaison Officer
Queensland Treasury
30353505 or **Contrary to Public Interest**

From: Khiraan Kumar [Redacted]
Sent: Monday, 13 February 2017 3:58 PM
To: DLO
Subject: First Home OWners Grant - Existing properties

Hi Jon,

Can we have a draft response to:

Constituent:	Contrary to Public Interest
Electorate:	[Redacted]
Address:	[Redacted]
Contact Number:	[Redacted]
Issue:	First Home Owners Grant
Responsible Department:	Treasury
Checked departmental website for information:	N/A
Has constituent already contacted relevant department	No

In the next few years I want to buy a house with my husband. I think that the First Home Owners scheme provides an amazing opportunity for first home buyers in this wonderful state. However we feel that the current scheme is no longer feasible in today's housing market.

The current scheme only provides a stamp duty waiver for properties up to a value of \$500,000 which really limits our buying area. We concede that there are some properties in the outlying suburbs of Brisbane that fall under the \$500,000 price tag, however this is not possible in our situation.

We both require to live close to our workplaces and to do this we need to live closer to Brisbane. We also want to raise our family in a house with a yard, which rules out units or townhouses. Unfortunately it is very difficult to buy houses that don't need major renovation and that are fairly close to Brisbane under \$500,000. It is also very difficult to buy land in Brisbane for a reasonable price and then build to receive the \$15,000 grant.

Therefore we request the Queensland Government to review the First Home Owners Scheme for existing properties. We believe that there needs to be an increase in the dollar amount for properties that have the stamped duty waived. This will keep this scheme relative to housing prices, especially in a growing city like Brisbane. This will ensure that first home buyers will continue to have the opportunity to benefit from this scheme.

Kind regards

Khiraan Kumar

Senior Policy Advisor

Office of the Hon. Curtis Pitt MP



**Queensland
Government**

Treasurer
Minister for Trade and Investment

P 07 3719 7200 | Email [REDACTED]
GPO Box 611 Brisbane QLD 4001

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Please consider the environment before printing this email.



Office of the
Treasurer
Minister for Aboriginal and Torres Strait Islander Partnerships
Minister for Sport

Our Ref: 00142-2017

23 FEB 2017

Level 38
1 William Street
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone 07 3749 7200
Email treasurer@ministerial.qld.gov.au
Website www.treasury.qld.gov.au

ABN 90 856 020 239

Contrary to Public Interest

Dear Contrary to Public Int

Queensland First Home Owners Grant

I refer to your email of Contrary to Pub 2017 to the Honourable Curtis Pitt MP, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Sport regarding the Queensland First Home Owners Grant (QFHOG). I have been asked to respond on the Treasurer's behalf.

I note your suggestion that QFHOG be extended to established homes. As you may know, the original First Home Owner Grant of \$7,000, which applied to purchases of both established and new first homes, was introduced with the intent of compensating first home buyers for the expected increase in the cost of housing following the introduction of the Goods and Services Tax (GST) in 2000.

In recent years, the grant was changed in response to concerns that it was no longer achieving its intended purpose of offsetting the impact of the GST on new housing and pushed up the price of housing by increasing demand without increasing supply. I note that all state and territory governments have now limited their first home buyer grants to new homes only, or have significantly reduced the grant available for established homes.

Queensland's 2016-17 State Budget provided a further boost to first home buyers by temporarily increasing the grant to \$20,000 for contracts entered between 1 July 2016 and 30 June 2017. This is more generous than the majority of the other States.

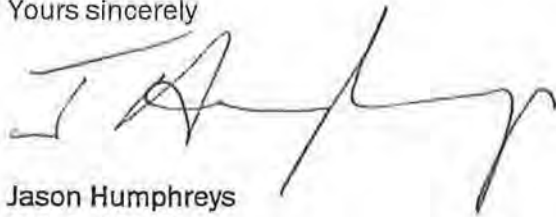
This is a Government that is committed to economic growth and job creation in the regions, through the \$200 million Jobs and Regional Growth Package. However, the QFHOG is a Government initiative that aims to help first home buyers get into the property market. While there are currently no plans to extend the QFHOG to include established homes in regional areas at this stage, I thank you for bringing your concerns to the Government's attention.

