

The image features the Deloitte logo in the top left corner. The background is a close-up photograph of two hands touching a screen, with a bokeh effect of warm, glowing lights in shades of orange and yellow. The overall tone is professional and modern.

**Deloitte.**

**Quantifying the regulatory cost savings  
associated with the Digital Duties Form**  
State Revenue Office

August 2018

# Executive Summary

## Purpose of report

The State Revenue Office (SRO) engaged Deloitte to undertake a high level analysis of the regulatory cost savings associated with the Digital Duties Form (DDF) using an approach consistent with the Victorian Government’s Regulatory Change Measurement (RCM) Manual (RCM Manual).

The purpose of this project is to measure the reduction in regulatory costs for individuals and businesses directly associated with the introduction of the DDF. Individuals or their representatives are required to use the digital duties form for all contracts or agreements for land transfer duty entered into on or after 1 July 2017.

## Digital Duties Form

The DDF is a process to cut red tape and streamline the submission of duties forms. The SRO has decommissioned the previous paper-based forms system and replaced it with an all-in-one DDF for property transfers in Victoria. The digital duties form needs only to be completed once, and enables electronic data pre-population into the Digital Duties Online (DOL) system rather than being manually inputted in by a registered user.

## Paper-based forms

Prior to the introduction of the DDF, duties forms were submitted via multiple paper-based forms requiring duplication of information. The paper-based system consisted of 17 individual forms covering property transfer details, concession applications, statutory declarations and change of information.

## RCM Methodology

The approach used for this RCM is consistent with the requirements of the RCM Manual. The processes involved in completing duties forms were mapped for both the previous paper-based forms system and the DDF system to assist in identifying differences in regulatory costs including substantive compliance costs, administrative costs and delay costs.

## Results

Estimates of the average cost saving per year over a 10 year period are outlined in the table below. The total regulatory cost savings is estimated to be \$13,643,796 on average per year from 2017 to 2026. Administrative costs make up the larger part of the total savings.

Results summary

Cost type	Description	\$ per year
<b>Substantiative compliance cost savings</b>	Total compliance saving for form duties form completion	\$1,399,330
	Total compliance saving for DOL data entry	\$2,811,163
	<b>Total</b>	<b>\$4,210,493</b>
<b>Administrative cost savings</b>	Administrative Time for printing and sending by post	\$4,783,300
	Stationery costs (including postage)	\$3,732,977
	Cost of storing paper forms	\$864,179
	Learning costs	\$52,848
	<b>Total</b>	<b>\$9,433,303</b>
<b>Total regulatory saving</b>		<b>\$13,643,796</b>

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# 1 Introduction

## 1.1 Purpose of the report

The State Revenue Office (SRO) engaged Deloitte to undertake a high level analysis of the regulatory cost savings associated with the introduction of the Digital Duties Form (DDF) using an approach consistent with the Victorian Regulatory Change Measurement Manual (RCM Manual).<sup>1</sup>

The scope of this project is to measure the reduction in regulatory costs for individuals and businesses directly associated with the introduction of the DDF.

## 1.2 Payment of land transfer duty

About 200,000 properties change hands in Victoria each year. Most often they are bought or sold at auctions and private sales, but can also be gifted or acquired through a company or trust.

However a property changes hands, land transfer duty (otherwise known as stamp duty) must be paid on the transfer of the land from one individual to another. This occurs via Digital Duties Online (DOL), which is a web-based system providing for the assessment and payment of duties transactions through the SRO's website. DOL was introduced in 2011 as part of a reducing red tape initiative. DOL allows registered users to electronically submit details of the most common types of property transfers and declarations of trust for assessment. In the case of a land transfer, when the electronic transaction is finalised and paid or exempted, DOL will instantly transmit confirmation of the duty assessment to the Registrar of Titles. The confirmation details are stored in the Registrar of Titles database until the transfer of land is lodged for registration. The details are then used to confirm that the duty obligations have been met. For declarations of trust, registered users can print a certificate directly from DOL as evidence of their duty payment.

## 1.3 Lodgement of documents for land transfer duty

When land is transferred, documentation providing details of the transaction needs to be lodged with the SRO. The information required depends on the circumstances of the transaction. This information is provided by vendors and buyers (or their representatives) via the lodgement of a DDF.

The DDF became mandatory in Victoria from 1 July 2017 for all property transfers. Taxpayers and their representatives must use the DDF for all contracts or agreements for land transfer duty entered into, on or after this date. The digital form is linked and pre-populated into a DOL transaction for a quicker and easier assessing process. The DDF is completed once, and enables electronic data pre-population into the DOL system, rather than being manually inputted by a registered user.

The SRO replaced the previous paper-based form system which involved submission of duties forms via multiple paper-based forms which required duplication of information. The paper-based system consisted of 17 individual forms for different types of property transfers, including:

- Duties-form-01 - Goods Statement for Residential Land
- Duties-form-02 - Goods Statutory Declaration
- Duties-form-03 - Real Property Value Declaration
- Duties-form-14 - Statement on Change of Beneficial Ownership of Dutable Property
- Duties-form-62 - Purchaser Statement
- Duties-form-53d - PPR Concession Declaration
- Duties-form-53c - PPR Concession and Eligible First Home Buyer Duty Reduction Declaration 1 July 2012 to 30 June 2013
- Duties-form-07e - First Home Owner Exemption/Concession Declaration
- Duties-form-08f - Pensioner Exemption/Concession Declaration
- Duties-form-09a - Transfer Between Spouses/Domestic Partners Statutory Declaration
- Duties-form-12 - Primary Production and Water Entitlements (for all land types) Statutory Declaration
- Duties-form-56 - Young Farmers Exemption/Concession Claim Form
- Duties-form-13 - Family Farm Exemption Statutory Declaration

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<sup>1</sup> Victorian Government, *Victorian Regulatory Change Measurement Manual*, November 2016.

