

Question on Notice

No. 479

Asked on 15 April 2008

MR PURCELL ASKED THE TREASURER (MR FRASER)—

What is the Government doing about housing affordability in the Bulimba Electorate?

ANSWER:

Housing affordability is a significant issue for all Queenslanders (including those in the Bulimba electorate) and a coordinated response across all three levels of Government is required to deliver solutions. To this end, the Queensland Government last year announced the Queensland Housing Affordability Strategy. Key initiatives of this strategy include:

- the establishment of an Urban Land Development Authority with the ability to acquire and develop land for new housing and ensure it is moved into the market quickly;
- a review of council infrastructure charging so home buyers across Queensland pay a fair amount toward the provision of roads, water and sewerage; and
- new powers for the Government to ensure planning and development applications are determined quickly to minimise holding costs.

The Queensland Government is also working with the Australian Government and other states and territories through the Council of Australian Governments to implement further national initiatives to improve housing supply and rental affordability.

More broadly, the Queensland Government has long recognised the goal of many Queenslanders to own their own homes. Subject to various eligibility criteria, the Queensland Government provides a range of duty concessions to home buyers, in particular to support first home buyers.

For the home concession, Queensland buyers pay a lower rate of duty of \$1 per \$100 (or part of \$100) on the first \$320,000 of the dutiable value of the home and residential land. Further, eligible first home buyers can pay no transfer duty provided their properties are valued at less than \$320,000 and may be eligible to receive the \$7,000 first home owner's grant administered by the Queensland Government. In addition, the rate of mortgage duty was reduced by 50% on 1 January 2008.

The Queensland Government has also invested significantly to increase the social housing and affordable housing stock to assist Queenslanders most in need. For instance, in the 2007-08 Budget, \$500 million was allocated over five years from the Queensland Future Growth Fund to increase availability of social housing. Further, since the inception of the Brisbane Housing Company in 2002-03, the Government has invested over \$100 million to support the development of a number of affordable housing projects.

While the setting of interest rates is a matter for the Reserve Bank of Australia, this government is very aware of the pressures increases in interest rates places on the economy generally and housing affordability in particular. I have recently called on the RBA to stop raising interest rates. I believe there is a strong case to wait to see the full impact of recent interest rate rises on the family budget and the economy as a whole before considering further rate increases.