While the availability of the QFHOG in Queensland is restricted to new homes, the transfer duty home concession and transfer duty first home concession remains available to all home owners who purchase a home which they will occupy, regardless of whether the property is a new or an existing home.

Currently, for a first home, no transfer duty applies where the dutiable value is up to \$500,000 and a phasing-out rebate applies for values up to \$549,999. For a home that is not a first home, transfer duty applies at a reduced rate on the dutiable value up to \$350,000 but duty is applied at normal rates on the dutiable value above this amount.

If you require further information you can contact Mr Chris Elliott, Senior Revenue Officer, Office of State Revenue on (07) 3035 3348.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Humphreys', is written over a large, diagonal watermark that says 'RTI RELEASED'.

Jason Humphreys
Chief of Staff

Our Ref: 04632-2016

Ms Antonia Mercorella
Chief Executive Officer
REIQ
PO Box 1555
COORPAROO DC QLD 4151

Dear Ms Mercorella

First Home Owners' Grant

Thank you for your letter of 6 December 2016 regarding the application of the Queensland First Home Owners' Grant (QFHOG) and your proposal for QFHOG to be reinstated for established homes in regional and central Queensland.

As you may know, the original First Home Owner Grant (FHOG) of \$7,000, which applied to purchases of both established and new first homes, was introduced with the intent of compensating first home buyers for the expected increase in the cost of housing following the introduction of the Goods and Services Tax (GST) in 2000.

In recent years, the FHOG was changed in response to concerns that it was no longer achieving its intended purpose of offsetting the impact of the GST on new housing and pushed up the price of housing by increasing demand without increasing supply. I note that all state and territory governments have now limited their first home buyer grants to new homes only.

However, the 2016-17 State Budget provided a further boost to first home buyers by temporarily increasing the grant to \$20,000 for contracts entered between 1 July 2016 and 30 June 2017. This is more generous than the majority of other States.

I understand the economic and financial pressures home owners in regional and central Queensland may be experiencing in a softening property market. This is a Government that is committed to economic growth and job creation in the regions, through the \$200M Jobs and Regional Growth Package, Back to Work and Back to Work Youth Boost. The QFHOG is a Government initiative that aims to help first home buyers get into the property market and also to stimulate new housing and the construction industry. The program is strategically designed to incentivise the construction of new housing which will in turn create work for the many local contractors, subcontractors and suppliers who rely on the building industry. This will in turn stimulate the wider economy in some regional areas which is critical at this challenging time.

While the availability of QFHOG in Queensland is restricted to new homes, the transfer duty home concession and transfer duty first home concession remains available to all home owners who purchase a home which they will occupy, regardless of whether the property is a new or an existing home. These concessions ensure that Queensland homebuyers pay the lowest transfer duty in the nation, based on average house prices.

If you require further information your officers can contact Mr Jason Humphreys, Chief of Staff of my office on (07) 3719 7200.

I trust this information is of assistance.

Yours sincerely

HON. CURTIS PITT MP
Treasurer
Minister Trade and Investment



Office of the
Treasurer
Minister for Trade and Investment

Our Ref: 00752-2017
Your Ref: 140973

1 William St Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone 07 3719 7200
Email treasurer@ministerial.qld.gov.au
Website www.treasury.qld.gov.au

20 MAR 2017

ABN 90 856 020 239

Ms Kate Gault
Case Manager
Bankwest
GPO Box E237
PERTH WA 6841

Dear Ms Gault

Queensland First Home Owners' Grant

I refer to your letter of 20 February 2017 to the Honourable Curtis Pitt MP, Treasurer, Minister for Trade and Investment regarding Bankwest's reasons for not acknowledging the Queensland First Home Owners' Grant as part of a deposit. I have been asked to respond on the Treasurer's behalf.

Thank you for conveying the Queensland Government's concerns to Mr Ian Sivwright, Executive Manager. I would like to provide some additional information in response to the points you raise.

