



Media Release

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Cotton industry calls for removal of stamp duty on insurance

Cotton Australia has called on the Queensland Government to support the state's farmers by following the lead of its southern counterparts to remove stamp duty applied to insurance.

In its recent Budget, the NSW Government announced that the 2.5% stamp duty applied to crop and livestock insurance, including multi-peril insurance, will be removed from 1 January, 2018.

"Farmers in both states face significant challenges just to run their rural businesses day-to-day, and risks such as natural disaster, fire, weather impacts and other hazards lurk over their heads constantly," says Cotton Australia General Manager, Michael Murray.

"Insurance products to manage these risks are available but they can be expensive, and taxation on top of their already high costs puts them out of reach of many growers."

"Cotton Australia congratulated the NSW Government for its initiative to remove the 2.5% stamp duty on crop and livestock insurance, which will hopefully put insurance within their reach and allow them to manage their daily risks with more certainty."

Queensland's stamp duty on crop and farm business insurance is 9%, far higher than the existing 2.5% levied in NSW.

"Earlier this month Cotton Australia wrote to Queensland Treasurer Pitt urging him to remove the stamp duty, arguing it is a serious disincentive to farmers to manage their own risks," Mr Murray says.

"However, there is now even more pressure on the Queensland Government to act swiftly, as the Victorian Government has also removed stamp duty on livestock, crop and machinery insurance, effective July 1, 2017."

"There is no question Queensland is lagging behind its southern counterparts. We urge the Government to indicate its support for the state's farmers by removing stamp duty on crop and livestock insurance."

Cotton Australia is the peak representative body for Australia's cotton growing industry.

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