

Western Australia

Treasurer and Finance Minister Ben Wyatt

TEMPORARY FIRST HOME OWNER BOOST TO END TO ASSIST WITH BUDGET REPAIR

Wednesday, 17 May 2017

- The \$5,000 first home owner grant boost payment to cease on June 30, 2017
- \$10,000 first home owner grant still available
- Improvement to State's finances of about \$20 million over the forward estimates period

Treasurer and Finance Minister Ben Wyatt today announced the temporary boost to the first home owner grant will cease on June 30, 2017.

The boost - announced by the previous government in December 2016 - increases the first home owner grant payment from \$10,000 to \$15,000 on purchases of new homes, and had previously been scheduled to cease on December 31, 2017.

However, given the deterioration in the State's finances since the release of the Pre election Financial Projections Statement, the State Government has decided to cease the boost payment early.

First home buyers will continue to be eligible for the \$5,000 boost payment if they enter into a contract to purchase or build a new home before June 30, 2017. Owner builders also remain eligible if they start laying foundations before that date.

The boost payment applies to new homes up to the value of \$750,000 (or up to \$1 million if the home is located north of the 26th parallel), consistent with the eligibility requirements for the first home owner grant. To be eligible for the boost payment, first home buyers must also meet the previously announced conditions regarding the timing of construction.

From July 1, 2017, first home buyers purchasing or constructing a new home will remain eligible for the \$10,000 first home owner grant.

In addition, eligible first home buyers purchasing a new or established home will continue to be exempt from duty on homes valued up to \$430,000 or vacant land valued up to \$300,000, and to receive a concessional rate of duty on homes valued up to \$530,000 or vacant land valued up to \$400,000.

Comments attributed to Treasurer and Finance Minister Ben Wyatt:

"The boost is not an effective mechanism for stimulating additional construction of homes and given the disastrous state of the finances which we have inherited, we need to remove any ineffective spending.

"Ceasing the boost early will allow the State Government to fund higher priority areas while ensuring Western Australian first home buyers continue to be eligible for generous Government assistance.

"This action represents another \$20 million saved over the forward estimates. It's another step towards budget repair."

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