I note your explanation that an application for the grant cannot be made until a housing loan application has reached Bankwest's unconditional approval stage, which would typically require a deposit. The Commissioner of State Revenue informs me that an application for the Queensland First Home Owners' Grant can be made at any time within the application period, which starts on the commencement date of the eligible transaction and ends one year after the completion of the eligible transaction. There is no requirement that an applicant's home loan application must have received unconditional approval.

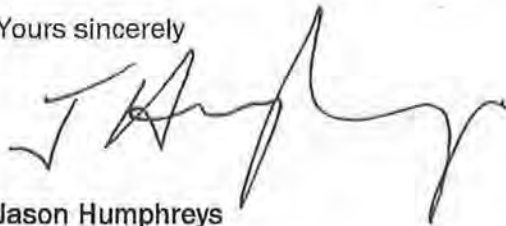
Furthermore, the Commissioner informs me that there are no Office of State Revenue practices which prevent financial institutions from considering the Queensland First Home Owners' Grant as part of a home deposit.

The Queensland First Home Owners' Grant is an important contributor to increased home ownership and job creation in Queensland. Consequently, I encourage Bankwest to review its practice in light of this additional information.

If you require any further information you can contact Mr Chris Elliott, Senior Revenue Officer, Duties and Grants Division on (07) 3035 3348.

I trust this information is of assistance to you.

Yours sincerely



Jason Humphreys
Chief of Staff

RTI RELEASE

Anthony Lim

From: Ruth M Sparkes
Sent: Wednesday, 10 May 2017 10:40 AM
To: Glenn Miller
Cc: Anthony Lim
Subject: PCA budget proposal
Attachments: DMView_1494376195565_01700-2017_53093_incoming_Letter.pdf

Hi Glenn. We've just received Property Council of Australia's submission. It refers to AFAD's effect of cooling investment in inner city residential apartment projects, and asks that the following be considered –

- Continue the \$5,000 FHOG boost for a further 12 months
- Add an additional \$5,000 to FHOG for regional Queensland
- Do not extend FHOG to existing dwellings or the renovation market.

Any comments by early next week would be appreciated. (And on the UDIA proposal below by the end of this week). Thanks.

Thanks,
Ruth

From: Ruth M Sparkes
Sent: Friday, 5 May 2017 9:35 AM
To: Glenn Miller
Subject: UDIA budget proposal

Hi Glenn. We've been asked to respond to the attached "as per the usual budget proposal response".

UDIA proposes extending the current \$5000 boost for FHOG; increasing the transfer duty first home concession to \$600,000 to match Victoria; making available statistics relating to the number of first home buyers taking up the grant; and investigating payment of duty by home buyers on an annual basis rather than as a lump sum.

Do you have any specific comments on any of these? We'd appreciate anything by the end of next week. Thanks.

Ruth Sparkes
A/Director Policy & Legislation
Office of State Revenue
Queensland Treasury
Level 21, 1 William Street
Phone: 3012 2785
Email:
Web: www.qld.gov.au/osr



**Queensland
Government**

MINISTERIAL CORRESPONDENCE
DEPARTMENTAL ACTION REQUEST FORM

Queensland Government

- Treasury
 Trade and Investment

Request date: MIN LTR DUE to MO: (date/time)

MO Ref: Dept Ref:

Service Area: (DLO to complete) E. GOLI - OSR

- PLEASE PROVIDE**
- Letter of Response
 - Briefing Note for Information
 - Meeting Briefing Note
 - Referral to Director-General
 - Media Release
 - Acknowledgement letter
 - Acknowledgement & Referral letters
 - Action & Advice -- detailed below
 - Note to File
 - No Action
 - Other

- SIGN OFF BY**
- Minister
 - Shareholding Ministers
 - Chief of Staff
 - Senior Advisor
 - Senior Media Advisor
 - Other

- CONCLUDING PARAGRAPH**
- Departmental contact
 - Ministerial Office contact
 - Other

- COPY TO (MO USE ONLY)**
- Relevant Minister
 - Chief of Staff
 - Advisor
 - Other

OFFICE OF THE
- 9 MAY 2017
UNDER TREASURER

ADDITIONAL INSTRUCTIONS

MO comments:

Min comments:

Refer to 01650 2017

DLO comments:

19

If you require any further assistance regarding this request please contact: **Executive Services**

Please print on yellow paper (Treasury); blue paper (Sport); or green paper (Aboriginal and Torres Strait Islander Partnerships).