- Duties-form-61 - PPR Concession and Eligible First Home Buyer Duty Reduction Declaration on or After 1 July 2013
- Duties-form-50 - Land Use Entitlement Acquisition Statement
- Duties-form-04a - Off-the-Plan Sales Statutory Declaration
- Duties-form-06a - Transactions Treated as Sub-Sales of Land Statutory Declaration

A single transaction commonly required several forms to be completed, duplicating multiple areas of information. For example, an off the plan concession transaction required forms 01 or 02, 4a and 62 to be completed, all duplicating personal and property information.

The DDF integrates the same information previously required by the paper-based system and directs the user through the relevant digital forms depending on their inputs. This system eliminates the duplication of information and the need to complete several individual paper forms. A further change is that statutory declarations are also not now required as part of the online process when applying for concessions. Additionally, users have the option to digitally sign the online form, although digital signing is not mandatory.

### **1.3.1 Regulatory change measurement**

To assess progress towards achieving targeted reductions in regulatory burdens, it is necessary to measure the magnitude of individual regulatory changes, including changes to regulatory processes.

The RCM Manual establishes the approach to be used when measuring contributions towards departmental targets for reducing red tape, or to measure changes in regulatory burden associated with new or amended regulatory proposals. As described in the RCM manual, an RCM calculation is a credible, indicative estimate of the reduction in cost to business and the community from a regulatory change. The estimate of the cost reduction is also known as the red tape saving. Under the RCM Manual, an RCM is required for estimated annual red tape savings of over \$2 million. For estimated savings greater than \$5 million, consultation with the affected sector is also required. The introduction of the DDF is expected to generate a reduction in regulatory burden in excess of \$5 million, an RCM has been developed and consultation has been conducted. All RCMs prepared must be published on the regulator's website.

The focus of an RCM is on the 'compliance cost, 'delay cost' and the 'economic cost of prohibitions'. The RCM approach is designed to produce indicative estimates of regulatory burden, and to develop an understanding of the drivers of these costs.

All RCM reports are required to be lodged with Victorian Department of Treasury and Finance (DTF) as part of the government's six-monthly red tape reduction progress reporting. Prior to this, regulators have the option of submitting the draft RCM report and calculations to the DTF for review and feedback.

In the context of this report only compliance costs are considered. The compliance cost includes additional time, postage and storage costs required to complete and sign the paper-based form for both individuals and businesses. It also includes the initial training to learn how to use the new DDF, which is not considered a business-as-usual cost because individuals and businesses would not have had to learn about the DDF if the paper-based forms were retained. Delay costs and economic costs are not considered in this report due to the nature of the DDF not affecting substantial cost savings in these categories. Refer to section 1.4.2 for further detail.

## **1.4 Methodology**

The methodology adopted for this project was as follows:

- A preliminary meeting was held with SRO to discuss key benefits associated with the DDF and to confirm the inputs and output of the preliminary analysis conducted by SRO.
- Both paper-based and DDF processes were mapped.
- Cost estimations were developed using primary data on time and cost estimates collected from the SRO's consultation survey process, and cost inputs and assumptions were developed drawing on different information sources including discussions with the SRO, publicly available data sources (for example the Australian Bureau of Statistics for wage costs) and the RCM Manual.

- An RCM model was developed to estimate compliance costs for both the paper form and DDF.

Key aspects of the methodology are outlined in more detail in the following sections.

#### **1.4.1 Modelled processes**

The following processes were modelled to enable measurement of the different regulatory costs:

- **Paper-based forms system** – The process to complete duties forms using the paper-based system is as follows:
  - Forms are downloaded from SRO website by both the transferor and transferee,
  - The required forms are filled out manually (the number and type of form varies with transaction type) by the transferor and transferee,
  - The transferee must complete form 62 (purchaser to complete any concessional forms if applicable),
  - Some forms are statutory declarations and are required to be signed by an authorised witness,
  - The transferor and transferee sign their forms and are responsible for the archiving of these forms,
  - Transferor hands over forms to transferee at settlement,
  - Transferee re-enters transactional information from the forms to SRO via DOL, and
  - Transferee re-enters transfer information into PEXA.
- **DDF** – The process to complete duties forms using the DDF<sup>2</sup>:
  - All transferor and transferee representatives must register or be registered for DOL. The transferor’s representative creates a form in DOL and then completes all the contract-related information that pre-populates the transferee form. The transferee’s representative is then invited to complete their section of the form,
  - Once both the transferor’s and transferee’s representatives have completed all the data entry and confirmed the verification of identity, they invite their clients to review and sign,
  - The invitation is accepted and signed by invited parties
    - o Invitees have the choice to either sign electronically or manually
  - Settlement statement is downloaded
  - Online transaction is made by claiming the DDF in DOL, which will pre-populate most of the data into the transaction.

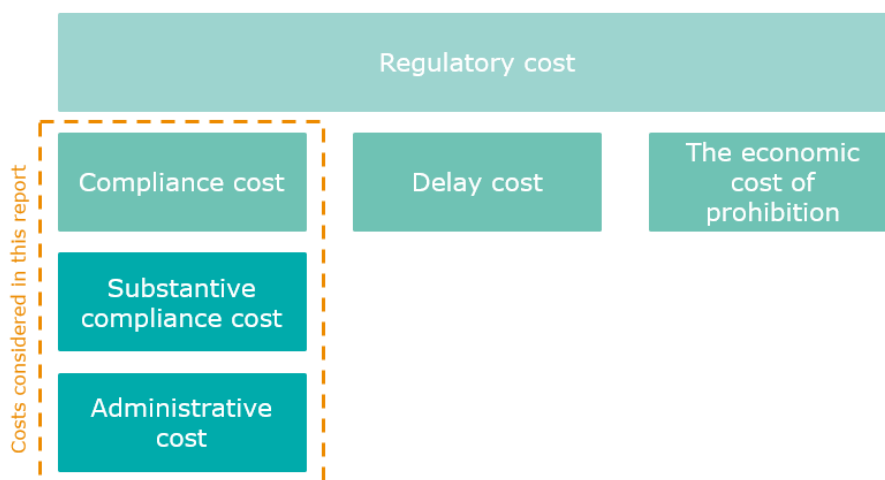
#### **1.4.2 Estimating costs**

Costs were estimated using the RCM approach. Costs that are within the scope of an RCM are shown in Figure 1. Costs estimated for this RCM are also identified in Figure 1; these are further discussed below.

