

# First home buyers 'fobbed off'

## AMANDA BANKS

Perth's soaring property prices would skyrocket even further under a Liberal Party plan to cut stamp duty for first home buyers, the State Government warned yesterday.

Treasurer Eric Ripper also said calls to more than double the Federal Government's \$7000 first home buyers grant would drive up demand in the face of a housing shortage and further push up prices.

But the Federal Government and State Opposition insisted yesterday

the Carpenter Government was in the best position to provide relief to first home buyers struggling to realise the dream of buying their first home.

And the Housing Industry Association, which supports cuts to stamp duty and increasing the first home buyers grant to \$18,000 to offset GST costs on new homes, said Mr Ripper had postponed further relief for the past two years.

"This is obviously another fob-off," HIA executive director John Dastlik said.

Mr Ripper said a State Opposition

plan to axe stamp duty for first home buyers on properties worth up to \$420,000 was simplistic and failed to address the housing shortage.

"In the current market, cutting stamp duty would only further increase prices, producing no benefit whatsoever for first home buyers," he said.

He said ABS figures showed there had been a 14.9 per cent increase in the number of first home buyers in the State in the 12 months to April.

"I understand that first home buyers are finding it more difficult to

find the house they want, in the location they want, for the price they want," Mr Ripper said.

"But the overall figures show there is still strong first home buyer participation in the market."

Deputy Opposition Leader Troy Buswell yesterday supported the call to increase the Federal Government's \$7000 grant, but maintained the State had to provide relief from its \$2 billion Budget surplus by lifting the threshold for stamp duty concessions.

"At the moment every dollar that Peter Costello pays to WA families

gets on-paid by those families to Eric Ripper via stamp duty," he said.

Mr Buswell said predictions of an interest rate rise today by the Reserve Bank increased the pressure on the State to provide relief.

A spokeswoman for Federal Treasurer Peter Costello said WA was the highest taxing State and was forecast to collect billions of dollars in windfall revenue from GST and mining taxes.

"No State government is in a better position than WA to provide financial assistance to first home buyers," she said.