Property Council of Australia
ABN 13 008 474 422

Level 6, 300 Queen Street
Brisbane QLD 4000

T. +61 7 3225 3000
E. info@propertycouncil.com.au

propertycouncil.com.au
[@propertycouncil](https://www.facebook.com/propertycouncil)

5 May 2017

Hon Curtis Pitt MP
Treasurer
Minister for Trade and Investment
GPO Box 611
Brisbane Qld 4001

Dear *Curtis* Treasurer

First Home Owners' Grant

Thank you for the opportunity for the Property Council's Immediate Past President, Kingsley Andrew, and myself to meet with you on 26 April to discuss the current state of the Queensland property market, and in particular, the Qld Government's First Home Owners Grant (FHOG).

As discussed, our members are currently reporting varying levels of activity across markets and geographies in Queensland. Therefore, we believe there is a strong case for the State Government to continue, and potentially increase, support for first home buyers.

As you are aware, challenging economic conditions remain in much of regional Queensland, and this is being felt by the property industry in these areas.

In South East Queensland, we have seen a strong level of investment in inner city residential apartment projects over the past 3 years. This has not only played an important role in increasing housing supply, putting downward pressure on price and rents in the inner city, but it has also been a significant local jobs generator.

Recent national and state regulatory changes – including the introduction of the Additional Foreigner Acquirer Duty (AFAD) in Queensland – coupled with increased banking restrictions, have collectively acted to cool this market. As a result, it is likely that over the next 18 months we will see construction activity in this sector reduce in South East Queensland.

As discussed with you in our meeting, the greenfield house and land market in South East Queensland remains generally positive, albeit factors such as limited land supply are impacting different parts of the region. First home buyers are an important component of this market, with the FHOG being a large driver of this.

PROSPERITY JOBS STRONG COMMUNITIES

In our view, taking these various factors into consideration, we believe the State Government should take the following action in the upcoming Queensland State Budget:

- 1. Continue the current \$5,000 boost to the FHOG for a further 12 months, making it a total of \$20,000 for first home buyers.**
This action will not only support first home buyers striving to purchase their first home, it will underpin additional construction activity right across the State.
- 2. Add an additional \$5000 boost to the FHOG in regional Queensland for 12 months, making it a total of \$25,000 for regional first home buyers.**
This action recognises the additional economic challenges in regional Queensland and would further incentivise job-generating investment in those areas.
- 3. Do not extend the FHOG to existing dwellings.**
The current focus on new housing ensures that the FHOG delivers a dual benefit to the State. It allows first home buyers to enter the market, as well as driving construction activity. Extending the FHOG to existing dwellings would dilute the economic and job-generating impact of the grant.
- 4. Do not provide an incentive to the renovation market, which has been foreshadowed in the media.**
It is our view that such an incentive would be hard to define and potentially open to abuse, as there is currently no trigger for State Government assessment/involvement in renovations. We also believe the Government should prioritise supporting first home buyers entering the housing market, rather than current home owners who potentially have the financial capacity to pay for a renovation, without the support of the Government.

We believe that these measures would be a prudent use of State funds to support job-generating housing projects right across Queensland. It would also mean that more young Queenslanders will have the opportunity to own their first home, putting them on a positive personal footing into the future.

Please don't hesitate to contact me if you wish to discuss this further.

Yours sincerely


Chris Mountford
Queensland Executive Director

CC: Premier of Queensland
Deputy Premier of Queensland



Alison Peattie

From: Henry Pike Contrary to Public Interest
Sent: Friday, 5 May 2017 1:20 PM
To: Treasurer's Office
Subject: Property Council letter re:FHOG
Attachments: 170505 Property Council - Pitt.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Good afternoon,

Please find attached a letter from Chris Mountford, Qld Executive Director – Property Council, to the Treasurer in relation to the First Home Owners' Grant.

