



Australian Government

The Treasury

IMPROVING THE INTEGRITY OF GST ON PROPERTY TRANSACTIONS

SUMMARY OF CONSULTATION PROCESS

The Government announced in the 2017-18 Budget that from 1 July 2018 purchasers of new residential premises or new residential subdivisions would remit the GST on the purchase price directly to the Australian Taxation Office as part of the settlement process.

Consultation process

Informal confidential consultations on an implementation model were held between 31 July 2017 and 8 November 2017 with industry stakeholders (including property developers, lawyers, conveyancers and financiers). Consultation meetings were held in Sydney on 31 July 2017 and in Melbourne on 1 August 2017, with teleconference meetings held throughout the consultation process with States and Territories and industry representatives.

Public consultation on exposure draft legislation was conducted between 6 November 2017 and 20 November 2017. Consultation meetings with industry representatives were held in Sydney on 9 November 2017 and Melbourne on 10 November 2017. Teleconference meetings were also held with stakeholders, including representatives from State and Territory governments. A total of 20 submissions were received.

Public submissions are available on the Treasury website www.treasury.gov.au

Summary of key issues

Stakeholders raised a variety of views on the measure during public consultation, including in relation to the impact of the measure on vendors, developers, purchasers and conveyancers.

- Industry representatives asked for exemptions for suppliers with a good compliance history, and to ensure existing contracts were not affected.
- Law societies and consultants asked that the measure minimise the impact on purchasers.
- Stakeholders noted the potential impact on cash flow and compliance costs of suppliers.
- Conveyancing groups sought a process that ensured simplicity in the conveyancing process.

Feedback

Feedback on the consultation process for this measure can be forwarded to consultation@treasury.gov.au

Thank you to all participants in the consultation process.