

Question on Notice

No. 1341

Asked on 1 November 2006

Mr WENDT asked the Deputy Premier, Treasurer and Minister for Infrastructure (Ms BLIGH) –

QUESTION:

Will she outline the benefits to residents in my electorate of Ipswich West of Keeping the Australian Dream Alive, an initiative to reduce stamp duty and mortgage duty?

ANSWER:

Under the Government's Keeping the Australian Dream Alive election policy, from 1 January 2007, First Home Buyers purchasing a principal place of residence valued at up to \$320,000 will pay no stamp duty, up from \$250,000 at present. In addition, First Home Buyers purchasing a principal place of residence valued at between \$320,000 and \$460,000 will pay less stamp duty. The stamp duty cuts included in the Keeping the Australian Dream Alive initiative will provide a saving of up to \$1,400 for First Home Buyers.

According to the Commonwealth Bank's Property Value Guide, the median house price in the Ipswich region was \$250,000 in October 2006, which means that even with moderate increases in house prices a significant majority of First Home Buyers in Ipswich West would not be liable for stamp duty once the threshold has been increased to \$320,000.

A further component of the Keeping the Australian Dream Alive initiative that will benefit First Home Buyers in Ipswich West is the expansion of the stamp duty concessions on the purchase of vacant land. From 1 January 2007, Queenslanders purchasing a block of land valued at up to \$150,000, to build a first home, will not pay stamp duty. This represents a saving to First Home Buyers of up to \$3,975. In addition, First Home Buyers purchasing a block of land valued at between \$150,000 and \$300,000 will pay less duty.

The Keeping the Australian Dream Alive initiative also confirms the Queensland Government's commitment to abolish mortgage duty. Currently, first-home owners are exempt from mortgage duty on the first \$250,000 of a loan and other purchasers are exempt on the first \$70,000.

This tax will be abolished in two stages, with the first phase commencing on 1 January 2008 and full abolition from 1 January 2009.