Kind regards,

Henry Pike | Policy and Communications Advisor

Property Council of Australia

Level 6, 300 Queen St, Brisbane QLD 4000

P +61 7 3225 3000 | M Contrary to Public Interest

E Contrary to Public Interest

W propertycouncil.com.au

🐦 [@propertycouncil](https://twitter.com/propertycouncil)

PROSPERITY | JOBS | STRONG COMMUNITIES

Anthony Lim

From: Anthony Lim
Sent: Wednesday, 17 May 2017 7:37 AM
To: Peter Cross
Subject: RE: POL6145- UDIA ministerial- extending FHOG

Hi Peter, apologies for not finalising my review of this. I note it is not due until 26 May. Given my relieving has ended, could you please finalise with Ruth? Thanks, Anthony

From: Peter Cross
Sent: Wednesday, 10 May 2017 1:07 PM
To: Anthony Lim
Subject: RE: POL6145- UDIA ministerial- extending FHOG

Apologies Anthony, I accidentally linked you to the incoming ministerial.

<https://nexus.treasury.qld.gov.au/business/osr-policy-matters/matters/POL6145/POL6145%20Letter%20Treasurer%20to%20M%20vit%20Reply.doc>

From: Peter Cross
Sent: Wednesday, 10 May 2017 11:19 AM
To: Anthony Lim
Subject: POL6145- UDIA ministerial- extending FHOG

Hi Anthony,

Related to the recent PCA 2017-18 Budget submission, please find attached a draft response to the UDIA's Marina Vit (POL6145). You will see I have included a question regarding our strategy in responding. Please advise if you have any further feedback.

Draft response- <https://nexus.treasury.qld.gov.au/business/osr-policy-matters/matters/POL6145/POL6145%20Letter%20M%20vit%20to%20Treasurer%20RE%20Great%20Start%20Grant.pdf?Web=1>

Regards,

Peter Cross
A/Policy Officer
Policy and Legislation Division
Queensland Treasury
Level 21, 1 William Street
Phone: (07) 3012 2799 (dial full number)
Email:
Web: www.treasury.qld.gov.au

 **Queensland
Government**

Our Ref: 01287-2017

Ms Marina Vit
Chief Executive Officer
Urban Development Institute of Australia
GPO Box 2279
BRISBANE QLD 4001

Dear Ms Vit

Urban Development Institute of Australia- 2017-18 Budget Submission

Thank you for your letter of 5 May 2017 enclosing the Urban Development Institute of Australia's 2017-18 Budget submission on the Queensland First Home Owner Grant (previously known as the Great Start Grant). On 13 June 2017, I will deliver the Palaszczuk Government's third Budget. This Budget will continue the Government's economic plan, which has delivered lower unemployment, generated increased economic growth, and a reduction in Government debt.

But the Government knows we have more to do, particularly in regional Queensland, and I commend your organisation for undertaking the work involved in preparing a submission for consideration as part of the Budget.

While the Government has a strong economic vision for Queensland, the views and ideas of stakeholders such as the Urban Development Institute of Australia are vitally important in informing government of the opportunities available and the needs and interests of particular aspects of the broad Queensland community. Your contribution to the 2017-18 Budget will help the Government in tailoring a budget that promotes inclusive growth, fairness, and prosperity for all Queenslanders.

I look forward to continuing to work with the Urban Development Institute of Australia to help to deliver better policy for Queensland. Should you wish to discuss this matter further you can contact Mr Jason Humphreys, Chief of Staff of my office on (07) 3719 7200.

Yours sincerely

HON. CURTIS PITT MP
Treasurer
Minister for Trade and Investment

RTI RELEASE

MINISTERIAL CORRESPONDENCE
DEPARTMENTAL ACTION REQUEST FORM

Queensland Government

- Treasury
 Trade and Investment

Request date:	FY1	DUE to MO: (date/time)	
MO Ref:		Dept Ref:	
Service Area: (DLO to complete)	D. JACKSON - API (T+1).		

