

Home buyers sweat on grant

Red tape is blamed for the failure to pay the \$14,000 bonanza.

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Not a single Victorian has received the new \$14,000 first home builder's grant as the Federal and State Governments blame each other over an apparent bureaucratic delay.

The scheme, designed to help the home-building industry out of a GST-induced slump, was announced by the Federal Government more than a month ago.

But despite a flood of inquiries to builders from people wanting to use the scheme to build a new home, no grants have yet been made in Victoria.

Under the scheme, the existing \$7000 first home owner's grant has been doubled as a limited offer for those building a new home or buying a previously unoccupied one. While the new scheme is funded by the Commonwealth, it is a state responsibility to administer it.

Victorian Treasurer John Brumby said the State Revenue Office had been unable to design the forms necessary to provide



home builders access to the \$14,000 because the Federal Government had not provided all of the necessary information.

"The Federal Government have been making policy via press release," a spokesman for Mr Brumby said. "They have announced a new funding scheme which is complex to administer and we are still trying to work out the arrangements under which the state revenue office will be authorised to administer the scheme."

The Queensland and New South Wales Governments have also had trouble introducing the grant because of a lack of administrative detail. So far, only two people in New South Wales have received the grant, while no one has in Queensland.

A spokesman for federal Treas-

urer Peter Costello said there was no reason why the Victorian Government could not introduce the scheme now and it was only held up because of "bureaucratic bungles" in the states.

Master Builders research economist Craig Madden said the announcement of the grant was already triggering a wave of new building activity.

"Anecdotal evidence from builders is that consumers are knocking on their doors like they have never done before," Mr Madden said.

But he said Victorians wanting access to the grant were in "no man's land".

"They don't even qualify for the grant because they can't fill in an application form and officially receive a stamp of approval," he said.

Figures released earlier this week showing a sharp fall in February loans for the construction of homes confirmed that the GST had slammed the industry.

But the figures also indicated New South Wales has been at the heart of the slump. Victoria, in contrast, has emerged relatively unscathed.

Economists are widely predicting the industry will now stage a rapid recovery following the announcement of the grant and three interest rate cuts in three months.