

# Media Release



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## Farmers warn of new land tax

The Victorian Farmers Federation (VFF) told a recent Victorian Parliament inquiry that using land tax to replace stamp duty on property sales is not the answer.

Speaking to the Legislative Council Economy and Infrastructure Committee's Inquiry into Land Transfer Duty, VFF President Emma Germano said a move to abolish stamp duty should not lead to the imposition of land tax on farm properties.

"Victoria's farming community has very deep reservations about any move to replace stamp duty with a broad-based land tax that would include land tax for primary production land."

"You have read in other submissions put before the inquiry, and from representatives from other organisations, that stamp duty should be replaced with a broad-based annual land tax."

"These submissions have however totally ignored the impact that a land tax would have on Victorian agriculture."

"The dependence that agriculture has on land, means that any form of taxation on that land, disproportionately impacts farm businesses, compared to any other business. This is best demonstrated through the inequities created by Victoria's local government rating system."

Ms Germano said any discussion on abolishing stamp duty should focus on replacing it through an expanded GST.

"We have now operated under the GST for over 20 years and it is time that work is done to ensure it is doing everything that it should, including the original idea to abolish stamp duty."

Ms Germano also spoke to the difficulty that young farmers faced in purchasing property and called for an increase in the thresholds for the young farmers stamp duty exemption and concession.

"These exemptions and concessions were something that the VFF had previously fought hard for and were originally introduced by the Baillieu Government, and we are glad to see the Andrews Government continue these arrangements."

"Whilst the scheme was expanded modestly in 2018, the boom in agricultural land values across the state over the last few years means the thresholds have now become too low to be meaningful to young farmers who are trying to enter the market today. The VFF supports a revision to these thresholds to make them more realistic."

**ENDS**

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