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Queensland Faces Pressure to Reform Insurance Stamp Duty Amid \$2 Billion Profit Projection

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Queensland's government is set to rake in over \$2 billion from insurance stamp duty by 2027-28, prompting fierce calls for reform from industry and residents struggling with soaring premiums. Critics argue this tax unfairly burdens homeowners, especially in disaster-prone areas, and stifles insurance uptake. This article examines the push to abolish the duty, its impact on Queenslanders, and the government's response.

The Queensland government levies a 9% stamp duty on general insurance premiums, including home, contents, and car policies, projected to generate \$1.78 billion in 2025–26 and \$2.14 billion by 2028–29, according to budget figures. This tax, combined with the Goods and Services Tax (GST), hits hardest in high-risk areas like North Queensland, where premiums have surged due to frequent floods and cyclones. Anne Sharrocks, a Middle Park pensioner, told ABC News her home insurance premium jumped to \$10,847 this year, with \$895 in stamp duty alone. “It’s an awful lot of money,” she said, noting many neighbors forgo insurance due to costs. The Insurance Council of Australia (ICA) calls the duty “lazy” and unfair, with CEO Andrew Hall urging its abolition to ease cost-of-living pressures.

Industry experts, including Associate Professor Kirsten McDonald from Griffith University, argue the tax exacerbates underinsurance as premiums rise with climate-driven disasters. The ICA estimates scrapping the duty could cut premiums by 8%, encouraging more households to insure. Alternatively, the ICA suggests redirecting revenue to resilience programs like the Resilient Homes Fund, which has upgraded over 4,400 homes against cyclones. Queensland’s 9% rate matches New South Wales but is lower than other states, though the Australian Capital Territory (ACT) phased out the tax entirely. Premier David Crisafulli, who once called the duty “robbing people” in opposition, has yet to commit to reform, with Treasurer David Janetzki focusing on other cost-of-living measures.

As Queensland’s budget swells from this tax, residents face a stark choice: pay crippling premiums or risk financial ruin. With no clear plan to axe the duty, the government’s priorities are under scrutiny. Will it act to relieve homeowners, or continue profiting from their vulnerability?