

Media Release



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Time's up for outdated stamp duty

The Victorian Farmers Federation (VFF) is calling for the stamp duty tax to be axed in favour of raising the GST.

In a recent submission to the Victorian Parliament's upper house inquiry into land transfer duties, the VFF argues the inefficiencies and outdated thinking behind stamp duty is putting a handbrake on farming businesses and preventing young farmers from buying into the market.

VFF President Emma Germano said "tax reform in 1999 looked to replace a heap of inefficient state-based taxes with the GST. That job was unfortunately never finished, and we are still stuck with taxes like stamp duty and payroll tax that impact business, drag on international competitiveness and act as a barrier for young farmers to buy farmland."

Ms Germano added that an expanded GST was the best option to replace stamp-duty, given that farmers rejected any idea that a broad-based land tax should be imposed on productive farmland, as a long-standing principle.

"Land is the working capital of every farm business and we know that land taxes have a disproportionate impact on the agricultural industry which in turn affects food affordability and reliability for the entire community," Ms Germano said.

"The recent recommendation in New South Wales to replace stamp duty with a tax on farmland was an abject failure. It was totally rejected by the farming community with Premier Dominic Perrotet being forced to carve out an agricultural exemption."

"Victoria should not follow the same flawed policy and should focus its attention toward working with the Commonwealth and other states to finally clean up our tax system."

Ms Germano said the VFF also called for an increase to stamp duty exemption for young farmers in the event that it is not abolished to help them get a start and to keep up with movements in the rural land market.

"The current exemption threshold of \$600,000 land value is far too low with the median farmland price in Victoria at over \$10,000 per hectare. That doesn't buy much for a young farmer looking to go out and start their own business."

"The VFF believes the exemption threshold should be raised to \$1 million, with a concession on the next \$500,000 thereafter. Young farmers should also be able to claim both the principal place of residence concession on stamp duty and the young farmer exemption, to help them buy property with a house on it, or to build their own."

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