

## Question on Notice

No. 1673

Asked on 11 November 2008

**MR FENLON ASKED THE TREASURER (MR FRASER)—**

With reference to stamp duty and mortgage duty which was abolished for first home buyers purchasing a house under \$500,000 at the start of this financial year—

- 1) How does this tax reform benefit first home buyers?
- 2) What is the expected savings for first home buyers?

**ANSWER:**

- 1) As you are aware, home ownership for Queenslanders is an important issue for the Queensland Government. While housing affordability issues cannot be solved by any one act of government, we are assisting Queenslanders to enter into the housing market via reform of Queensland's tax system, including:
  - increasing the first home buyer transfer duty exemption threshold to \$500,000 from 1 September 2008; and
  - the full abolition of mortgage duty from 1 July 2008, brought forward from 1 January 2009.

These tax cuts mean that Queenslanders seeking to get into home ownership will no longer pay one cent of duty on a home purchase or mortgage for homes valued up to \$500,000.

- 2) The increase in the transfer duty threshold to \$500,000 is providing savings of up to \$9,500 for first home buyers and means that 90% of first home buyers are now exempt from transfer duty. It ensures that first home buyers will pay no duty or less duty in Queensland than in any other jurisdiction for all homes valued at up to \$1 million.

The abolition of mortgage duty is also further assisting housing affordability by reducing the upfront costs of taking out a mortgage, creating savings of \$300 on a \$400,000 mortgage.