

June 3, 2014

## Insurers pleased with ACT tax reform commitment

The Insurance Council of Australia (ICA) has welcomed the confirmation in today's ACT Budget that stamp duties on insurance products will be fully abolished by July 1, 2016.

The ACT Budget shows a continuation in the winding down of stamp duties, moving from 6 per cent to 4 per cent from July 1, 2014, 2 per cent from July 1, 2015 and zero a year later.

ICA CEO Rob Whelan said: "The removal of stamp duties is of significant benefit to consumers in the ACT and we commend the government for leading the way on state tax reform.

"Unfortunately, other states are reluctant to change their stamp duties on insurance, and Tasmania and Queensland have increased their stamp duties on insurance in the past two years.

"The only other piece of recent tax reform that has taken place has been in Victoria with the abolition of the fire services levy, which has led to significant improvements in the price of insurance for consumers and businesses.

"The insurance industry believes all taxes and levies on insurance products should be removed, and hope the Federal Government's Financial System Inquiry will provide appropriate frameworks for this to take place."

In June 2012, the ACT Government committed to a five-year phase out of its 10 per cent insurance stamp duty, reducing it by 2 percentage points each year.

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