PLEASE PROVIDE

<input type="checkbox"/> Letter of Response	<input type="checkbox"/> Acknowledgement letter
<input type="checkbox"/> Briefing Note for Information	<input type="checkbox"/> Acknowledgement & Referral letters
<input type="checkbox"/> Meeting Briefing Note	<input type="checkbox"/> Action & Advice – detailed below
<input type="checkbox"/> Referral to Director-General	<input checked="" type="checkbox"/> Note to File
<input type="checkbox"/> Media Release	<input type="checkbox"/> No Action
	<input type="checkbox"/> Other

SIGN OFF BY

<input type="checkbox"/> Minister	<input type="checkbox"/> Senior Advisor
<input type="checkbox"/> Shareholding Ministers	<input type="checkbox"/> Senior Media Advisor
<input type="checkbox"/> Chief of Staff	<input type="checkbox"/> Other

CONCLUDING PARAGRAPH

<input type="checkbox"/> Departmental contact	<input type="checkbox"/> Other
<input type="checkbox"/> Ministerial Office contact	

COPY TO (MO USE ONLY)

<input type="checkbox"/> Relevant Minister	<input type="checkbox"/> Advisor
<input type="checkbox"/> Chief of Staff	<input type="checkbox"/> Other

OFFICE OF THE
05 APR 2017
UNDER TREASURER

ADDITIONAL INSTRUCTIONS

MO comments:

-LM

Min comments:

DLO comments:

g

If you require any further assistance regarding this request please contact: **Executive Services**

Please print on yellow paper (Treasury); blue paper (Sport); or green paper (Aboriginal and Torres Strait Islander Partnerships).



28 March 2017

The Honourable Curtis Pitt MP
Treasurer
Level 9, Executive Building
100 George Street
Brisbane QLD 4000

GPO Box 2279
Brisbane QLD 4001
Level 17, 141 Queen Street
Brisbane QLD 4000

T: 07 3229 1589
F: 07 3229 7857
E: udia@udiaqld.com.au

www.udiaqld.com.au

ACN 010 007 084
ABN 32 885 108 968

BY POST / EMAIL - Treasurer@ministerial.qld.gov.au

Dear Treasurer 

I refer to the 2016-17 State Budget and specifically the commitment in your letter of 1 July to additional funding of \$40 million over two years to temporarily increase the Great Start Grant from \$15,000 to \$20,000 for newly built homes to assist Queenslanders to achieve their aspirations of home ownership and stimulate new investment in residential housing.

It is the UDIA Qld's understanding that the Great Start Grant is a temporary boost and the removal of the increase may be imminent.

I write to seek an extension to the \$5,000 boost to maintain the existing momentum of new housing investment that is an essential driver of our economy and helps to create jobs in our building and associated industries.

UDIA Qld provides the following reasons for retention of the grant:

- First homebuyers are currently at strong levels in the marketplace (near 2,000 buyers per month purchasing new and established homes as owner occupiers) representing a success for the government and more importantly for these Queensland households. It would be undesirable to undermine this achievement for the community.
- The removal of the grant at this time risks triggering a rapid drop in housing construction activity across the State including regional locations. Activity in the housing supply industry is presently declining with dwelling approvals in Queensland down 38% in the year to January 2017 and private sector house approvals down 7.9% (seasonally adjusted). UDIA Qld is concerned that the removal of the boost could exacerbate this decline, with flow-on impacts to affect employment and business stability.
- The six regional branches of UDIA Qld outside of South East Queensland namely Cairns, Townsville, Mackay/Whitsunday, Central Queensland, Bundaberg and Fraser Coast report that dwelling approvals and construction employment are well below long term levels, and the boost to the grant is very important to supporting and encouraging home building activity and retaining regional

residents. UDIA Qld believes that the removal of the boost at this time will compound the difficult economic and employment circumstances in regional areas.

- With the level of home prices having increased by more than 50% over the 10 years to September 2016 (ABS Residential Property Index - Brisbane) the relative value of the existing first home buyer grant has decreased and the boost, in part, addresses this disparity.

