



Legislative Council Economy and Infrastructure Committee

Inquiry: Inquiry into Land Transfer Duty Fees

Hearing Date: 28 June 2023

Question[s] taken on notice

Directed to: YIMBY Melbourne

Received Date: 21 July 2023

1. **David Davis, pages 6-7**

Question asked to Jonathan O'Brien:

David DAVIS: Bringing Commonwealth land (in the inner city or the middle suburbs & there is also state land) to market?

Jonathan O'BRIEN: Yes, we are much more across state policy and state land. In that case, the state government releases a certain amount of land over a year, is my understanding. It could be done at a faster rate.

David DAVIS: Well, it releases land on the edge of the city through planning instruments, but I am talking about state government-owned land. They are sitting on various pieces of land across the state that could be brought forward. Do you support those sorts of steps?

Jonathan O'BRIEN: I think we will take it on notice. Thank you.

Response:

YIMBY Melbourne strongly believes in achieving housing abundance through building up and densifying suburbs closer to the inner city – where there is the greatest demand for housing – over ever expanding sprawl and greenfield development. To that end, crown or state land that is sitting empty in the inner and middle rings of Melbourne should be seriously considered to be brought forward for development. There is a fixed amount of land in Melbourne, so we need to make the most of the land that is available.

Mr Davis brought up the Maribyrnong defence site: 128 hectares of well situated land that has been polluted through defence related manufacturing activity. Subject to the land being thoroughly decontaminated and made suitable for housing, we support this tract of land being brought to market to enable more high quality residential and mixed use space which will help ease the growing pressure facing renters and home buyers alike.

2. **Bev McArthur, page 9**

Question asked to Jonathan O'Brien:

Bev McARTHUR: I totally agree with abolishing stamp duty, but why another tax? Why don't we argue that government should spend money more wisely, and therefore they would not even need a property tax?

Jonathan O'BRIEN: We might take that question mostly on notice.

Response:

YIMBY Melbourne wants to see more funding for social and affordable housing from the state government, but we don't have a position on the correct size of the government overall. The government should spend money wisely, but repealing stamp duty would result in a loss of revenue for the state government, so as part of our submission we put forward an alternative revenue stream that we would prefer the state government to use over stamp duty. A land tax is preferable to stamp duty because it provides a more stable and predictable source of revenue for the state government, and because it does not distort the housing market by encouraging people to purchase the wrong size of home for their needs, or punish people for failing to anticipate their needs.

Furthermore, a land tax would be administered by the state government. Unlike an increase to the GST, a land tax would enable the state government to maintain independent control over its own funding instead of being reliant on the federal government to set and change tax rates. This helps ensure the long term funding for government services, and would allow the Victorian government to repeal stamp duty without having to consider how tax changes might impact other states and territories.

Land taxes are already used for some land in Victoria, and the government has announced it will expand land taxes to commercial and industrial land. Our proposal is for land tax to be applied to residential land, including primary residences, and for the transition away from stamp duty to be managed to prevent double taxation for recent home buyers. As we noted in our submission, land taxes are most effective when they are broad based, and stamp duty is a bad tax, so replacing stamp duty with land tax is simply good policy.