



MEDIA RELEASE

States Suffer Under Stamp Duty

“Replacing stamp duty with a more predictable and equitable tax would provide state governments with a more reliable source of revenue,” explained HIA Chief Economist, Tim Reardon.

HIA’s *Stamp Duty Watch* report, released today, reviews the latest developments around stamp duty across Australia’s eight states and territories. *Stamp Duty Watch* is a comprehensive regular review of policies in the states and territories around Australia.

“State governments have become increasingly dependent on stamp duty revenues. Stamp duty is an unreliable source of revenue and the increased dependence makes states heavily susceptible to housing market downturns,” added Mr Reardon.

“In NSW the downturn in the property market is forecast to cost \$10.6 billion in lost revenue over the forward estimates. In Victoria where the decline in house prices has been more modest, revenue from stamp duty has been revised down by \$5.2 billion.

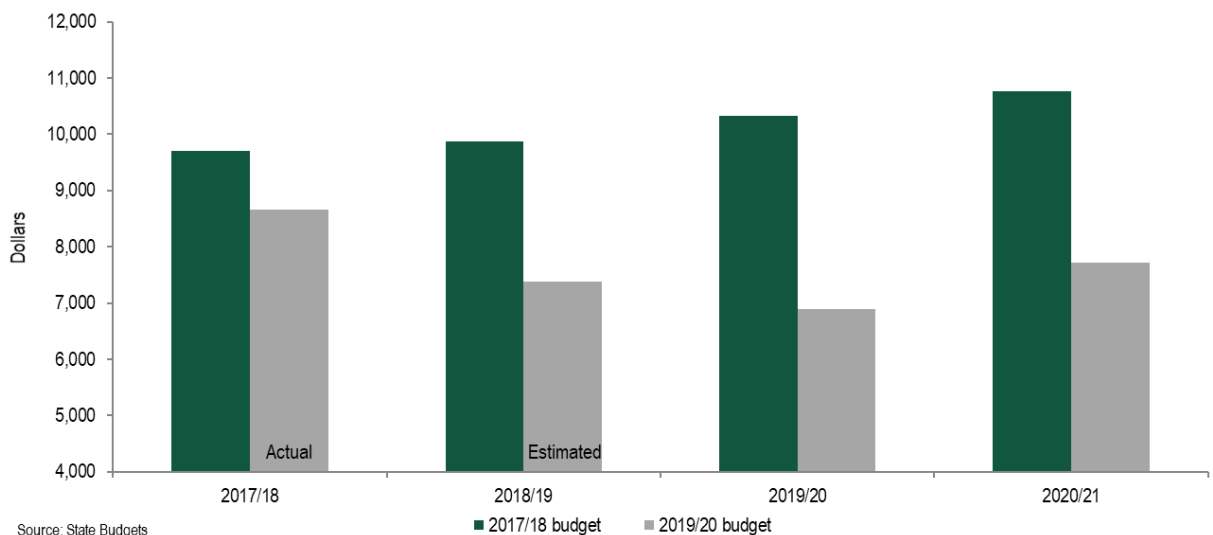
“This sharp drop in revenues highlights the vulnerability of state budgets.

“In 2018/19 stamp duty revenues made up over one-fifth of all taxation revenue raised in New South Wales, Victoria, Queensland and Tasmania.

“Victoria has the highest dependency on stamp duty revenues closely followed by NSW. The ACT, which is seven years into an ambitious 20-year tax reform program to replace stamp duty, has the lowest dependence on stamp duty. It makes up only 13 per cent of total taxation revenue.

“Alternative broad-based tax measures could deliver a more consistent and reliable revenue stream,” concluded Mr Reardon.

NSW Budget Estimates Comparison 2017/18 and 2019/20



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