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<sup>2</sup> The process described refers to transferor and transferee representatives. These tasks can be undertaken by the transferor or transferee, although this is less common.

Figure 1: Regulatory costs within the scope of an RCM



The RCM Manual definition for these terms and our application of these terms to the costs in this report are as follows:

#### 1.4.2.1 Compliance costs

Compliance costs include:

- Costs that directly lead to the regulated outcomes being sought, which are known as **substantive compliance costs**. These are often capital and production costs such as purchase of new plant and equipment, maintenance of equipment, or undertaking specific training. Costs for this RCM include filling in forms and DOL data entry.
- Costs that are incurred by regulated entities primarily to demonstrate compliance with a regulation or to allow the government to administer the regulation, known as **administrative costs**. Examples include making or providing records, preparing plans, making an application or notifying an authority. Costs for this RCM include administrative cost time of preparing, arranging for, signing and sending forms. Costs also include stationery and postage costs, the cost of storing paper forms, the cost of document destruction and learning cost.

#### 1.4.2.2 Delay costs

Delay costs are the expenses and loss of income incurred by a regulated entity through an application delay and/or an approval delay:

- An application delay refers to the time taken by a regulated entity to complete an administrative application requirement (such as an application for a licence, registration, certification, or permit) that prevents it from commencing its intended operations.
- An approval delay refers to the average time taken by a regulator to communicate a final decision regarding the administrative application (such as notification, agreement or licence) that prevents the regulated entity from commencing its intended operations. This includes the time taken by the regulated entity for re-work of the application.

For this RCM, we have not included any delay costs as the processing time of applications and approvals will be largely unchanged as a result of the DDF.

#### 1.4.2.3 Economic costs of prohibitions

The economic costs of prohibitions are costs incurred indirectly as a result of the impact of regulation. These costs may include the impact on markets or consumption patterns, for example impact on competition.

We have not included any economic costs of prohibitions as the introduction of the DDF is very unlikely to have any impact on the number of properties transferred or the market.

### 1.4.3 Descriptive summary of costs estimated

Table 1-1 summarises the substantive compliance and administrative costs included in the RCM.

Table 1-1 Description of cost items included in RCM

Cost category	Cost item	Description	Quantity unit
Substantive compliance	Average Annual Compliance saving for form completions	The difference in time between paper-based form and DDF for form completion not including the time of signing.	Time
	Average Annual Compliance saving for DOL data entry	The change in time for entering into DOL.	Time
Administrative	Administrative time for, preparing, signing, printing and sending by post	Saving in printing and sending in post, and digitally filling out the form. This is the cost in time to both businesses (i.e. conveyancers) and the client.	Time
	Stationery and postage costs	Includes the cost of postage, envelope, generally stationary.	Material
	The cost of storing paper forms.	Includes the cost of boxes, transport and storage facility use.	Material
	The cost of document destruction	The cost of destroying stored documents after 5 years.	Material
	Learning cost	Initial training cost to learn how to use the new DDF.	Time

#### 1.4.4 Sensitivity analysis

A sensitivity analysis was conducted on a selection of key assumptions and inputs (i.e. those that had the largest influence on the overall result). Each key assumption and input was adjusted by +/- 10 per cent and the impact on the overall cost saving recorded. The key assumptions tested were:

- Digital signage uptake percentage, and
- Total number and type of transactions.

#### 1.4.5 Data sources

Key inputs were developed based on discussions with desktop analysis for postage and archiving costs, information provided by the SRO, and the survey process undertaken by SRO to collect information on costs incurred by conveyancers. The survey received 14 responses, with the majority of respondents being conveyancers or legal practitioners who use the DDF form more than 3 times per week. Survey questions are provided in Appendix C.

The survey conducted by SRO informed the time differences between paper-based forms and the DDF, with the following calculations based upon survey responses;

- The difference in time taken to complete the paper-based form compared to the DDF,
- The time difference entering data in DOL, and
- The average time to arrange for the timing and submitting of paper-based forms.



# 2 Process mapping

## 2.1 High level mapping

In order to gain a broad understanding of regulatory processes under both the paper form and the DDF, high level schematic diagrams were developed for each. Figure 2 shows the paper-based form process. It is important to note that Figure 2 illustrates the process for only a sample of forms required for different transaction types – in reality there are 17 paper forms and a larger possible number of combinations of the paper-based forms required for different transactions than shown.

