



Speech by

Mr M. HORAN

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Hansard 22 April 2004

DUTIES AMENDMENT BILL

Mr HORAN (Toowoomba South—NPA) (5.29 p.m.): The Duties Amendment Bill is a good bill. It is an important bill. A lot of people in different parties have taken credit for it. I reiterate that the National Party within the National-Liberal coalition during the last term brought this forward as policy. We announced it publicly in early January this year. It was about a fortnight or so later that the government copied the policy and announced it at their launch.

The National Party brought this initiative forward because we could see what was happening to young people in terms of the difficulties they are facing in the purchase of their first home. Many speakers have already said, but it is self-obvious to so many of us, that one of the very strong foundations of our society and community is young people—young couples—being able to purchase their first home and having the security of a roof over their head in a community, suburb or district within which to live and to commence raising a family in that area whilst going about their respective careers.

There is a need for this, because the government has had an absolute windfall. It has virtually been lotto time for the state government with the increase in stamp duty associated with housing which provides something like \$1.2 billion extra over three years. It is a shame that it took that long to come around to providing this very necessary relief to young people. The huge hike in housing prices started about 18 months to two years ago. That is starting to happen in Toowoomba in its flow-on from the southern states. This all started not only post the Olympic Games in Sydney but also because of lower interest rates, the drop in share prices and many people looking to invest in property. It also came about because post September 11, instead of travelling overseas, people stayed at home and refurbished their place, sold it and moved on to something better.

There was a big boost in property prices in Sydney first of all, then in Melbourne and then in Brisbane. There was also a rapid increase in the number of units. One only has to go to any of those three capital cities to see the huge increase in inner-city living. There has also been the downsizing of families in that nowadays the average number of people in a residence in Australia is something like 1.4 or 1.8 persons. That means we are moving into a different sort of society where there are many single people and people living on their own. All of these changes have brought about this pressure.

Toowoomba has seen house prices rise dramatically. For about 12 years the house price market was virtually flat. A person could buy in 1990 and sell it in around about 2000 and they would get around the same price, maybe just a touch extra on what they had paid some 10 years before. In that time they might have painted the house, put a roller door on the garage or other such improvements. But since then there has been a dramatic increase in prices. All the development is happening at the moment in suburbs such as Middle Ridge. About three years ago the average house price was about \$185,000 and now it is somewhere in the order of \$320,000 to \$350,000.

There is also the expectation that when people, young people in particular, buy a new home it will be landscaped, paved with concreted pathways and everything just right so they can move straight in. That is a far change from the era when most of us grew up in that we saw our parents buy a house and the kids helped their father mix the concrete for the driveway, plant grass cuttings for grass and plant a couple of coleuses in the front yard. That single-income family was prepared to take the time to slowly and gradually pay off that house. So there is a greater expectation now.

The price of housing, particularly in the capital cities but also in the regional cities, is also bringing about some very dangerous social changes where the only way young couples can afford the

price of their first home is to prolong the time before they have children. In a generation or so the kids who are eventually born will hardly know their grandparents or have grandparents, and that is a shame. Whilst young couples do have careers to pursue and studies to undertake, having a family in one's 20s is a great and wonderful thing. It means that the parents are young so they can do things with the kids. As the kids grow older, they are able to partake with their children in many activities. However, the social demographics are forcing couples to delay having a family.

In places such as Sydney and Melbourne, a couple's first opportunity to buy a house might be a two-bedroom old place that has to be done up, and will probably cost about \$550,000, and that is something at the bottom end of the range. How are young people going to afford that unless they can continually save one salary year after year and try to live off the other? And there are many costs that occur in a place like Sydney. As a result, they have to delay for many years whether they are able to have a family or not when they would probably like to start a family in their late 20s or early 30s.

They are the sorts of social problems that Australia is facing. This reduction in transfer duty and mortgage duty is a good thing. It was an idea that we first mooted and put together, and that is why we are supporting it. We must realise how important the housing and construction industry is to jobs and employment. While there is a housing boom in Toowoomba, anyone who drives around those areas at the moment will see all of the utes, four-wheel drives, tradesmen and apprentices. In relation to the skilled and semiskilled labour that is needed, it really makes people realise that these workers have worthwhile jobs that are very satisfying and that they are doing something constructive.

Something that I have spoken about in this parliament before is that we have to have a greater concentration on trades and apprenticeships and the opportunity for young people to have the option of not necessarily going off to uni to do business, arts or something like that, but to be an electrician, a diesel mechanic or do something where they can develop their own business, because we are facing an extreme shortage of skilled tradesmen and tradeswomen. It is very hard at the moment to get those sorts of skills in the building industry. That is something that needs to be done, because it is a long-term commitment when one looks at the time of apprenticeships and the experience that is needed.

We have to develop within our young people an idea of saving. It has become very much a society where young people are relatively well off, but we need to have a regime or an ethos of saving imbued in our children that we can pass on so they can learn to save whilst they are studying or in the early part in their career. That will enable them to save to get into a home in the first instance.

I want to make one other point about public housing. Members on the other side have spoken about federal government policies and so on, but what I have seen affect public housing in Toowoomba is the sell-off of public housing by the government. We have ended up with long waiting lists, particularly for the elderly or, as we are discussing here tonight, young people who, without these reductions in transfer and stamp duty and so forth, are not able to afford their own home. They may be married with children but they need public housing because they simply cannot afford a new home. So much public housing has been sold off that it is just not available for people, and the waiting lists are getting longer and longer. I commend the government for following the National Party lead in getting rid of these two particular imposts on young people in buying their first home, and we will be supporting the bill.