

COMMUNITY BANKS, STAMP DUTY CONCESSIONS FOR PATRONS

284. Mr J.B. D'Orazio to the Treasurer

What stamp duty concessions have been agreed to for community bank patrons who wish to transfer their housing loans to community banks?

Mr E.S. RIPPER replied:

At present, relief from mortgage duty (and debits tax) on the transfer of loan accounts to a community bank is only available where the transfer is the result of a bank branch closure within a regional community, and where there is no other bank presence (other than the community bank) in that community.

However, the Government's Draft White Paper on tax reform, Streamlining Western Australia's Tax System – Fewer, Fairer, Simpler, proposes extending the scheme such that tax relief is available for the transfer of bank accounts to any remaining bank branch within the same regional community, provided that the bank which closed does not retain another presence within that community.

The Draft White Paper was released for public comment in June. Public comments have now been received and the Government is awaiting advice from the Department of Treasury and Finance and its expert Reference Committee before progressing reform.

Subject to the nature of the final package of tax reforms to arise from the Draft White Paper and its consultation process, I expect that the Government will introduce enabling legislation to Parliament early next year. I envisage that most of the proposed measures will commence from 1 July 2003.

With regard to the proposed extension of the community bank scheme, this measure does not require legislation. Reflecting this, the Draft White Paper proposes commencing the extended scheme from 1 January 2003.