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## **HISTORIC REFORM COULD MAKE AUSTRALIAN HOME OWNERSHIP DREAM A REALITY**

The 2020-21 NSW Budget could bring the great Australian dream of owning your own home one step closer to reality for thousands of people, with a public consultation process commencing to seek the community's view on tax reform to reduce the upfront costs for buyers.

The community will be asked if they want the stamp duty system overhauled to allow buyers to opt out of stamp duty and instead choose a smaller annual property tax.

Stamp duty is one of the biggest financial barriers to home ownership.

Treasurer Dominic Perrottet said the current stamp duty system was centuries old and in need of an overhaul to give NSW residents a modern tax system.

"This is the single most important economic reform we can tackle to turn the Australian dream into NSW's reality," Mr Perrottet said.

"This is a reform proposal for NSW where more people can own their home and have more freedom to choose the right property for their family at every stage of life.

"This is a vision for every person and family in NSW – from first home buyers trying to get a foot on the property ladder, to frontline workers moving to service our regional communities, and retirees who are ready to downsize.

"The NSW Government will work with people and communities to shape any reform over the coming months to ensure it is tailor-made for the current and future needs of our State."

### **The consultation process will kickstart with a proposed model that would:**

- Give people purchasing a property the choice between paying stamp duty upfront or opting for the smaller annual property tax;
- Enable people who opt-in to the system to also eliminate any land tax liability;
- Ensure that the current property owners who are not buying or selling are not affected;
- Replace the current stamp duty concessions provided to first home buyers with a new grant; and
- The proposed model includes a property tax rate that would support and incentivise home ownership with a lower rate for owner-occupiers and higher rates for investors and commercial properties.

Mr Perrottet said the model proposed could bring tens of thousands of dollars of relief to the average home buyer and turbocharge economic growth.

“This model may inject more than \$11 billion into the NSW economy in the first four years and boost NSW Gross State Product by 1.7 per cent over the long term,” Mr Perrottet said.

“Reform of the inefficient stamp duty system could also create and support thousands of jobs to boost the economy and kick-start our recovery for a prosperous, post-pandemic NSW.”

The reform could be set in motion in the second half of 2021 after seeking community feedback over the coming months.

To find out more and have your say on the proposed model, visit: [treasury.nsw.gov.au/property-tax-proposal](https://treasury.nsw.gov.au/property-tax-proposal).

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