Figure 2: Paper-based form process

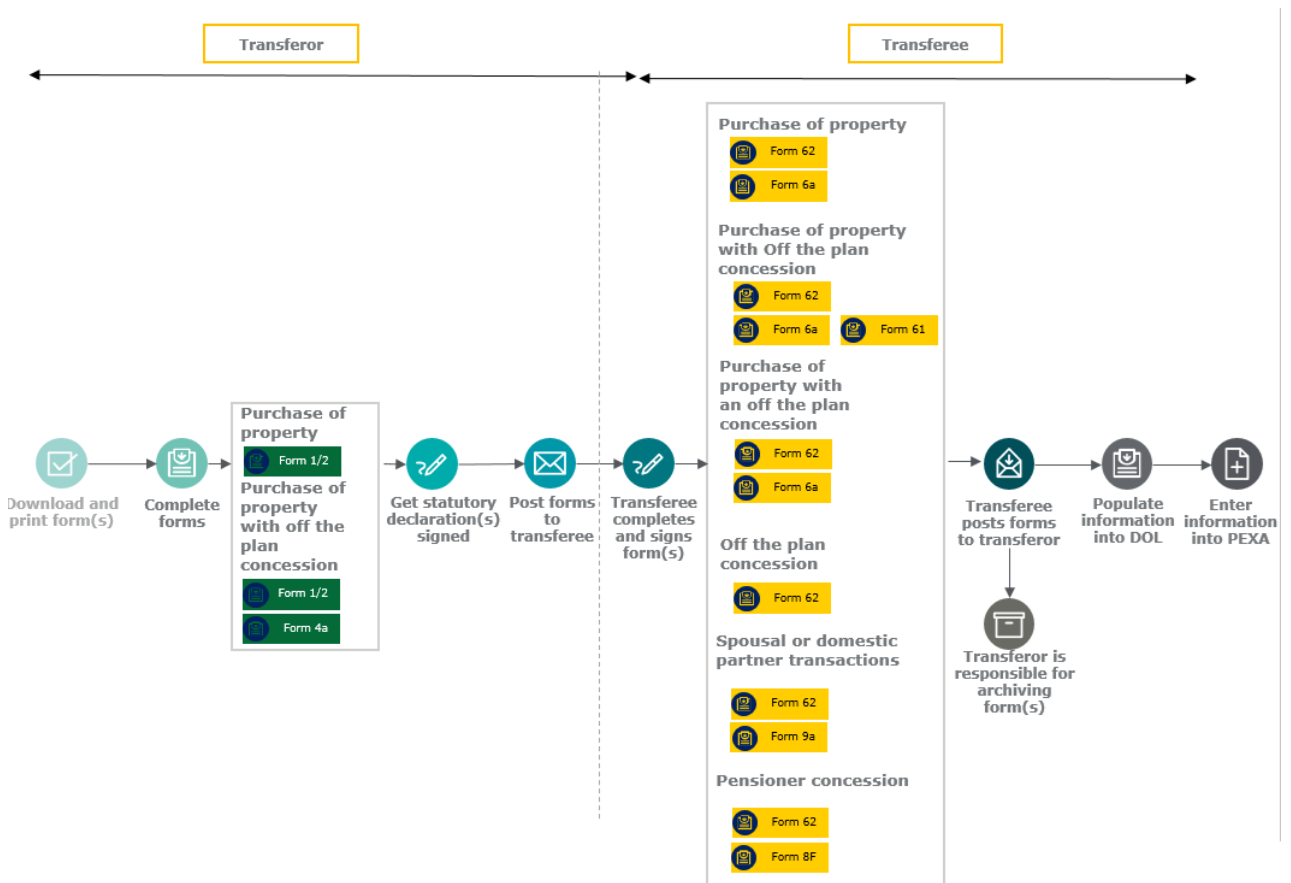
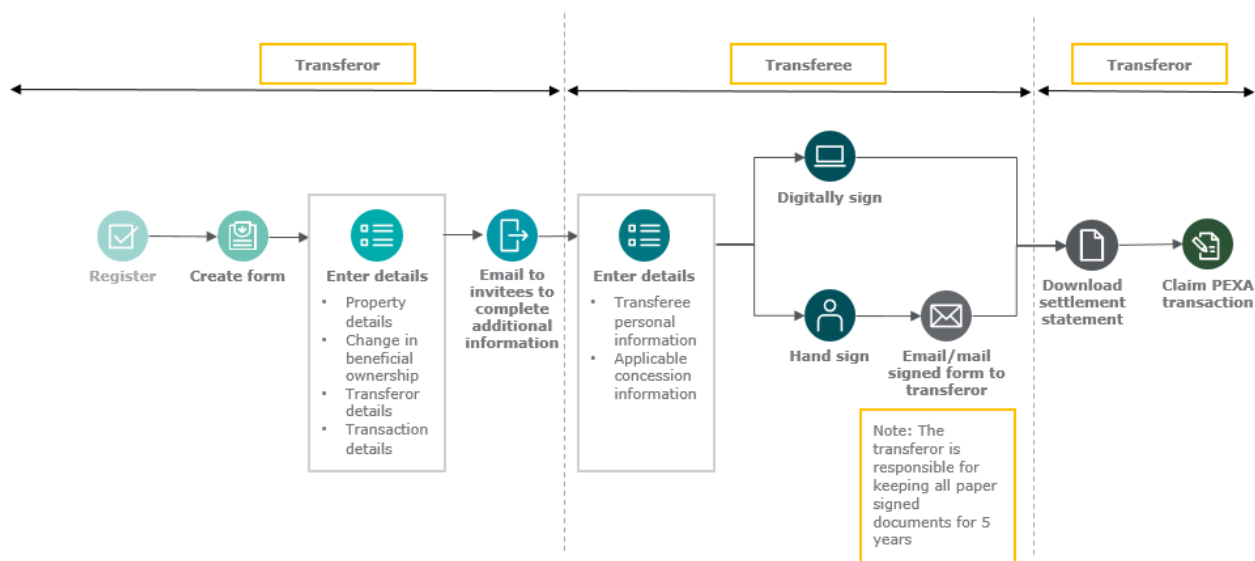


Figure 3 shows the DDF process that has replaced the paper-based forms.

Figure 3: The DDF process



## 2.2 Mapping to administrative process

Using the schematic diagrams as a basis, the regulatory processes under the paper form and the DDF were mapped as process obligations. The results of this mapping are outlined below for the paper form and the DDF.

### 2.2.1 Paper-based form

A description of process obligations under the paper form is provided in Table 2-1.

