

### State Budget kicks some goals but ignores first home buyers

South Australia's first home buyers must not be taken for granted, Master Builders SA has warned.

Chief Executive Officer Ian Markos said the Budget was generally a financially responsible, pro-business document that focused on delivering election commitments, but there was nothing new for first home buyers.

"We welcome the Marshall Government's focus on creating a pro-business macro environment, bringing the massively bloated public sector to heel and the \$11.3 billion infrastructure spend on projects such as the Whyalla High School and the Port Wakefield overpass and road duplication.

"A budget surplus, whilst a very worthy objective, should not come at the expense of flogging off assets of long-term value to the state. In this sense the budget is financially responsible, although there is still more scope for public sector cuts and savings efficiencies.

"The percentage of the full-time workforce employed in the public sector must be brought in line with the national average.

"We are cautiously optimistic that the Marshall Government will not preside over an increase in the size of the public sector despite hundreds of millions of dollars being spent on separation packages, as we have seen in the past.

"We also welcome the Marshall Government's land tax reform measures – a reduction from 3.7 per cent to 2.9 per cent on properties over \$1.2 million and raising the threshold from \$369,000 to \$450,000 will attract more investors to South Australia.

"However, the entry level for the housing market must not be taken for granted. Building approvals for private sector houses have declined for nine consecutive months, and the economic forecast is for the value of residential construction to fall looking into 2019 and beyond. It is clear more needs to be done to stimulate the market and protect jobs in the industry.

"If we are serious about keeping our young people in South Australia, we need to give them reasons to stay. The Marshall Government has missed a golden opportunity to introduce a stamp duty exemption for first homebuyers on new builds.

"This policy would more than pay for itself. According to the ABS, for every \$1 million spent in construction, a possible \$2.9 million of output is generated, including 37 jobs."

### Ends

#### For further information

Will Frogley, 0422 052 728

#### Available for interviews

Ian Markos, 0458 062 404



**First home buyers – Dwellings financed** Source: 5609.0 – Housing Finance, May 2018

	<b>Victoria</b>	<b>New South Wales</b>	<b>South Australia</b>
July-2016	2204	1335	381
Aug-2016	2188	1346	426
Sept-2016	2215	1284	423
Oct-2016	2240	1327	430
Nov-2016	2506	1490	461
Dec-2016	2333	1476	372
Jan-2017	1851	1028	344
Feb-2017	1889	1105	376
Mar-2017	2296	1463	486
Apr-2017	1850	1169	350
May-2017	2431	1600	491
Jun-2017	2366	1526	517
<b>Jul-2017</b>	<b>2619</b>	<b>1950</b>	<b>439</b>
<b>Aug-2017</b>	<b>3162</b>	<b>2427</b>	<b>491</b>
<b>Sept-2017</b>	<b>3002</b>	<b>2395</b>	<b>456</b>
<b>Oct-2017</b>	<b>3250</b>	<b>2397</b>	<b>459</b>
<b>Nov-2017</b>	<b>3526</b>	<b>2700</b>	<b>574</b>
<b>Dec-2017</b>	<b>3116</b>	<b>2412</b>	<b>470</b>
<b>Jan-2018</b>	<b>2705</b>	<b>1874</b>	<b>403</b>
<b>Feb-2018</b>	<b>2619</b>	<b>2246</b>	<b>443</b>
<b>Mar-2018</b>	<b>2848</b>	<b>2382</b>	<b>451</b>
<b>Apr-2018</b>	<b>2677</b>	<b>2177</b>	<b>441</b>
<b>May-2018</b>	<b>3236</b>	<b>2701</b>	<b>522</b>
<b>Jun-2018</b>	<b>3097</b>	<b>2374</b>	<b>472</b>
<b>TOTAL: 2016/17</b>	26 569	16 149	5057
<b>TOTAL: 2017/18</b>	35 857	28 035	5621
<b>PERCENTAGE INCREASE</b>	<b>34.95%</b>	<b>73.60%</b>	<b>11.52%</b>



1. In Victoria, stamp duty for first-home buyers with a dutiable value of not more than \$600,000 was abolished for contracts entered into from 1 July 2017. See: <https://www.sro.vic.gov.au/news/changes-first-home-owner-grant-and-stamp-duty>
2. In New South Wales, stamp duty was abolished on new and existing homes worth up to \$650,000 from 1 July 2017. See: <https://www.nsw.gov.au/improving-nsw/projects-and-initiatives/first-home-buyers/>

**Number of Private Sector Houses Approved – States and Territories; (Trend).** Source: ABS 8731.0 – Building Approvals, July 2018. Table 08

	South Australia
Sep 2017	718
Oct 2017	721
Nov 2017	719
Dec 2017	713
Jan 2018	707
Feb 2018	703
Mar 2018	699
Apr 2018	695
May 2018	690
June 2018	686
July 2018	680

SA has recorded a fall for nine consecutive months. The 680 private sector houses approved in July 2018 was the lowest number since 670 in May 2017.