

FIRST HOME BUYERS - STAMP DUTY CONCESSION

**465. Mr T. BUSWELL to the Treasurer:**

I refer to the fact that in New South Wales a first home buyer purchasing a median-priced property at \$518 000 pays \$4 048 in stamp duty, a concession of \$14 752, or 78 per cent, off the normal rate. In Queensland a first home buyer purchasing a median-priced property at \$320 000 pays \$1 900 in stamp duty, a concession of \$1 800, or 49 per cent, off the normal rate. In Tasmania a first home buyer purchasing a median-priced property at \$276 000 pays \$4 600 in stamp duty, a concession of \$4 000, or 46 per cent, off the normal rate. Why, on the estimated median house price in Western Australia of \$420 000, does a first home buyer receive from this government a concession worth absolutely nothing?

**Mr E.S. RIPPER replied:**

Often in this debate on housing affordability and stamp duty there is no reference to what has occurred in the past two years. In the past two years we have cut stamp duty by 15 per cent -

**Mr T. Buswell:** You put it up!

**The SPEAKER:** Order, members!

**Mr E.S. RIPPER:** We have cut stamp duty by 15 per cent. The Deputy Leader of the Opposition has not been present during the debate or has not paid attention and has not noticed it. In the past two years stamp duty rates have been cut by 15 per cent, and any assertion to the contrary is just completely wrong.

**Mr C.J. Barnett** interjected.

**Mr T. Buswell** interjected.

**The SPEAKER:** I call the member for Cottesloe and the Deputy Leader of the Opposition to order!

**Mr P.D. Omodei** interjected.

*Withdrawal of Remark*

**The SPEAKER:** Order! I am sure that the Leader of the Opposition did not mean to say that. He will withdraw that comment.

**Mr P.D. OMODEI:** I withdraw, Mr Speaker.

*Questions without Notice Resumed*

**Mr E.S. RIPPER:** It is absolutely the truth that stamp duty rates have been cut by 15 per cent in the past two years and, of course, we have also introduced stamp duty exemptions for first home buyers -

**Mr T. Buswell** interjected.

**Mr E.S. RIPPER:** If I may be permitted to have the microphone for just a moment over the member for Vasse -

**The SPEAKER:** I call the Deputy Leader of the Opposition to order for the second time!

Government members interjected.

**The SPEAKER:** Order, members!

**Mr E.S. RIPPER:** Mr Speaker, 70 per cent of first home buyers have access to a full or partial stamp duty exemption. There has been a lot of discussion in the newspapers and the media generally about the number of first home buyers and their participation in the market. Of course it is the case that individual first home buyers are reporting difficulty in finding the house they want, in the location they want and at the price they want. Nevertheless, for the last six-month period for which we have figures, more than 8 000 first home buyers were in the market and purchased houses.

**Mr T. Buswell** interjected.

**The SPEAKER:** Order, members!

**Mr E.S. RIPPER:** That is 2 000 more than for the comparable six-month figure before we introduced the first home buyer stamp duty exemptions. Therefore, the figures show that there is still very strong first home buyer participation in the market. What is occurring in the market is a shortage of supply combined with a raging demand that is forcing up prices. The answer to that problem is to deal with supply, not to simply add to demand. If we were to simply add to demand, all we would do, as the Australia and New Zealand Banking Group Ltd said in a submission to the Productivity Commission -

**Mr T. Buswell** interjected.

**Extract from *Hansard***

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Mr Troy Buswell; Mr Eric Ripper; Speaker; Mr Paul Omodei

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**The SPEAKER:** I ask the Treasurer to take a seat. I call the Deputy Leader of the Opposition to order for the third time!

**Mr E.S. RIPPER:** If we were to add to demand, all we would do is force up house prices even further. There would be a benefit, but it would be a benefit for house sellers and for the real estate industry, not a benefit for home purchasers.

We have heard a lot from the Deputy Leader of the Opposition during this question time. He has a problem. His problem is the member for Dawesville, who has promised a 21 per cent pay increase for nurses, costing \$560 million; his problem is the Leader of the Opposition, who supports a police wage increase, which would cost at least \$650 million over three years and probably \$900 million over the forward estimates; and, of course, there is the promise made by the Deputy Leader of the Opposition himself of stamp duty exemptions, which would cost \$400 million over the forward estimates.

**Mr P.D. Omodei** interjected.

**Mr E.S. RIPPER:** Do you know what the problem is, Mr Speaker? The problem is that the Leader of the Opposition has no profile whatsoever in the community. No-one knows anything about him, except for an unfortunate incident that occurred when he happened to be holding a gun. No-one knows anything about the Leader of the Opposition, so in the past four weeks opposition members have been out in the community promising hugely. They have made \$1.8 billion worth of promises in four weeks in response to the fact that the Leader of the Opposition has no profile whatsoever. He will get a profile: as a spendthrift and someone who cannot manage the state's finances.