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NSW BUDGET SHOWS IT IS TIME TO GET SERIOUS ABOUT STAMP DUTY: REIA

The Real Estate Institute of Australia (REIA) has today called for a coordinated approach to stamp duty reform as the Australian economy emerges from its CV-19 induced slump.

REIA President, Mr Adrian Kelly, said that Australian property customers in owner-occupier categories were now paying on average 4 per cent of their entire value of the property in government stamp duties.

Mr Kelly has called for greater government leadership to take away impediments to home ownership on the back of the NSW Budget commitment on stamp duty removal.

“REIA and all of our members have been calling on stamp duty reform for years,” he said.

“The payment of large amounts of stamp duty affects property customer’s decisions regardless of what phase of life they are in.

“Stamp duty removal is particularly imperative for first home buyers as well as empty nesters and downsizers.

“We need to make better use of our existing housing stock.

“REIA has previously called on all Governments to come to the table and work through a sensible, customer-centric solution that helps more Australians into homes.

“Whilst reforms in the NSW Budget may prove to be a promising start, replacing one tax with another does not solve the long-term problem Australia’s property market is facing.”

The REIA [has previously welcomed](#) the Draft Report Supporting the road to recovery through the independent NSW Review of Federal Financial Relations.

Mr Kelly said that solving the stamp duty problem was as good for governments as it was for home buyers.

“Stamp duties on the transfer of property are the second-largest source of state tax revenue and generating 24 per cent of state tax revenue,” he said.

“However they are a highly volatile tax, with revenue fluctuating by over 50 per cent. We will see this, particularly in Victoria as the impacts of their prolonged Stage 4 lockdown become apparent.

“As the Henry Review identified, stamp duties on conveyances are inconsistent with the needs of a modern tax system and should be replaced with a more efficient means of raising revenue.”

Mr Kelly added, “inefficient State based taxes were also supposed to be abolished with the introduction of the GST.”

“REIA called on the Council of Federal Finance Relations (CFFR), the post-CV-19 Council tasked with responsibility for housing and taxation for action,” he said.

“Stamp reform duty, while a major exercise, would have outstanding ‘knock on’ benefits to the economy and help Australians into the right housing solution for whatever stage they are in their life.

“CV-19 has only proven the strength of the property market when it comes to home ownership.

“It’s time for Australia’s Treasurers to get serious about getting rid of stamp duty.”

STAMP DUTY BY THE NUMBERS

Stamp duty amounts for owner-occupied by State & Territory



Stamp duty revenue 2018 – 2019 by State & Territory by value of property (\$m)

State/Territory	Stamp Duty	Value of property transferred	ST as a % of Prop Value
New South Wales	\$6,864	\$159,814	4.3%
Victoria	\$6,009	\$136,488	4.4%
Australian Capital Territory	\$240	\$8,577	2.8%
South Australia	\$758	\$21,806	3.5%
Western Australia	\$1,011	\$31,596	3.2%
Northern Territory	\$159	\$3,283	4.8%
Queensland	\$2,653	\$79,538	3.3%
Tasmania	\$249	\$6,963	3.6%
Total	\$17,943	\$448,065	4.0%

Source: Commonwealth Grants Commission (2020)