

MEDIA RELEASE



15 September 2020

Huge response highlights need to extend Building Bonus start time

Today's announcement of a \$30million boost to WA's Building Bonus scheme following huge interest from consumers highlights the need to adjust the scheme's building start timeframe, HIA WA Executive Director Cath Hart said.

"These building schemes were announced during Phase 2 restrictions and were a green light that increased consumers confidence in WA's post-pandemic economic recovery," Ms Hart said.

"Consumers responded by taking up the grants which meant jobs in construction were protected and created.

"Every \$20,000 grant generates about \$250,000 in extra spending from consumers across WA's domestic economy - the flow-through effects of this over the next 12-18 months will underpin our ongoing recovery.

"However, we're worried consumers might miss out on getting their grants because of the tight start timeframe and WA's shortage of titled land and labour.

"These issues are proving hard to solve because the schemes require on-site work to site start very quickly, whereas the grants pulled home building in WA from a 20-year low to an historic high overnight.

"Consumers are signing building contracts on untitled land, but we know there's more to getting a block titled than just moving some dirt around, and a builder won't be able to start until some time after that which means the six month start is not going to be achievable for some.

"We'd like the land developers to be given until 30 June 2021 to title lots, and once that's done we'd like the builders to be given six months to commence after lots are titled.

"We're not asking for the program itself to be extended beyond the original 31 December 2020 end date - just the timeframes for starting building after that.

"Smoothing out the workflow like this will be important for the safety and sustainability of our workforce and would help extend the positive impact of the grants well into 2022."

HIA's New Home Sales data showed a 211 per cent increase in new home sales between May and June 2020 following the announcement of the grants. Prior to this, new dwelling commencements had fallen to a 20-year low.

Under the Building Bonus, on-site work is required to commence within six months. Under the federal Home Builder program, on-site work is required to commence within three months, with the option of a three month extension for factors outside the consumers' control.

For further information, please contact:

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