Table 2-1: Process description – paper form

Process obligations	Description
Download and print paper form(s)	Form(s) were downloaded and printed, incurring a printing cost.
Complete form(s)	Form(s) were completed. Often there was duplication of property and personal information across forms. For example a sub-sale with PPR first home duty reduction required 4 forms which all require personal and property information.
Statutory Declaration	The following forms required an authorised person to witness the statutory declaration: <ul style="list-style-type: none"> <li>• Duties-form-02 - Goods Statutory Declaration,</li> <li>• Duties-form-09a - Transfer Between Spouses/Domestic Partners Statutory Declaration,</li> <li>• Duties-form-12 - Primary Production and Water Entitlements (for all land types) Statutory Declaration,</li> <li>• Duties-form-13 - Family Farm Exemption Statutory Declaration,</li> <li>• Duties-form-04a - Off-the-Plan Sales Statutory Declaration, and</li> </ul>

<b>Process obligations</b>	<b>Description</b>
	<ul style="list-style-type: none"> <li>Duties-form-06a - Transactions Treated as Sub-Sales of Land Statutory Declaration.</li> </ul>
Archive a copy of form(s)	Paper-based form(s) were required to be kept on record for 5 years.
Enter information into PEXA	Information provided on paper form(s) was entered into PEXA, creating duplication of information.

### 2.2.2 Digital Duties Form

A description of compliance obligations under the DDF is provided in Table 2-2.

Table 2-2: Process description – DDF

<b>Process obligations</b>	<b>Description</b>
Enter details into DDF	All details related to the transfer are entered into the DDF. Only information relevant to a specific transaction is required. For example if there are no goods associated with the transfer of property, that section of the DDF does not appear on the screen and is not completed.
Email invitees	Invitees are emailed to register/log onto the DDF where they will be able to review the form.
Invitees confirm invitation	Invitees confirm all information is correct and complete the DDF.
Digitally sign	Form(s) may be digitally signed by checking the sign form box after reviewing and agreeing all information is correct.
Hand sign	Form(s) may be printed out and signed by hand and emailed or posted back to the transferor.
Claim PEXA transaction	Information is automatically transferred into PEXA.

## 3 Results

Estimates of the average cost saving per year over a 10 year period are outlined in Table 3-1. The total regulatory cost savings is estimated to be \$13,643,796 on average per year from 2017 to 2026. Administrative costs make up the larger part of the total savings.

Table 3-1: Results summary

<b>Cost type</b>	<b>Description</b>	<b>\$ per year</b>
<b>Substantiative compliance cost savings</b>	Total compliance saving for form duties form completion	\$1,399,330
	Total compliance saving for DOL data entry	\$2,811,163
	<b>Total</b>	<b>\$4,210,493</b>
<b>Administrative cost savings</b>	Administrative Time for printing and sending by post	\$4,783,300
	Stationery costs (including postage)	\$3,732,977
	Cost of storing paper forms	\$864,179
	Learning costs	\$52,848
	<b>Total</b>	<b>\$9,433,303</b>
<b>Total regulatory saving</b>		<b>\$13,643,796</b>

A sensitivity analysis was conducted on transaction volumes and digital uptake percentages, which are the inputs that have the largest impact on results. Each input was adjusted by +/- 10 per cent and the impact on the overall cost saving recorded. The results are provided in Table 3-2. The inputs and assumptions are ranked from most sensitive to least sensitive.

As indicated, a change in the assumptions alter the total regulatory savings achieved.

Table 3-2

<b>Key input/assumption</b>	<b>-10%</b>	<b>Mid</b>	<b>+10%</b>
Transaction volume	\$12,284,702	\$13,643,796	\$15,002,891
Digital uptake percentage	\$12,337,287	\$13,643,796	\$14,950,305

Source: Deloitte analysis

## Appendix A – Key inputs and assumptions

Key inputs and assumptions are summarised

Cost input	Unit	Amount	Description of estimating approach
Wage rate	\$/hour	81.56	The wage rate is the "professional all rates of pay" taken from ABS data and divided by the average working week (35 hours) as defined by the ABS. The wage rate includes all on-costs and overheads (+75% of the wage rate) in alignment with the RCM. From ABS catalogue 6306.0 - Employee Earnings and Hours, Australia, May 2016.
Leisure time rate	\$/hour	44.85	ABS 6302.0 original rate
<b>DOL data entry time saving</b>	Hrs		SRO survey process and consultation with SRO
PPR - Form 1 + 62 + 53d	Hrs	0.12	SRO survey process and consultation with SRO
<ul style="list-style-type: none"> <li>Sub-sale - Form 6A + Form 1 (or 2) + Form 62</li> </ul>	Hrs	0.08	SRO survey process and consultation with SRO
<ul style="list-style-type: none"> <li>Sub-sale with PPR first home duty reduction - Form 6A + Form 1 (or 2) + Form 61 + Form 62</li> </ul>	Hrs	0.10	SRO survey process and consultation with SRO
<ul style="list-style-type: none"> <li>Sub-sale with an off the plan concession - Form 6A + Form 1 (or 2) + Form 4A + Form 62</li> </ul>	Hrs	0.10	SRO survey process and consultation with SRO
<ul style="list-style-type: none"> <li>Off the plan concession - Form 4A + Form 1 (or2) + Form 62</li> </ul>	Hrs	0.10	SRO survey process and consultation with SRO
<ul style="list-style-type: none"> <li>Spousal or domestic partner transactions - Form 9A + Form 62</li> </ul>	Hrs	0.10	SRO survey process and consultation with SRO
<ul style="list-style-type: none"> <li>Residential (non-PPR) - Form 1 + 62</li> </ul>	Hrs	0.10	SRO survey process and consultation with SRO
<b>Conveyancers clients time saving</b>	Hrs	0.15	SRO survey process and consultation with SRO
<b>Duties form completion time saving</b>	Hrs		SRO survey process and consultation with SRO
<ul style="list-style-type: none"> <li>PPR - Form 1 + 62 + 53d</li> </ul>	Hrs	0.03	SRO survey process and consultation with SRO
<ul style="list-style-type: none"> <li>Sub-sale - Form 6A + Form 1 (or2) + Form 62</li> </ul>	Hrs	0.09	SRO survey process and consultation with SRO

