

Second Reading

The Hon. PENNY SHARPE (Parliamentary Secretary) [5.40 p.m.], behalf of the Hon. Eric Roozendaal: I move:
That these bills be now read a second time.

I seek leave to have my second reading speech incorporated in *Hansard*.

Leave granted.

IntroductionIntroduction

This Budget builds on the foundations we laid a year ago and outlines the Keneally Labor Government's vision for the future of this great State.

We will invest in what is important to NSW families essential frontline services, new infrastructure and jobs and take New South Wales forward along a path which is responsible, fully-funded and maintains our solid-gold AAA credit rating.

Budget Result Budget Result

At the Half-Yearly Review last December—I forecast that as our economy recovered, we would return to surplus in 2010-11. New South Wales is already back in the black. An impressive achievement thanks to sound financial management—a surplus two years earlier than forecast in last year's Budget.

The Budget result for this year represents a \$1.1 billion turnaround—and over the next four years, Budget surpluses will be worth a total of \$3.15 billion.

At a time when many other economies around the world particularly in Europe—are struggling, the financial position of our State is strong.

Economic OutlookEconomic Outlook

In last year's Budget, the global financial crisis meant New South Wales took a \$10 billion hit to our four-year revenue forecast. The impact on this year's Budget forecast is about \$5 billion.

Despite this recovery, we cannot be complacent. The reduced revenue forecast is still a significant challenge but one we can overcome with our strong economic management.

Our balance sheet is healthy today because of this Government's long-held responsible fiscal strategy—using periods of strong revenue growth to reduce debt and other financial liabilities—and create a shock absorber for tough times.

This Budget maintains our fiscal strategy and our record as responsible, and successful, economic managers.

NSW Home Builders' Bonus NSW Home Builders' Bonus

This Budget introduces measures to get more houses built, to improve supply, and make it easier for people to buy a home.

In an Australian first, that the Keneally Government will cut stamp duty to zero under the NSW Home Builder's Bonus—a \$140 million investment in the State's property sector.

From July 1 this year, no one will pay stamp duty if they are buying a home worth up to \$600,000 off-the-plan in the pre-construction stage.

That is zero stamp duty on new homes and apartments—for two years. Zero stamp duty for families and investors and zero stamp duty for up-sizers and down-sizers.

A saving of up to \$22,490—money straight back into the pockets of NSW families.

Further—if you buy a home worth up to \$600,000 that is under construction or newly-completed, the Keneally Government will cut your stamp duty by 25 per cent. That's a saving of up to \$5,623.

First home buyers will also benefit from the New South Wales Home Builder's Bonus with total benefits of up to

\$29,490 giving young families an important head start.

Project financing can be a hurdle to new home construction, especially for apartments. So by helping people to buy off-the-plan and to buy early, we are giving builders a better chance of securing project finance.

Reflecting consultation with industry, two amendments are proposed to the *State Revenue Legislation Amendment Bill 2010*. Firstly, the removal of the completions date provisions for off the plan purchases. This will allow sufficient time for the necessary developer application and finance approvals. It will remove any timing distortions for projects and allows flexibility in construction schedules.

Secondly, in the case that a vendor has acquired land following the bankruptcy of the original builder or developer of the home or building, and not more than 25 per cent of the building work had been completed, and construction has not re-commenced at the time of purchase, it will continue to be eligible for the NSW Home Builders' Bonus.

This will ensure that in the case that a firm goes bankrupt the partly finished buildings approved under the scheme are able to retain eligibility for the concession or exemption that had already been granted. This amendment will also ensure that purchasers of bankrupt developments are not at a competitive disadvantage.

The Home Builders' Bonus will be delivered with our historic planning reforms and are part of the Keneally Government's plans to energise the NSW housing and construction sector

ConclusionConclusion

This Budget builds on our strong economic record and delivers for the people of New South Wales.

We are an economy built on diverse foundations ranging from professional and financial services, housing and b construction, education, retail and manufacturing, to high technology, agriculture, tourism and natural resources. And we are stronger and more resilient for that diversity.

This Budget builds on that strength.

This Budget helps families and businesses.

This Budget boosts jobs and infrastructure investment.

Together we stood firm against the global economic crisis and together we will share the rewards of recovery as we build the next phase of our economic growth.

This Budget secures NSW's economic future.

I commend this bill to the House.