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## Land tax grab to hurt aspirational and hardworking Victorians the most

*For immediate release*

The Victorian Government's new investor land tax grab – announced in its State Budget today – will hurt aspirational and hardworking property owners the most, according to the Property Investment Professionals of Australia ([PIPA](#)) and the Property Investors Council of Australia ([PICA](#)).

Analysis of the new policy has found that a Victorian investor will land holdings worth \$1 million will be slugged just under \$2000 in extra land tax per year – or around \$20,000 over the next decade – however, the tax will continue to increase along with land values throughout that time, so the cost to investors will likely be much higher.

PICA Chair Ben Kingsley said the policy would result in hardworking Victorians paying for the government's incompetence for decades.

"This is what happens when you have so much debt as well as continued economic mismanagement and self-serving governance," Mr Kingsley said.

"Victorians will be paying for the government's incompetence for not just years, but for decades.

"It's a classic case of which policy is going to cause the least amount of political damage, so, they go after the aspiring and hardworking Australian, but aspiration in Victoria is officially dead under this Labor Government."

PIPA Chair Nicola McDougall said the new land tax grab appeared to be modelled on the Queensland Government's similar failed policy last year.

"It does seem like the Victorian Government has taken an illogical page out of the Queensland's Government's ill-fated and investor-focused land tax playbook from last year, and we all know how that worked out for them," Ms McDougall said.

"This absurd policy will no doubt lead to the exodus of investors in Victoria who are already struggling with significantly higher mortgage repayments that dwarf any

increases in rent over the past year.”

Mr Kingsley said investors will desert Victoria in droves – just as they did in Queensland last year – with renters set to pay higher rents because of the policy folly.

“Victoria has the highest stamp duty of any state and territory in the country, so, this policy is like rubbing salt into a wound,” Mr Kingsley said.

“Anyone looking to buy property in Victoria will look elsewhere, because this policy says that Victoria is closed for business.

“Borderless investors will simply shop elsewhere where they are not being slugged by sky-high stamp duty and land tax, which will have a hugely detrimental impact on rental supply.”

Ms McDougall said it was illogical that any State Government would implement such a policy during a prolonged critical undersupply of rental properties.

“It beggars’ belief that at a time of record low vacancy rates, rising rents, and increasing overseas migration - many of whom will initially choose to live in Melbourne but may find nowhere to rent - that the Victorian Government would even consider implementing such a ridiculous policy,” Ms McDougall said.

“This is yet another example of politicians having no understanding of how bad policy impacts investor behaviour, especially those aspirational and hardworking property owners who are set to be slugged the most by this latest financial impost.”

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For more information or to organise interviews, please contact:

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### **About PIPA**

Property Investment Professionals of Australia (PIPA) is a not-for-profit association established by industry practitioners with the objective of representing and raising the professional standards of all operators involved within property investment.

For more information visit [www.pipa.asn.au](http://www.pipa.asn.au)

### **About PICA**

PICA is a not-for-profit organisation committed to advocating and lobbying on behalf of property investors’ interest and educating its members on the economic benefits and risks of property investing in Australia.

For more information visit [www.pica.asn.au](http://www.pica.asn.au)