



Review of Victoria's Land Registry Fees

Regulatory Impact Statement

Submission by the Real Estate
Institute of Victoria





Executive Overview

This submission outlines the Real Estate Institute of Victoria's (REIV) position on the Victorian Government's proposed land registry fee reforms. The REIV supports measures that improve the transparency, simplicity, and usability of the fee framework and recognises the need to sustainably fund a modern digital land registry system. In principle, the REIV accepts that some increase in land registry fees may be justified following a prolonged period of fee stability, and supports the proposed simplification of fee categories, removal of paper and electronic distinctions, and targeted relief for lower-value property transactions.

However, the REIV has concerns about the scale, structure, and justification of proposed fee increases, particularly the reliance on higher-value transactions to generate additional revenue, which weakens the link between fees and the cost of service delivery. In a market characterised by rising property values, elevated property taxes and increasing regulatory costs, such an approach risks distorting transaction behaviour, discouraging investment and undermining market and development confidence. The REIV urges the Victorian Government to adopt a balanced, cost-reflective approach to fee reform, supported by transparent cost modelling, clear service performance commitments, and regular reviews, to ensure land registry fees remain fair, proportionate, and aligned with a genuine service delivery framework.



The Real Estate Institute of Victoria

The Real Estate Institute of Victoria (REIV) is the peak representative body for real estate practitioners in Victoria.

Established in 1936, the REIV aims to enhance the professional excellence of its members to benefit the communities they serve and to advocate for their interests. It represents over 7,000 individual members and 2,000 real estate agencies.

Summary of Recommendations

The REIV recommends that the Victorian Government:

- Ensure fee settings support Victoria's competitiveness as a destination for property investment and development.
- Avoid over-reliance on higher-value transactions to cross-subsidise the registry system, as this may discourage investment, development activity, and business confidence.
- Link any fee increases to clear service performance commitments, including system reliability, processing timeframes and transparency.
- Proceed with the proposed simplification of land registry fees to improve transparency, certainty and ease of application.
- Ensure registry fee increases are clearly cost-justified and supported by transparent cost modelling, along with explanations of forward cost estimates.
- Review the scale and design of fee increases for higher-value transactions to avoid disconnecting fees from cost-of-service delivery or unnecessary application as a proxy for property taxation.
- Commit to regular, transparent future reviews of land registry fees.

The REIV supports simplifying the land registry fee framework to improve transparency and usability. Further, it acknowledges the importance of sustainably funding a modern, secure, and reliable digital land registry system and supports targeted fee relief for lower-value property transactions. However, it raises concerns about the scale and timing of proposed fee increases, the equity impacts of significantly higher ad valorem fees on higher-value transactions, and the absence of explicit service standards or performance commitments tied to those fees.

While the REIV accepts that some increase in land registry fees may be justified following a prolonged period of fee stability, it cautions against fee settings that are detached from the realistic cost of service delivery, or that operate, in effect, as a proxy for clandestine property-based taxation. A balanced approach is required to ensure that land registry fees remain transparent, proportionate, cost-reflective and supportive of confidence in Victoria's property market.

ISSUE

INCREASE TO FULL FEE COST RECOVERY

Increase to full fee cost recovery

Government proposal

The proposed reforms seek to increase land registration and search fees to achieve full cost recovery, representing the first overall increase in land registry fees in approximately 20 years. The proposal includes streamlining fees into five categories and removing the distinction between paper and electronic lodgement fees.

REIV analysis

Positive aspects

The REIV acknowledges that digital land registry systems require ongoing investment to maintain functionality and that registry fees have remained static for a prolonged period. It further recognises that simplifying the fee framework into five categories will improve transparency, reduce confusion for consumers and practitioners. Furthermore, the removal of separate paper and electronic lodgement fees is also endorsed, as it reflects operational reality.

Areas of concern

Notwithstanding this support, the REIV has concerns that the 20-year gap between fee increases does not, of itself, justify a sharp or front-loaded adjustment, and that full cost recovery should not be implemented without clear efficiency benchmarks. Further, the RIS does not sufficiently explain how digitisation efficiencies have been factored into cost modelling, whether underlying costs have been independently reviewed, or how future cost growth for consumers will be constrained.

The REIV acknowledges the need to sustainably fund land registry services and accepts that some increase in registry fees may be justified to achieve cost recovery. However, the REIV notes that while the RIS identifies current and forward aggregate cost figures for Land Use Victoria services, it does not adequately explain the methodology, assumptions or cost drivers underpinning those estimates, nor how those costs are allocated across individual services.

Recommendation



The REIV recommends greater transparency into the derivation of forward cost estimates and the link between costs and individual fee increases. This would improve confidence that the proposed fees are proportionate, cost-reflective, and represent value for money for users.

