



Adrian Pederick MP
Member for Hammond

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Stamp Duties (Off-the-plan Apartments) Amendment Bill

Mr PEDERICK (Hammond) (12:54): I rise to speak to the Stamp Duties (Off-the-plan Apartments) Amendment Bill 2014, and note that it was introduced on 29 October 2014 and concerns amendments to amend the stamp duty concession for apartments bought off the plan to include the inner metropolitan area. I note that back in 2012 the current Labor government introduced some stamp duty relief for off-the-plan apartment sales in the city and also at Bowden and Gilberton. This provides a full stamp duty concession for off-the-plan contracts, entered into up to 30 June 2014, and these are capped at a stamp duty payable on a \$500,000 apartment, and that stamp duty is \$21,330. There is a partial concession for the ensuing two years.

It is noted that in 2013 the government announced a policy to revitalise the inner metropolitan area, allowing for up to 18,500 new homes. It was the government's intention that it would extend the stamp duty relief for off-the-plan apartment sales to rezoned inner metropolitan areas, saving people the stamp duty on the cost of purchasing a new apartment. This was effective from 28 October 2013 up to 30 June 2014. As I indicated earlier, this has partial concessions of between \$3,250 and \$15,500 of stamp duty for the next two years.

Applications currently submitted to RevenueSA have been catered for with ex gratia payments, and this bill is to confirm the legal authority to provide the concessions. The government has indicated that the expansion of the targeted stamp duty grants will cost up to \$7 million. This figure was confirmed in the 2013-14 Mid-Year Budget Review, and represents the amount for the three-year period up to July 2016. There is an estimation that around 260 applications have been processed so far, costing about \$4 million.

We have to be aware of the hit on the budget, knowing the state of the budget deficit. In saying that, it is a good idea to try to revitalise the city. We note that 100 years ago there were tens of thousands of people living in the inner city of Adelaide.

Ms Chapman: It was 46,000.

Mr PEDERICK: There were 46,000, I am advised by the member for Bragg.

Ms Redmond interjecting:

Mr PEDERICK: I am getting different figures.

The DEPUTY SPEAKER: Well, you shouldn't be listening to them. The member for Hammond.

Mr PEDERICK: Thank you, Madam Deputy Speaker. The member for Heysen indicates that it was over 100,000 about 100 years ago. There has been a steady population drift out of the central city area, and obviously a lot of that has come with better access to outer areas, and obviously better transport—we are not all riding horses, and thankfully we are not all riding bikes, but that is another matter.

The Hon. L.W.K. Bignell: You'd look good in lycra.

The DEPUTY SPEAKER: Order!

Mr PEDERICK: Thank you for your protection, Madam Deputy Speaker.

The DEPUTY SPEAKER: Lycra is such a vicious fabric.

Ms Redmond: It is we who'd need protection, Adrian, if that happened.

Mr PEDERICK: Absolutely.

The DEPUTY SPEAKER: He would need more than my protection in lycra, wouldn't he?

Mr PEDERICK: Are we just going to go to lunch now?

The DEPUTY SPEAKER: Would you like to seek leave to continue your remarks?

Mr PEDERICK: I seek leave to continue my remarks.

Leave granted; debate adjourned.

Adjourned debate on second reading (resumed on motion).

Mr PEDERICK (Hammond) (15:40): We were having a bit of debate before we adjourned about the population of Adelaide about 100 years ago and I was relying on information passed to me while I was speaking, whether reliable or unreliable. At last I can now say that I believe it to have been that in 1915 the population of Adelaide was around 46,000.

The DEPUTY SPEAKER: Someone said 100,000, didn't they?

Mr PEDERICK: Yes, someone did, but I will just place that on the record now. I do not think it was a hanging offence to put that other one up.

The DEPUTY SPEAKER: I do not know. That was misleading the house.

Mr PEDERICK: I am correcting the record and from memory—and the *Hansard* can be checked—I did say that I was advised. What I was saying before the break was that we do not have anything like that population in central Adelaide at the moment and I believe there is certainly lots of scope for room if that is the way you want to live.

Obviously for someone like me who comes from the country, living in a small apartment in a block of flats would not be my idea of a lifestyle, but for some people it is ideal, especially with regard to double income no kids (DINKs) and professionals. These days a lot of professional people and their partners work and they are keen to save money and put things away for when they change their lifestyle into the future. It certainly suits many people but, as I said, it would not be for me.

