

7 June 2019

Ms Julie Holmes
RevenueSA
Level 1, State Administration Centre
200 Victoria Square
Adelaide SA 5000

By email: SDRConsultation@sa.gov.au

Dear Ms Holmes

REWRITE OF THE *STAMP DUTIES ACT 1923 (SA)*

The Insurance Council of Australia¹ (Insurance Council) appreciates the opportunity to comment on the South Australian Government's (SA Government) rewrite of the *Stamp Duties Act 1923(SA)* (the Act). We particularly valued the ability to participate in the workshop held on 10 June.

In the workshop, RevenueSA stated that a key aim of the rewrite is to increase readability and ease interpretation of the Act by adopting the format, structure, flow and transaction base philosophy of the *Duties Act 1997(NSW)*. The Insurance Council is supportive of the SA Government's commitment to modernise and streamline its stamp duty legislation in order to reduce the burden of administration and compliance and achieve greater taxation efficiencies for South Australia (SA).

While recognising that the rewrite is not be intended to impact the SA Government's stamp duty revenue base, it is also an opportunity for the SA Government to consider the potential benefits of broader reforms to its tax regime. The Insurance Council has long advocated the benefits of State and Territory governments in Australia harmonising as far as possible their taxation policies and practices, including the stamp duty exemptions provided.

Stamp duty exemptions help address the issue of under-insurance and non-insurance in Australia, which can have a devastating financial impact on individuals and businesses. Harmonisation provides administrative simplicity for businesses operating across State borders, as well as reducing general insurers' multiple reporting requirements and

¹ The Insurance Council of Australia is the representative body of the general insurance industry in Australia. Our members represent approximately 95 percent of total premium income written by private sector general insurers. Insurance Council members, both insurers and reinsurers, are a significant part of the financial services system. March 2019 Australian Prudential Regulation Authority statistics show that the general insurance industry generates gross written premium of \$47.8 billion per annum and has total assets of \$125.8 billion. The industry employs approximately 60,000 people and on average pays out about \$141.9 million in claims each working day.

Insurance Council members provide insurance products ranging from those usually purchased by individuals (such as home and contents insurance, travel insurance, motor vehicle insurance) to those purchased by small businesses and larger organisations (such as product and public liability insurance, professional indemnity insurance, commercial property, and directors and officers insurance).

compliance costs when operating across state boundaries. The Insurance Council would be pleased to discuss with RevenueSA the benefits of wider reform and how it could be achieved.

In relation to specific items regarding the rewrite of the Act proposed by RevenueSA for consideration, following discussion with our members, the Insurance Council confirms its support for the amendment of the general insurance statement due date to the 21st of each month to align with all other jurisdictions (as proposed in *Division 3 – Insurance*).

If you have any questions or comments in relation to our submission, please contact John Anning, the Insurance Council's General Manager Policy, Regulation Directorate, on (02) 9253 5121 or janning@insurancecouncil.com.au.

Yours sincerely



Robert Whelan
Executive Director and CEO