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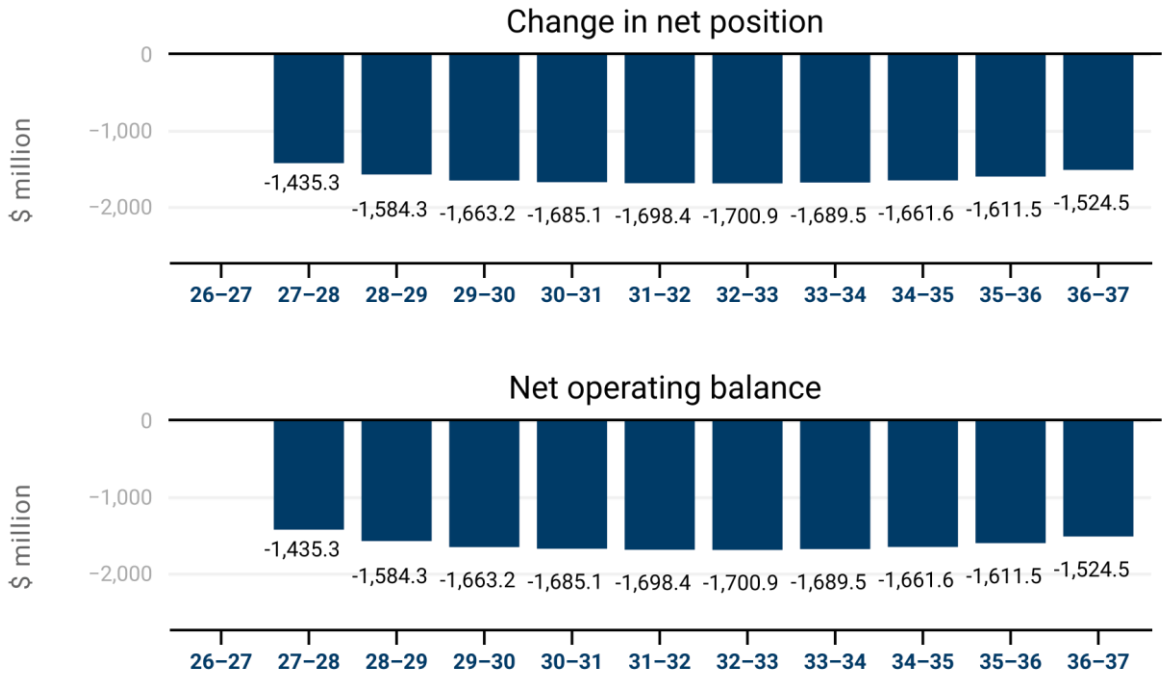
Election policy costing

Abolish stamp duty for under $1.1m, discounted for under $1.6m

Political party	Australian Greens Victoria
Requestor	Ms Ellen Sandell MP
Request date	12 November 2026
Response date	23 November 2026
Policy commencement	1 July 2027
Policy conclusion	Ongoing
Policy summary	This policy would introduce a land transfer duty exemption for principal places of residence with dutiable values of less than $1.1 million. The policy would also provide a land transfer duty concession for principal places of residence with dutiable values between $1.1 million and $1.6 million. For these properties, the $1.1 million tax-free threshold would gradually reduce by $2.20 for every $1.00 of dutiable value above $1.1 million. The tax rate of 5.5% would apply to the dutiable value after the threshold reduction.
Budget baseline	November 2026 Pre-Election Budget Update
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Source: Parliamentary Budget Office.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- $4,682.8 million across 2026–27 to 2029–30
- $16,254.4 million across 2026–27 to 2036–37.

This is entirely due to a decrease in revenue from the introduction of a:

- land transfer duty exemption for principal places of residence with dutiable values less than $1.1 million
- land transfer duty concession for principal places of residence with dutiable values between $1.1 million and $1.6 million.

This cost estimate is sensitive to:

- growth in the number of principal places of residence transacted
- growth in the dutiable value of principal places of residence transacted
- changes in home buyer purchasing activity in response to the proposed policy.

Context

Land transfer duty – also referred to as stamp duty – is a one-off charge on the purchase or acquisition of property. The liable amount is calculated based on the dutiable value of the property, which is the greater of the transacted price or the market value, with a progressive rate schedule.