Quantifying the regulatory cost savings associated with the Digital Duties Form

• Sub-sale with PPR first home duty reduction - Form 6A + Form 1 (or 2) + Form 61 + Form 62	Hrs	0.05	SRO survey process and consultation with SRO
• Sub-sale with an off the plan concession - Form 6A + Form 1 (or 2) + Form 4A + Form 62	hrs	0.12	SRO survey process and consultation with SRO
• Off the plan concession - Form 4A + Form 1 (or2) + Form 62	Hrs	0.08	SRO survey process and consultation with SRO
• Spousal or domestic partner transactions - Form 9A + Form 62	Hrs	0.06	SRO survey process and consultation with SRO
• Sub-sale with PPR first home duty reduction - Form 6A + Form 1 (or 2) + Form 61 + Form 62	Hrs	0.05	SRO survey process and consultation with SRO
Postage cost	\$/parcel	5.67	Postage cost is an average of; normal, express, priority and resisted costs assuming 75% of postage is within greater Melbourne and 25% is regional Victoria. Cost is taken from standard Australia Post rates.
Printing cost	\$/page	0.1	Cost of printing and A4 paper per page, rates are taken from the average of three printing companies.
Cost of C1 standard carton – one off purchase	\$/carton	2.98	Cost of a standard C1 carton per year, the cost is averaged from two suppliers.
Cost of carton storage per month	Price per month	\$1.49 per carton, with a minimum charge of \$20 per month	Cost of carton storage per month, the cost per carton is averaged from two suppliers. A minimum charge is commonly applied by suppliers. An average monthly cost of \$12.60 per carton for storage is calculated based on estimates of total number of businesses providing conveyancing services and number of cartons estimated to be needed by small, medium and large businesses. There are 1,126 licensed conveyancers (source: Public register of licensed conveyancers - Consumer Affairs Victoria). Based on SRO survey data, it is assumed that 79% are small or medium businesses who do 1-2 transactions per week while 21% are large businesses that do 3 or more transactions a week. No businesses are expected to need to store enough cartons to exceed the minimum storage charge of \$20. The more cartons a business needs to store, the lower is the average cost of storage per carton.
Cost of transport to storage	\$/carton	12.40	Average cost which is calculated based on cost for trip of \$19.70 (sourced from supplier). It is assumed that each business pays \$19.70 per year for one trip to storage. The more cartons a business needs to store, the lower is the average cost of storage per carton.
Cost of carton destruction	\$/carton	3.60	Cost of secure carton destruction, the cost is averaged from two suppliers.
Cost of carton retrieval for destruction	\$/carton	2.46	Cost of retrieval per carton, the cost is averaged from two suppliers.

## Other assumptions

		Source
Wage cost	A working week is 35 hours	From ABS catalogue 6105.0 - Australian Labour Market Statistics, July 2013. Part-Time and Casual Employment (Feature Article).
Administration cost	The time it takes conveyancers to prepare documents to be sent is assumed to be equivalent to the time it takes clients to prepare to send documents.	Deloitte assumption in absence of information about client time.
Postage cost saving, Administration time cost – both use assumption about digital signing uptake	Uptake percentage is 50% in 2017/18 and rises to a capped level of 85% over the 10 year modelling period, based on the percentage of houses with internet connection in Australia, which remained constant from 2014-15.	ABS 8146.0 - Household Use of Information Technology, Australia, 2016-17.
Postage saving	Postage cost is calculated using a 250g large envelope Postage in two directions is assumed.	Standard postage sizes
Storage cost	Paper-based storage requirement Documents are stored for 5 years. Cost of storage is multiplied by the digital signage uptake percentage.	Regulatory requirement Assumption for digital uptake as above.
Document transport and destruction	Cost of document transport and destruction is multiplied by the digital signage uptake percentage starting in year 5, due to 5 year storage period i.e. there is a 5 year time lag for this saving.	

# Appendix B – Key calculation worksheets

These calculation worksheets show the key quantity x unit cost calculations.

**Annual Compliance saving for form duties form completion**

		FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025	FY 2025/2026	FY 2026/2027	
<b>Time Saved (Hours)</b>												
PPR - Form 1 + 62 + 53d	Hours	1,746	1,804	1,864	1,926	1,990	2,056	2,125	2,196	2,269	2,344	
Sub-sale - Form 6A + Form 1(or2) + Form 62	Hours	3,182	3,288	3,397	3,510	3,627	3,748	3,872	4,001	4,135	4,272	
Sub-sale with PPR first home duty reduction - Form 6A + Form 1(or 2) + Form 61 + Form 62	Hours	113	117	121	125	129	133	137	142	147	152	
Sub-sale with an off the plan concession - Form 6A + Form 1(or 2) + Form 4A + Form 62	Hours	674	697	720	744	769	794	821	848	876	906	
Off the plan concession - Form 4A + Form 1(or2) + Form 62	Hours	2,076	2,145	2,216	2,290	2,366	2,445	2,526	2,611	2,698	2,787	
Spousal or domestic partner transactions - Form 9A + Form 62	Hours	996	1,029	1,063	1,098	1,135	1,173	1,212	1,252	1,294	1,337	
Residential (non-PPR) - Form 1 + 62	Hours	5,956	6,154	6,359	6,571	6,789	7,015	7,249	7,490	7,739	7,997	

**Unit wage cost 2017/18**

PPR - Form 1 + 62 + 53d	\$82	\$142,379	\$147,119	\$152,017	\$157,077	\$162,306	\$167,710	\$173,293	\$179,062	\$185,023	\$191,182
Sub-sale - Form 6A + Form 1(or2) + Form 62	\$82	\$259,482	\$268,121	\$277,046	\$286,269	\$295,799	\$305,646	\$315,821	\$326,335	\$337,199	\$348,424
Sub-sale with PPR first home duty reduction - Form 6A + Form 1(or 2) + Form 61 + Form 62	\$82	\$9,205	\$9,512	\$9,828	\$10,155	\$10,494	\$10,843	\$11,204	\$11,577	\$11,962	\$12,360
Sub-sale with an off the plan concession - Form 6A + Form 1(or 2) + Form 4A + Form 62	\$82	\$54,999	\$56,829	\$58,721	\$60,676	\$62,696	\$64,783	\$66,940	\$69,168	\$71,471	\$73,850
Off the plan concession - Form 4A + Form 1(or2) + Form 62	\$82	\$169,291	\$174,927	\$180,750	\$186,768	\$192,985	\$199,410	\$206,048	\$212,907	\$219,995	\$227,319
Spousal or domestic partner transactions - Form 9A + Form 62	\$82	\$81,191	\$83,894	\$86,687	\$89,573	\$92,555	\$95,636	\$98,820	\$102,109		\$109,021
Residential (non-PPR) - Form 1 + 62	\$82	\$485,718	\$501,888	\$518,596	\$535,860	\$553,699	\$572,131	\$591,178	\$610,858	\$631,194	\$652,206



