

DUTIES AMENDMENT (SENIOR'S PRINCIPAL PLACE OF RESIDENCE DUTY EXEMPTION) BILL 2011

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Bill introduced on motion by Mr Mike Baird.

Agreement in Principle

Mr MIKE BAIRD (Manly—Treasurer) [3.55 p.m.]: I move:

That this bill be now agreed to in principle.

This bill delivers the latest commitment under the Government's 100-Day Action Plan, to extend the "empty nester" transfer duty concession to those over 55. The concession, described in the bill as the "senior's principal place of residence exemption", provides that individuals aged 55 years or over will pay zero transfer duty if they are selling an existing property and buying a newly constructed home costing up to \$600,000. The empty nester concession applies to new home or off-the-plan purchases entered into between 1 July 2011 and 30 June 2012. To be eligible the person must sell his or her existing home and reside in the new home for a continuous 12-month period. This will enable seniors to move from their current home into a new home that better meets their changes in lifestyle. It will also free up family homes for those looking to get into the housing market or needing to move to a bigger home. As with the existing over 65 scheme, seniors over 55 must have owned and occupied a home in New South Wales within the past 12 months and must occupy the new home for a continuous period of at least 12 months. Reducing the age threshold from 65 to 55 acknowledges that many people are planning for retirement well before 65, that indeed the period between 55 and 65 is the most active, and that this includes changes in lifestyle and home location, such as downsizing from the family home to a smaller house or unit. For families across New South Wales this will save up to \$22,490 for seniors relocating to a new home. This is good news for seniors in electorates across New South Wales if they are looking to downsize. We are delighted to provide an opportunity to provide that incentive and to take away the impost of stamp duty on this occasion. Finally the scheme will encourage new home construction—an important requirement because New South Wales has been languishing in regard to new home construction—and will help to rebuild a strong New South Wales economy. It is part of a range of options the new Government will be pursuing to facilitate new home construction. Collectively we need a strong housing sector to help to build a stronger New South Wales economy. I commend the bill to the House, which confirms that the O'Farrell Government is determined to do what it can to make New South Wales and the housing sector competitive to drive the overall New South Wales economy.

Debate adjourned on motion by Mr Richard Amery and set down as an order of the day for a future day.