Figure 1 – Land transfer duty general rate schedule

Dutiable value	Land transfer duty
Up to $25,000	1.4% of dutiable value
$25,000 to $130,000	$350 plus 2.4% of dutiable value above $25,000
$130,000 to $960,000	$2,870 plus 6.0% of dutiable value above $130,000
$960,000 to $2,000,000	5.5% of dutiable value
Above $2,000,000	$110,000 plus 6.5% of dutiable value above $2,000,000

Sources: Parliamentary Budget Office, State Revenue Office.

Currently, principal places of residence buyers in Victoria may be eligible for a concession from land transfer duty if the property value is less than $550,000.

First home buyers in Victoria may be eligible for exemptions or concessions from land transfer duty including:

- a first-home buyer duty exemption for a principal place of residence valued up $600,000
- a first-home buyer duty concession for a principal place of residence with a dutiable value between $600,001 and $750,000.

Our approach

Assumptions

When costing this policy, we made several assumptions. In addition to those published in our standard assumptions protocols (available at pbo.vic.gov.au/document/standardassumptions), we made the following assumptions:

1. The number of principal places of residence purchased as a share of total property purchases would remain consistent over time.
2. There would be no additional costs for the State Revenue Office to administer land transfer duty under the proposed policy.

Method

When costing this policy, we:

- used an internally developed land transfer duty revenue model based on State Revenue Office (SRO) 2025–26 unit records
- escalated unit record property valuations to 2036–37 based on the property value growth forecasts underpinning the Victorian budget
- projected baseline land transfer duty revenue by applying current land transfer duty rates, thresholds and concessions from 2027–28 to 2036–37
- projected land transfer duty revenue under the proposed policy by applying the following exemption and concession to principal places of residence with dutiable values of less than $1.6 million, for each year from 2027–28 to 2036–37:
  - properties with dutiable values less than $1.1 million are exempt
  - for properties with dutiable values more than $1.1 million, apply the tax-free threshold of $1.1 million, phased out at a rate of $2.20 for every $1 above the threshold, with the current duty rate of 5.5 per cent applied to the remaining dutiable value
- estimated the policy's impact by calculating the difference between land transfer duty revenue under the baseline and under the policy in each year.

Data sources

- Information provided by the Department of Treasury and Finance
- Information provided by the State Revenue Office
- State Revenue Office Victoria. 2026. Land transfer duty - non-principal place of residence (current rates). [ONLINE] Available at: https://www.sro.vic.gov.au/about-us/rates-and-statistics/current-rates/land-transfer-duty-non-principal-place-residence-current-rates [Accessed 12 November 2026]
- State Revenue Office Victoria. 2026. Land transfer duty - principal place of residence (current rates). [ONLINE] Available at: https://www.sro.vic.gov.au/about-us/rates-and-statistics/current-rates/land-transfer-duty-principal-place-residence-current-rates [Accessed 12 November 2026]
- Victorian Budget 2026—27
- 2026 Victorian Pre-Election Budget Update.

Attachment A – Detailed budget impacts

Year-on-year impacts

($ million)	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35	2035–36	2036–37
Revenue	0	-1,435.3	-1,584.3	-1,663.2	-1,685.1	-1,698.4	-1,700.9	-1,689.5	-1,661.6	-1,611.5	-1,524.5
Expense	0	0	0	0	0	0	0	0	0	0	0
Net operating balance	0	-1,435.3	-1,584.3	-1,663.2	-1,685.1	-1,698.4	-1,700.9	-1,689.5	-1,661.6	-1,611.5	-1,524.5
Assets	0	0	0	0	0	0	0	0	0	0	0
Leases	0	0	0	0	0	0	0	0	0	0	0
Net position	0	-1,435.3	-1,584.3	-1,663.2	-1,685.1	-1,698.4	-1,700.9	-1,689.5	-1,661.6	-1,611.5	-1,524.5

Cumulative impacts

($ million)	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35	2035–36	2036–37
Revenue	0	-1,435.3	-3,019.6	-4,682.8	-6,367.9	-8,066.3	-9,767.2	-11,456.7	-13,118.3	-14,729.8	-16,254.4
Expense	0	0	0	0	0	0	0	0	0	0	0
Net operating balance	0	-1,435.3	-3,019.6	-4,682.8	-6,367.9	-8,066.3	-9,767.2	-11,456.7	-13,118.3	-14,729.8	-16,254.4
Assets	0	0	0	0	0	0	0	0	0	0	0
Leases	0	0	0	0	0	0	0	0	0	0	0
Net position	0	-1,435.3	-3,019.6	-4,682.8	-6,367.9	-8,066.3	-9,767.2	-11,456.7	-13,118.3	-14,729.8	-16,254.4

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.