

Wednesday May 3, 2017

Insurance stamp duty cut a win for farmers

The Insurance Council of Australia has welcomed the Victorian Government's removal of stamp duty on agricultural insurance products.

In yesterday's State Budget, the Andrews Government confirmed it would axe the 10 per cent stamp duty on agricultural insurance, making it more affordable for farmers to financially protect their crops, livestock, and agricultural machinery.

ICA CEO Rob Whelan said: "This is a great decision for the state's rural sector. Combined with GST, this tax adds more than 20 per cent to premiums, increasing the incidence of underinsurance and non-insurance among farmers.

"The ICA looks forward to engaging with the Andrews Government on the detail of this important tax reform measure to ensure its maximum effectiveness."

Mr Whelan said the industry hoped this decision would eventually flow through to the removal of stamp duties on all other business and domestic insurance policies.

"The removal of insurance stamp duties has been endorsed by the Black Saturday Royal Commission, the Henry Tax Review and the Productivity Commission Inquiry into Natural Disaster Funding Arrangements," he said.

"Not only does it make sense to remove barriers to homes and businesses purchasing insurance, research by Deloitte Access Economics in 2015 found that the long-term impact of replacing these inefficient taxes would be a boost Victoria's economy of more than a billion dollars."

More details on the potential impact of scrapping insurance stamp duties can be found [here](#).

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