



# Media Release

## QWest Property Services

December 22, 2014

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### **HEMSLEY CALLS ON GOVERNMENT TO RESIST INCREASES TO STAMP DUTY**

QWest Property Services Chairman Warwick Hemsley, a former Chairman of the HOUSING INDUSTRY FORECASTING GROUP has called on the state government to resist increasing property stamp duty when it looks at how to increase revenue in 2015.

Mr Hemsley says that when the state government addresses their budget position in early 2015 they should resist the temptation to increase stamp duty.

“The state government’s coffers have taken a beating in 2014 due to decreasing revenue from the stagnating mining industry,” Mr Hemsley said. “Raising taxes, particularly something as basic as property stamp duty, is always tempting.”

“In fact the amount of stamp duty payable on the average home has outstripped inflation dramatically in the last decade, with stamp duty on a typical home increasing over 100% while CPI has increased just 31.4%” (see attachment 1).

“The effect of this tax is that it is taking home ownership further out of reach for many buyers”, Mr Hemsley said.

Transaction costs, of which stamp duty is a major part, impact the viability of moving house when employment location changes. This adds to transport costs, emissions and congestion on our roads.

“You will pay around \$20,000 in stamp duty on a median priced home in WA. That is a significant amount of money that either needs to be found up front or added to the loan and is clearly a disincentive to moving”, Mr Hemsley said.

Mr Hemsley said that stamp duty is an inefficient tax that targets only a specific sector of the market.

“Affordability is a major issue in Western Australia with average house prices in 2014 double what they were ten years ago.”

“People are being priced out of inner city areas and locations closer to their employment,” Mr Hemsley said.

A recent Committee for Perth report estimated the average cost of commuting by car if you live 25 kilometres away from the CBD is around \$22,000 per year.

“While the government is to be commended for encouraging the concept of integrated live/work nodes, it needs to ensure its own taxing practices actually support it. The current fiscal situation does not permit stamp duty to be abolished, but the government should at least resist the temptation to hike it,” Mr Hemsley said.

**End**

(WARWICK HEMSLEY, CHAIRMAN QWEST PROPERTY SERVICES: 0418923325)

**Attachment 1**

**Percentage growth in Stamp Duty vs CPI (Perth, Western Australia)**

***2004 compared with 2014***