UDIA Qld acknowledges the Government's commitment to job creation and understands that the development industry has an important role to play in delivering on this commitment. UDIA Qld's key objective of creating better communities that includes expanded home ownership and contributive economic activity from the property development sector are consistent with the Government's commitment. UDIA Qld believes that an extension of the grant is critical to ensuring that the Government's commitments are met.

UDIA Qld also encourages further actions to enhance the ability of the industry to facilitate the Government's objectives including:

- Consider increasing the extent of transfer duty concession for first home buyers from \$505,000 to \$600,000 to match the rise in median house prices since it was put in place in 2012 and because further house price rises exponentially undermine the concession. This would better address the increased price of homes and remain competitive against the \$600,000 concession now available in Victoria.
- Make available statistics relating to the number of first home buyers taking up the grant for new housing to allow for better industry planning.
- Undertake an investigation of the transfer duty for owner occupiers to allow for home buyers to pay the duty on an annual basis rather than as a lump sum on purchase.

The UDIA Qld will shortly provide you with a number of recommendations for the 2017-18 State Budget for your consideration. We would welcome an opportunity to meet with you to discuss this letter. I can be contacted on 07 3229 1589.

Yours sincerely

Urban Development Institute of Australia (Queensland)

Contrary to public interest

Marina Vit
Chief Executive



Treasurer
Minister for Trade and Investment

Our Ref: 01854-2017

1 William St Brisbane
GPO Box 611 Brisbane
Queensland 4001 Australia
Telephone 07 3719 7200
Email treasurer@ministerial.qld.gov.au
Website www.treasury.qld.gov.au

02 JUN 2017

ABN 90 856 020 239

Contrary to Public Interest

Dear Contrary to Public Interest

Queensland First Home Owners' Grant

I refer to your email of Contrary 2017 to the Honourable Mick de Brenni MP, Minister for Housing and Public Works, Minister for Sport, regarding eligibility for the Queensland First Home Owners' Grant (QFHOG). As these matters fall within the portfolio responsibilities of the Honourable Curtis Pitt MP, Treasurer, Minister for Trade and Investment, your correspondence has been forwarded to this office for consideration. I have been asked to respond on the Treasurer's behalf.

I note your request that the QFHOG be extended generally to people who have not received it before, yet have previously owned property. To extend the QFHOG to a broader range of applicants would require the scheme to be greatly expanded, at a significant cost, and would change the fundamental objectives of assisting people buying their first new home in Queensland.

As you are aware, the Queensland First Home Owners' Grant (QFHOG) is a State Government initiative to help first home owners to buy their new first home sooner. For this reason, the eligibility criteria include that applicants or their spouse must not previously have owned property in Australia.

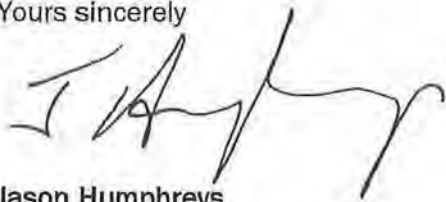
I note your personal circumstances and in particular, your comment suggesting that the QFHOG be extended so that those who have previously owned property but subsequently experienced financial hardship can have access to a home. While I sympathise with your situation, revenue and grant laws must treat transactions consistently. To frame the law on the basis of individual circumstances would be impractical.

While there are no current plans to alter the eligibility criteria for QFHOG, the transfer duty concession for the principal place of residence is still available to buyers who are not purchasing their first home. Subject to occupancy conditions, home buyers are eligible for a concessional transfer duty rate of \$1 for each \$100 or part of \$100 for the first \$350,000 of the consideration or value of the home, saving up to \$7,175. Duty at the general rates applies to any remaining part of the consideration or value. The home concession is available for both new and existing homes.

Detailed information relating to this concession is available on the Queensland Government website at www.qld.gov.au/housing/buying-owning-home/home-concession/

I trust this information is of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Humphreys', written over a large, faint, diagonal watermark that says 'RTI RELEASED'.

Jason Humphreys
Chief of Staff

RTI RELEASED

Pages 245 through 251 redacted for the following reasons:

Sch.3(2)(1)(c) - Cabinet Matter

RTI RELEASE