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Editor's Note

There have been a number of recent announcements affecting funders, mortgage managers and brokers. Here is a snapshot of the most important announcements.

Contact Us

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Effectively 1st July 2008 sees changes to the Mortgage Duty and Registration fees applying in Victoria, New South Wales, South Australia, Western Australia and Queensland.

(Refer MacGillivrays Mortgage News, [Vol 1 May 2008](#) for more details on the changes not discussed below).

New South Wales State Budget

No direct measures were announced but New South Wales has previously announced extension of the residential mortgage concession for individuals to mortgages of investment property effective 1st July 2008.

Queensland State Budget

Changes to Duties, Payroll Tax and Land Tax Announced – Effective 1 July 2008

Important changes:

- Transfer Duty - increased concessions and reduced transfer rates - effective 1st July 2008
- Mortgage Duty - abolished from 1st July 2008

Transfer Duty Changes

Transfer duty rates for 2008-09 from 1 July 2008 – standard rates			
Dutiable value	Current	Dutiable value	New
up to \$20,000	1.50%	up to \$5,000	Nil
\$20,001 - \$50,000	\$300 + 2.25%	\$5,001 - \$75,000	1.50%
\$50,001 - \$100,000	\$975 + 2.75%		
\$100,001 - \$250,000	\$2,350 + 3.25%	\$75,001 - \$540,000	\$1,050 + 3.50%
\$250,001 - \$500,000	\$7,225 + 3.50%		
\$500,001 - \$700,000	\$15,975 + 4.00%	\$540,001 - \$980,000	\$17,325 + 4.50%
above \$700,000	\$23,975 + 4.50%	above \$980,000	\$37,125 + 5.25%

The revised transfer duty schedule reduces duty payable on all homes valued at less than \$1 million, but increases duty payable on transfers of more than \$1 million.

Additional Concessions to First Home Buyers

The first home buyer transfer duty exemption is increased to \$350,000 from 1 July 2008 until 31 August 2008 and will increase to \$500,000 1 September 2008.

Additional Concessions to Home Buyers

The principal place of residence concession increases from the first \$320,000 to the first \$350,000 of the value of the home from 1 July 2008.

Mortgage Duty

Mortgage duty is abolished from 1st July 2008, six months earlier than scheduled. Further information regarding transitional arrangements will be provided prior to 30 June 2008. We will still collect this duty until we know more of these transitional arrangements. Surplus duty will be refunded to the borrowers.

Land Tax

Land tax schedules for 2008-09 from 1 July 2008 – resident individuals ¹			
Unimproved Land Value	Current	Unimproved Land Value	New
\$600,000 - \$749,999	\$1,200 + rate of 0.70%	\$600,000 - \$999,999	\$500 + rate of 1.00%
\$750,000 - \$1,249,999	\$2,250 + rate of 1.45%		
\$1,250,000 - \$1,999,999	\$9,500 + rate of 1.50%	\$1,000,000 - \$2,999,999	\$4,500 + rate of 1.65%
\$2,000,000 - \$2,999,999	\$20,750 + rate 1.675%		
\$3,000,000 and above	1.25% on full value	\$3,000,000 and above	1.25% on full value

Note: 1. Rates are marginal rates unless otherwise specified.

Land tax schedules for 2008-09 from 1 July 2008 – companies, trustees and absentees ¹			
Unimproved Land Value	Current	Unimproved Land Value	New
\$350,000 - \$749,999	\$2,250 + rate of 1.50%	\$350,000 - \$2,249,999	\$1,450 + rate of 1.70%
\$750,000 - \$1,249,999	\$8,250 + rate of 1.65%		
\$1,250,000 - \$1,999,999	\$16,500 + rate 1.80%		
\$2,000,000 and above	1.50% on full value	\$2,250,000 and above	1.50% on full value

Note: 1. Rates are marginal rates unless otherwise specified.

Victorian State Budget

Stamp Duty on Land Transfers – Threshold Adjustments

New PPR Stamp Duty on Land Transfers Concession Rate Scale	
Value of Property Transferred	Duty Payable
Up to \$25,000	1.4% of the value of the property
\$25,001 - \$130,000	\$350 plus 2.4% of the value in excess of \$25,000
\$130,001 - \$440,000	\$2,870 plus 5% of the value in excess of \$130,000
\$440,001 - \$550,000	\$18,370 plus 6% of the value in excess of \$440,000
\$550,001 - \$960,000	\$28,070 plus 6% of the value in excess of \$550,000
\$960,001 and over	5.5% of the value of the property

Western Australian State Budget

Transfer Duty – New Concessional Scale for Residential Property – Effective 1 July 2008

As is currently the case, the new scale will apply to property transfers at the time ownership changes, which is usually when contracts are signed rather than at the time of settlement.

Concessional Transfer Duty Scale for Residential Property From 1 st July 2008		
Property Value	Base Amount at Threshold	Marginal Rate on Excess
Up to \$120,000	\$0.00	1.90%
\$120,000 - \$150,000	\$2,280	2.85%
\$150,000 - \$360,000	\$3,135	3.80%
\$360,000 - \$725,000	\$11,115	4.75%
Over \$725,000	\$28,453	5.15%

Federal Government Releases Green Paper for National Regulation of Financial Services Industry

The minister for Superannuation and Corporate Law, Senator Nick Sherry, released the Green Paper for national regulation of the financial services industry on Tuesday 3rd June 2008.

Under the proposed reform, the mortgage industry will be regulated at a national level with all lenders and brokers required to obtain a license from the Australian Securities and Investments Commissions (ASIC).

To read more on the Green Paper view it [here](#).

We will keep you up to date with the proposed changes.