

## CCF WA MEDIA RELEASE

### Revised Building Bonus deadline for housing lot construction will avoid boom/bust, says CCF WA

The peak body for the Western Australian civil construction industry has asked for a small revision to the Government home building incentive eligibility criteria to avoid a ‘boom and bust’ in subdivision construction.

Civil Contractors Federation WA CEO Andy Graham said the combined \$45,000 State Government Building Bonus and Federal Government Home Builder incentives had created a welcome boost for civil contractors in the subdivision construction sector but had also brought fears that a short burst of heightened activity would be followed by a prolonged downturn.

He said the current guidelines required that new home buyers must be the registered owner of their block of land before December 31 to qualify for the incentive payments.

“This means the construction window available for new stages of subdivisions to be built, completed and handed over is effectively from now to mid-November,” Mr Graham said.

“Civil contractors who build subdivisions, and their suppliers, are facing a hectic few months ahead, with land developers hoping to bring thousands of extra lots onto the market to meet the surge in demand created by the incentives.

“While being busy is certainly not the worst of problems, there are growing concerns that this short boom will be followed by a longer bust, which will put jobs at risk.”

Mr Graham said around 6500 Western Australians were directly employed in land development and site preparation services, along with thousands of others in businesses providing goods and services to the sector.

“To protect these livelihoods, we’re asking for the guidelines to be revised to allow subdivision development activity to be spread over a more reasonable timeframe,” he said.

CCF WA has asked for the scheme conditions to be modified so that home buyers taking advantage of the incentive would still have to sign up by December 31, but could be registered as owners of the land any time before June 30.

“Rather than the current requirement for home construction to have started by June 30, the rules could be changed so that construction of the lot has to be completed by that date,” Mr Graham said. “This wouldn’t compromise the scheme’s core aim of rapidly boosting residential construction but would help avoid a potentially damaging ‘bubble’ in subdivision construction.

“We’ll still see plenty of home builds getting underway in the meantime on existing blocks of land and new blocks as they come to market, but those extra few months will make all the difference for the subdivision construction sector.”