Quantifying the regulatory cost savings associated with the Digital Duties Form

**Annual Compliance saving for DOL data entry**

**Time Saved (hours)**

PPR - Form 1 + 62 + 53d	Hours	6,352	6,563	6,782	7,007	7,241	7,482	7,731	7,988	8,254	8,529
Sub-sale - Form 6A + Form 1(or2) + Form 62	Hours	2,956	3,054	3,156	3,261	3,369	3,481	3,597	3,717	3,841	3,969
Sub-sale with PPR first home duty reduction - Form 6A + Form 1(or 2) + Form 61 + Form 62	Hours	220	228	235	243	251	259	268	277	286	296
Sub-sale with an off the plan concession - Form 6A + Form 1(or 2) + Form 4A + Form 62	Hours	554	572	591	611	631	652	674	697	720	744
Off the plan concession - Form 4A + Form 1(or2) + Form 62	Hours	2,492	2,575	2,660	2,749	2,840	2,935	3,033	3,134	3,238	3,346
Spousal or domestic partner transactions - Form 9A + Form 62	Hours	1,553	1,604	1,658	1,713	1,770	1,829	1,890	1,953	2,018	2,085
Residential (non-PPR) - Form 1 + 62	Hours	15,490	16,005	16,538	17,089	17,657	18,245	18,853	19,480	20,129	20,799

**Cost in wages**

PPR - Form 1 + 62 + 53d
Sub-sale - Form 6A + Form 1(or2) + Form 62
Sub-sale with PPR first home duty reduction - Form 6A + Form 1(or 2) + Form 61 + Form 62
Sub-sale with an off the plan concession - Form 6A + Form 1(or 2) + Form 4A + Form 62
Off the plan concession - Form 4A + Form 1(or2) + Form 62
Spousal or domestic partner transactions - Form 9A + Form 62
Residential (non-PPR) - Form 1 + 62

**Unit wage cost  
2017/18**

\$82	\$518,012	\$535,256	\$553,075	\$571,487	\$590,512	\$610,170	\$630,483	\$651,471	\$673,159	\$695,568
\$82	\$241,043	\$249,067	\$257,358	\$265,926	\$274,779	\$283,926	\$293,378	\$303,145	\$313,236	\$323,664
\$82	\$17,958	\$18,556	\$19,174	\$19,812	\$20,472	\$21,153	\$21,858	\$22,585	\$23,337	\$24,114
\$82	\$45,173	\$46,677	\$48,231	\$49,837	\$51,496	\$53,210	\$54,981	\$56,812	\$58,703	\$60,657
\$82	\$203,211	\$209,975	\$216,966	\$224,188	\$231,652	\$239,363	\$247,332	\$255,566	\$264,073	\$272,864
\$82	\$126,630	\$130,846	\$135,202	\$139,703	\$144,353	\$149,159	\$154,125	\$159,255	\$164,557	\$170,035
\$82	\$1,263,246	\$1,305,300	\$1,348,753	\$1,393,654	\$1,440,048	\$1,487,988	\$1,537,523	\$1,588,707	\$1,641,596	\$1,696,244

Quantifying the regulatory cost savings associated with the Digital Duties Form

**Administrative Time for printing and sending by post**

**Time Saved (hours)**

PPR - Form 1 + 62 + 53d	Hours	8,375	8,654	8,942	9,240	9,547	9,865	10,194	10,533	10,884	11,246
Sub-sale - Form 6A + Form 1(or2) + Form 62	Hours	5,456	5,638	5,825	6,019	6,220	6,427	6,641	6,862	7,090	7,326
Sub-sale with PPR first home duty reduction - Form 6A + Form 1(or 2) + Form 61 + Form 62	Hours	339	350	362	374	386	399	412	426	440	455
Sub-sale with an off the plan concession - Form 6A + Form 1(or 2) + Form 4A + Form 62	Hours	852	880	910	940	971	1,004	1,037	1,072	1,107	1,144
Off the plan concession - Form 4A + Form 1(or2) + Form 62	Hours	3,833	3,961	4,093	4,229	4,370	4,515	4,665	4,821	4,981	5,147
Spousal or domestic partner transactions - Form 9A + Form 62	Hours	2,389	2,468	2,550	2,635	2,723	2,814	2,907	3,004	3,104	3,207
Residential (non-PPR) - Form 1 + 62	Hours	23,828	24,621	25,441	26,288	27,163	28,067	29,002	29,967	30,965	31,995

