

STAMP DUTY, FIRST HOME BUYERS

**456. Hon BARRY HOUSE to the Minister representing the Treasurer:**

I refer to the May state budget and the announcement to abolish stamp duty for most first home buyers.

- (1) What is the State Government's position on first home buyers who have been encouraged to make an offer on a home after the Government's announcement on stamp duty but whose settlement would occur after 1 July 2004?
- (2) Will the State Government insist on collecting stamp duty from those people or will the Government accept that they are genuine first home buyers and qualify for the exemption?
- (3) If not, why not?

**Hon NICK GRIFFITHS replied:**

I thank the member for some notice of this question.

The Treasurer has provided the following response -

- (1) The 2004-05 budget made it clear that the significant stamp duty relief for first home buyers contained in the budget would not commence until 1 July 2004. The Commissioner for State Revenue also issued advice in the week following the budget, 14 May 2004, that the relief would be available only to those who enter into a binding contract - that is, an offer and acceptance - on or after 1 July 2004 and that it would not be available to those who entered into a contract prior to that date but the settlement of which is on or after that date. This position was also communicated to a range of industry groups, including the Real Estate Institute of Western Australia, the Housing Industry Association and the Australian Institute of Conveyancers WA Division Inc. The Treasurer reiterated this position in a media statement on 22 June 2004.
- (2) Those first home purchasers who enter into a binding agreement prior to 1 July 2004 or who have an option to purchase on or after 6 May 2004 will be subject to stamp duty under the Stamp Act as it currently stands.
- (3) First home buyers purchasing a home or vacant land prior to 1 July 2004 will not be eligible for relief as the budget indicates that that relief would commence from 1 July. A range of advice has been given against entering into contracts prior to 1 July should first home buyers seek to access the relief that will be available from that date.