



Speech by

Miss FIONA SIMPSON

MEMBER FOR MAROOCHYDORE

Hansard 22 April 2004

DUTIES AMENDMENT BILL

Miss SIMPSON (Maroochydore—NPA) (4.41 p.m.): Thank you, Mr Acting Speaker. Returning to the Duties Amendment Bill—

Mr DEPUTY SPEAKER: Order! I think it was made clear in the last parliament—and the member was part of that—that it is not Acting Speaker; it is Deputy Speaker, thank you.

Miss SIMPSON: As you wish, Mr Deputy Speaker. If that is the title that you wish to be known by, that is fine.

I have heard everybody take credit for the idea of the need to reform the amount of stamp duty that is applied to first home owners. Certainly, when the issue came before the shadow cabinet last year, the National-Liberal coalition approved the policy to have exemptions on stamp duty for first home owners to make housing affordable for them. We fully supported that and announced that in 2003. Before the election campaign in January this year we reaffirmed that, because we believed that, with the government receiving record windfalls from stamp duty, it was only fair that first home owners should have greater affordability by receiving an extension of that exemption.

I remember when we announced that policy in 2003 the Treasurer, Terry Mackenroth, pooh-pooed that announcement. He asked, 'How are you going to afford to do that?' He criticised the funding of an extension of such an exemption. Then we saw an almighty backflip. During the last few weeks of the election campaign in February 2004, we saw the government backflip and in fact announce that it was also going to provide a further exemption to first home owners in recognition that there has been a substantial change in the average price of property and home affordability was getting further and further out of the reach of first home owners. So we find in this parliament that there is support for these provisions on a truly multiparty basis.

In relation to housing affordability, I heard some members opposite refer to federal tax reform. I find it extraordinary that they are very quiet in regard to the need for state tax reform on housing. As legislators I do not think we are doing enough when we consider that stamp duty is truly a windfall tax for the government. There has been such a heavy reliance by the government upon stamp duty from the property market to provide revenue. It has been accepted that it has been a very strong way of funding a lot of government services, but now that the issue of housing affordability is more on the radar we need to ask, 'Is it really sustainable to continue to have the rate of increase of income to government through stamp duty in the property market without some examination of it?' We know that, from the perspective of the three tiers of government, property as either a principal place of residence or as an investment property is one of the most taxed investments that people have.

In the past three financial years, Queensland Treasury received windfalls in stamp duty over and above what it anticipated it would receive when formulating its budgets—windfalls of some \$1,221 million in revenue—as a result of property transfers in Queensland. That is quite an extraordinary amount of money. Sure, we have had a booming property market, but the beneficiary of that primarily has been the state government.

We have been trying to scrutinise the level of that increase in stamp duty and what it means in terms of revenue to the government. We know that there have also been extraordinary increases in GST revenue to Queensland. We will continue to scrutinise how that money is expended in Queensland. But in regard to this issue of housing affordability, we should not leave out of the mix the impact of state government taxes, because stamp duty reaps an extraordinary benefit to government

coffers. Certainly, a true analysis of that needs to be considered when studying current and future housing affordability.

The other issue of housing affordability that has not been addressed in this debate has been the cost of developing and providing land for housing or the redevelopment of existing housing stock in the future, particularly new land. That is also an issue that we are going to have to look at seriously. We must have appropriate town planning and appropriate environmental controls, but there is a big question mark over the other costs that have been created through government legislation and the undue and lengthy processes that flow from local government. They have added extremely significant costs to the costs of developing blocks of land. There are many very good reasons why we seek to have certain costs recouped in the development process, but a lot of the processes have made this type of development expensive. It is not only the outcome that the government seeks to achieve through this legislation that we should be considering; we should also be scrutinising the development process and whether it is extraordinarily unwieldy and adding cost and delays. All of these matters are part of the housing affordability mix. If we are all honest, they also need to be examined if we are to address the issue of housing affordability in its totality.

I would like to reaffirm the elements of this bill that raise the maximum purchase price for a full rebate of transfer duty on first home purchases from \$80,000 to \$250,000. The transfer duty on first home purchases above \$250,000 will be reduced by \$100 for every \$10,000 over \$250,000 and will cut out completely for first homes costing \$500,000 or more. The other significant element is the raising of the exempt amount for mortgage duty on a loan to buy or build a first home from \$100,000 to \$250,000.

I certainly support the legislation before the House. Certainly, by this stage everybody has claimed credit for it, but, as I stated, I am pleased and delighted that last year the shadow National-Liberal coalition cabinet announced that we would have exemptions for first home owners, particularly given the extent of the stamp duty windfall that the state government received. I urge all members to consider the other issues that I have raised, because if we are truly to address the issue of housing affordability we should realise that the issue is not just about government policies; it is about how they are implemented. The red tape that goes along with those policies is really making appropriate and affordable housing development more unaffordable for people.