What we see nowadays, not just with apartment living but in urban living and in larger towns, is that a lot of the blocks are subdivided into smaller and smaller blocks where you see houses with very limited garden, if any at all. In fact, in some areas there is barely enough room to park a spare car on the lawn, but that is the way we are.

I think as a population in South Australia—especially people who are living in the more urbanised centres and the larger towns as well—we are busy. With many couples, I should say, both people work and so people do not have too much spare time on their hands. I do applaud the people who still like living in the broader areas and also the ones who have the older traditional style of urban living, but when the quarter-acre block can be subdivided into four blocks or more at some stages, it is a different arrangement.

Under this bill, the extended area of the stamp duty concession will apply to developments within Adelaide City Council, Bowden, and Park 45 Gilberton, as well as around the inner metropolitan area bounded by Regency Road, Hampstead Road, Portrush Road, Cross Road, Marion Road, Holbrooks Road, East Avenue and Kilkenny Road. If you look at the bill, it is mapped out quite clearly for people to see.

One interesting thing I note from the minister's second reading speech is that the extended area also includes sites that are contiguous to the boundary of that area; for example, it will include sites on both sides of the bordering roads. I think that if I was on the other side of any of those roads I would be getting good advice to make sure I was getting the

stamp duty concession. The minister may like to help us out with that during his closing remarks.

I note the Housing Industry Association have indicated that they welcome any stamp duty relief, and they would like to see that extended to other areas. They also indicated that multi-unit apartments make up only around one quarter of new constructions and that conditions in the building industry are quite tough at the moment. I think, as has been outlined throughout the notes, that this will allow for more of a mix of commercial and residential developments to these targeted areas in the inner city, and that is why this is being extended to areas close to the centre of Adelaide.

Applications for these eligible off-the-plan apartments within the extended boundary are currently being submitted to RevenueSA to be paid by way of ex gratia payment until the Stamp Duties (Off-the-plan Apartments) Amendment Bill 2014 comes into operation. I figure the government thought there would not be too much trouble getting this bill through the house to become an act. In speaking to the bill, I note that we support the bill and note that it does come at a cost to the government. I hope that developers do not take it into their sights, that just because they know that people are getting stamp duty relief they add that to the cost of construction, so in the end the purchaser does not really win. I hope that does not happen.

Certainly, in close urban planning this works really, really well. I think as a state we really need to look at our housing developments to make sure that with urban sprawl we do not keep building on the state's best prime agricultural land. The city will extend from Aldinga and Seaford all the way up to Freeling. The country around Gawler and Freeling I know fairly well because both sets of grandparents came from that way. It is a shame to see that land being developed as it is, whereas I think there are some far better opportunities in different areas.

One place that I have been championing in here is the Gifford Hill development at Murray Bridge, with the racecourse project which, apart from the racecourse facilities, will unlock 3½ thousand housing sites on that area and up to 500 more on other areas closely associated with that project in the Murray Bridge area. The new Murray Bridge council will be looking at plans into the future. Before it went into caretaker mode, with the local government elections, the council was having a very good look at what areas could be developed if Gifford Hill does not go ahead. I think we really need to have a look. We have seen the debacle at Mount Barker—and it was a debacle—with development going in and services still catching up. We note the Bald Hills interchange is finally going to go in one day—thanks to the federal government—and we just need to have things planned a lot better.

I look at areas in my electorate like Murray Bridge where you are an hour from the centre of the city, with very good value-for-money housing and it is very quick to get into Adelaide central on the freeway. I know a lot of people do that: they get value-for-money housing in Murray Bridge and travel into the city.

In regard to other housing and planning and looking at the development of not just the city but the state, there needs to be a lot more work done on where the better spots are to house the growing population, and we need a growing population to develop the economic base so that we can get the right outcomes for this state into the future. I certainly think in regard to this bill, even though it does come at a cost to the state—and, hopefully, some of that will be recouped in other rates and taxes that people who will live in the apartments will pay—it will open up a real opportunity for Adelaide to get a more thriving populace here and make Adelaide an even better place than it already is. With those few words, I commend the bill.