

4th May, 2020

Stamp duty reform on the agenda; New Home approvals on the rise

Urban Taskforce CEO, Tom Forrest, today welcomed the new-found political unity between the Treasurer, Hon Dominic Perrottet and Opposition leader, Jodie Mackay, over the need to approach tax reform with an open mind in the face of the COVID-19 pandemic.

“Every report on Tax Reform published in the last two decades has called for the abolition of Stamp Duty. Stamp duty is highly inefficient as it changes people’s behaviour by providing an incentive not to down-size, and it punishes those least able to afford to pay – first home buyers”, Mr Forrest said.

Mr Forrest said that replacing Stamp duty with a broad-based land tax has been considered by policy makers over a long period, but it has always been frustrated by scare campaigns.

“What is needed now is a common-sense approach and it appears that we might just have that”, Mr Forrest said

Mr Forrest called on NSW policy makers to look to South Australia.

“The South Australian Government has got the approach right. They started with abolishing Stamp Duty on Commercial property, thus attracting investment and creating jobs. This is the sort of thinking that is needed here in NSW.

“Dominic Perrottet is leading the charge for tax reform here in NSW. This is a brave move. But if politicians across the spectrum can hold their nerve and resist the temptation to play politics, this much needed reform to the tax system could be a long-lasting positive legacy of COVID-19”, Mr Forrest said.

Mr Forrest also welcomed the publication of ABS data released today on new housing approvals showing growth in approvals in the first quarter of this year.

“Today’s ABS data reveals growth in approvals of 5.2% in NSW. This was primarily due to a significant rise in multi-storey apartment dwellings and this reflects strong leadership from Planning Minister Robert Stokes and Treasurer Dominic Perrottet.

“The NSW Government’s Planning Acceleration Program will enhance this positive trend new housing approvals as the first tranche flows through the system and more announcements to come.

“This is good news for housing supply, good news for jobs, good news for tax revenues and good news for the NSW economy. All this at a time when ‘good news’ is very welcome indeed”, Mr Forrest said.

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The above can be attributed to Tom Forrest, CEO, Urban Taskforce.

*The **Urban Taskforce Australia** is a property development industry group, representing Australia’s most prominent property developers and equity financiers.*

Media Enquires: Tom Forrest, Chief Executive Officer: 0429 460 863

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