ISSUE

FEE STRUCTURE
SIMPLIFICATION

Fee structure simplification

Government proposal

The proposed reforms would streamline land registry fees into five categories to improve clarity and predictability.

REIV analysis

Simplification will benefit consumers, real estate agents, conveyancers, and legal practitioners by reducing administrative burdens and lowering the risk of disputes or misunderstandings regarding transaction fees.

Recommendation



The REIV strongly supports the government’s position in simplifying the land registry fee framework and considers this reform long overdue.

ISSUE

AD VALOREM FEES

Ad valorem fees

Government proposal

The proposed restructuring of ad valorem fees delivers an approximate 21 per cent reduction for transactions under \$1 million, lowering the rate from \$2.34 to \$1.85 per \$1,000 of transaction value.

Fees for transactions between \$1 million and \$1.5 million remain unchanged.

For higher-value transactions, a new progressive fee structure applies, with fees set at \$3,510 for transactions above \$1.5 million, increasing by \$2.34 per \$1,000 of transaction value. Fees would be capped at \$7,020 for properties valued at more than \$3 million.

Current and proposed ad valorem fees

Transaction Value Range	Current Fees	Proposed Fee	Percentage Change
\$0 to \$1 million	\$2.34 per \$1000 of transaction value	\$1.85 per \$1000 of transaction value	-21%
\$1 million to \$1.5 million	\$2.34 per \$1000 of transaction value	\$2.34 per \$1000 of transaction value	No change
\$1.5 million to \$3 million	\$3,510	\$2.34 per \$1000 of transaction value	0% to 100%
\$3 million and over	\$3,510	\$7,020	100%

REIV analysis

Positive aspects

The REIV supports the proposed reduction in ad valorem fees for lower-value transactions. This measure benefits first-home buyers, downsizers, and purchasers in regional and outer-suburban markets. Further, it aligns with broader affordability and mobility objectives and recognises the cumulative cost pressures faced by purchasers of lower-value homes.

Areas of concern

While acknowledging the intent to rebalance the fee structure, the REIV notes that higher-value transactions already contribute proportionately higher revenue through stamp duty, land tax and other related charges. Increased fees at the upper end, for transactions over \$1.5 million, will act as an additional financial burden and are likely to reduce market liquidity and slow turnover in established housing and commercial real estate stock.

The most significant impact of higher fees and the doubling of the capped amount is that they risk discouraging investment in the aforementioned commercial real estate, which is typically more expensive. Significantly, higher transaction values do not necessarily correlate with greater registry complexity or higher service-delivery costs.

The REIV acknowledges the intent to rebalance the ad valorem fee structure and support lower-value property transactions. However, the REIV notes that the RIS expressly recognises that the ad valorem component of land transfer fees is not based on the cost of providing registry services but operates as a general revenue-raising mechanism. Increasing fees for higher-value transactions further weakens the relationship between fees and the cost of service delivery.

The median house price in Melbourne is now close to \$1 million, meaning a growing share of ordinary residential transactions will be captured by higher fee thresholds. In this context, the contribution of the proposed ad valorem restructuring to affordability is limited, as rising property prices are likely to erode any nominal savings for purchasers of lower-value properties while increasing costs for a broader segment of the market.

Recommendation



The REIV recommends against using land registry fees as a proxy for property-based taxation and urges that increases be applied cautiously and subject to ongoing review to ensure fees remain proportionate, cost-reflective, and do not distort market behaviour.

The REIV further notes that increasing ad valorem fees for higher-value transactions may adversely affect business investment and development decisions, particularly when layered on top of existing property taxes and charges. Broadly, the REIV cautions against using land registry fees as an additional revenue lever.

OTHER CONSIDERATIONS

Further Considerations

Digital services and service standards

The REIV recommends that any increase in land registry fees be matched by precise, measurable metrics, including published service standards, system uptime guarantees, and transparent error-rectification processes. Without such commitments, increased fees risk undermining, rather than strengthening, confidence in the digital land registry system.

Indexation and future reviews

The REIV recommends that any future indexation of land registry fees be moderate, transparent, and subject to periodic review. This would avoid recurring extended periods of fee stagnation followed by significant, disruptive adjustments, including those proposed under this current review.

Conclusion

The REIV supports a modern, efficient, and sustainably funded land registry system that underpins confidence in Victoria's property market. However, fee reform must be proportionate and clearly aligned with the cost-of-service delivery model.

The REIV maintains a cautious stance on using land registry fees as a revenue-raising mechanism when additional levies are divorced from service costs, particularly in an environment of rising property values and increasing property-based taxes. A balanced approach is required, one that supports affordability, maintains Victoria's attractiveness for property investment and development, and preserves the integrity of the land registry fee framework as a genuine user-pays system.





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