

STAMP DUTY

3 June 2008

The Hon. D.G.E. HOOD: In its pre-budget submission, the Real Estate Institute of South Australia highlighted a matter I raised in this place on 27 March last year concerning stamp duty relief for first home buyers. In its submission the institute states, 'to improve affordability the concessions offered need to be reviewed and they need to be in line with the median house price.'

In the 2004-05 budget, the government raised the threshold for stamp duty relief for first home buyers from \$130,000 to \$250,000, Treasury stating that the median purchase price for first home buyers in South Australia was \$175,000 (based on the 2003-04 first home owner grant data). So, the median price fell somewhere just below the centre of that threshold range at the time that was announced. This offering to first home buyers was said to cost some \$10.5 million recurrent per year.

Since then (and as you would know, Mr President) house prices have risen substantially—some 42 per cent in that time—and, therefore, South Australian families trying to buy their first home are now looking down the barrel of a median \$260,000 first home purchase price, with the median price of houses overall at some \$330,000. Stamp duty relief for first home buyers now cuts off at \$250,000; this is below the median purchase price for first home buyers of \$260,000. My questions to the Treasurer are:

1. Given that the assistance threshold cuts off below the median price, has the scheme announced in the 2004-05 budget actually cost \$10.5 million recurrent as predicted?
2. In the budget years after 2004-05, why has Treasury failed to report in the budget papers how much this scheme has actually cost?

3. Will the Treasurer actually raise the thresholds again so that they are at least above the median price so as to give genuine tax relief to struggling first home buyers?

The Hon. P. HOLLOWAY (Minister for Police, Minister for Mineral Resources Development, Minister for Urban Development and Planning):

I will refer that question to the Treasurer in another place. In relation to the financial disclosure, I understand that part of the funding of first home owner grants is from the federal government, but I will refer the question to the Treasurer and bring back a reply.