**Unit wage cost**

**Cost in wages to businesses**

PPR - Form 1 + 62 + 53d	\$82	\$341,518	\$388,175	\$437,561	\$489,805	\$545,042	\$603,414	\$665,069	\$730,160	\$754,467	\$779,583
Sub-sale - Form 6A + Form 1(or2) + Form 62	\$82	\$222,482	\$252,878	\$285,050	\$319,084	\$355,069	\$393,096	\$433,261	\$475,664	\$491,499	\$507,861
Sub-sale with PPR first home duty reduction - Form 6A + Form 1(or 2) + Form 61 + Form 62	\$82	\$13,813	\$15,700	\$17,698	\$19,811	\$22,045	\$24,406	\$26,899	\$29,532	\$30,515	\$31,531
Sub-sale with an off the plan concession - Form 6A + Form 1(or 2) + Form 4A + Form 62	\$82	\$34,746	\$39,493	\$44,517	\$49,832	\$55,452	\$61,391	\$67,664	\$74,286	\$76,759	\$79,314
Off the plan concession - Form 4A + Form 1(or2) + Form 62	\$82	\$156,303	\$177,657	\$200,259	\$224,170	\$249,450	\$276,166	\$304,383	\$334,173	\$345,298	\$356,793
Spousal or domestic partner transactions - Form 9A + Form 62	\$82	\$97,400	\$110,707	\$124,791	\$139,691	\$155,445	\$172,092	\$189,676	\$208,240	\$215,172	\$222,335
Residential (non-PPR) - Form 1 + 62	\$82	\$971,647	\$1,104,392	\$1,244,899	\$1,393,537	\$1,550,692	\$1,716,766	\$1,892,178	\$2,077,367	\$2,146,523	\$2,217,981

**Unit wage cost**

**Cost in wages to Individuals**

PPR - Form 1 + 62 + 53d	\$45	\$187,795	\$213,451	\$240,608	\$269,336	\$299,710	\$331,807	\$365,710	\$401,503	\$414,869	\$428,680
Sub-sale - Form 6A + Form 1(or2) + Form 62	\$45	\$122,339	\$139,053	\$156,744	\$175,459	\$195,246	\$216,157	\$238,243	\$261,560	\$270,267	\$279,264
Sub-sale with PPR first home duty reduction - Form 6A + Form 1(or 2) + Form 61 + Form 62	\$45	\$7,596	\$8,633	\$9,732	\$10,894	\$12,122	\$13,420	\$14,792	\$16,239	\$16,780	\$17,338
Sub-sale with an off the plan concession - Form 6A + Form 1(or 2) + Form 4A + Form 62	\$45	\$19,106	\$21,716	\$24,479	\$27,402	\$30,492	\$33,758	\$37,207	\$40,849	\$42,208	\$43,614
Off the plan concession - Form 4A + Form 1(or2) + Form 62	\$45	\$85,948	\$97,690	\$110,119	\$123,267	\$137,168	\$151,859	\$167,375	\$183,756	\$189,873	\$196,194
Spousal or domestic partner transactions - Form 9A + Form 62	\$45	\$53,559	\$60,876	\$68,621	\$76,814	\$85,476	\$94,631	\$104,300	\$114,507	\$118,319	\$122,258
Residential (non-PPR) - Form 1 + 62	\$45	\$534,292	\$607,287	\$684,549	\$766,283	\$852,699	\$944,020	\$1,040,477	\$1,142,309	\$1,180,337	\$1,219,630

Quantifying the regulatory cost savings associated with the Digital Duties Form

**Stationery costs**

**Postage Cost**

PPR - Form 1 + 62 + 53d	Total \$	\$211,306.89	\$240,175.46	\$270,731.92	\$303,056.66	\$337,233.57	\$373,350.12	\$411,497.58	\$451,771.16	\$466,810.67	\$482,350.85
Sub-sale - Form 6A + Form 1(or2) + Form 62	Total \$	\$153,616.44	\$174,603.39	\$196,817.40	\$220,316.93	\$245,162.95	\$271,419.05	\$299,151.60	\$328,429.79	\$339,363.25	\$350,660.69
Sub-sale with PPR first home duty reduction - Form 6A + Form 1(or 2) + Form 61 + Form 62	Total \$	\$7,665.71	\$8,713.00	\$9,821.51	\$10,994.18	\$12,234.03	\$13,544.26	\$14,928.16	\$16,389.19	\$16,934.78	\$17,498.54
Sub-sale with an off the plan concession - Form 6A + Form 1(or 2) + Form 4A + Form 62	Total \$	\$26,760.29	\$30,416.26	\$34,285.99	\$38,379.65	\$42,707.88	\$47,281.75	\$52,112.81	\$57,213.13	\$59,117.76	\$61,085.80
Off the plan concession - Form 4A + Form 1(or2) + Form 62	Total \$	\$104,184.21	\$118,417.76	\$133,483.53	\$149,421.14	\$166,271.96	\$184,079.11	\$202,887.60	\$222,744.36	\$230,159.55	\$237,821.58
Spousal or domestic partner transactions - Form 9A + Form 62	Total \$	\$53,277.02	\$60,555.68	\$68,259.91	\$76,409.98	\$85,027.04	\$94,133.14	\$103,751.30	\$113,905.51	\$117,697.44	\$121,615.60
Residential (non-PPR) - Form 1 + 62	Total \$	\$554,717.72	\$630,502.77	\$710,718.84	\$795,576.98	\$885,297.35	\$980,109.65	\$1,080,253.44	\$1,185,978.65	\$1,225,460.01	\$1,266,255.71

**The cost of storing paper forms**

**One off costs**

Cost of transport to storage facility	Total \$	11,093	12,609	14,213	15,910	17,704	19,600	21,603	23,717	24,507	25,323
Cost of carton	Total \$	2,651	3,013	3,397	3,802	4,231	4,684	5,163	5,668	5,857	6,052
Document destruction	Total \$						3,208	3,647	4,110	4,601	5,120
Cost of document retrieval for destruction	Total \$						2,192	2,492	2,809	3,144	3,499

**Total no cartons**

PPR - Form 1 + 62 + 53d	no	363.0	375.0	387.5	400.4	413.8	427.5	441.8	456.5	471.7	487.4
Sub-sale - Form 6A + Form 1(or2) + Form 62	no	342.8	354.3	366.1	378.2	390.8	403.8	417.3	431.2	445.5	460.4
Sub-sale with PPR first home duty reduction - Form 6A + Form 1(or 2) + Form 61 + Form 62	no	8.8	9.1	9.4	9.7	10.0	10.4	10.7	11.1	11.4	11.8
Sub-sale with an off the plan concession - Form 6A + Form 1(or 2) + Form 4A + Form 62	no	72.0	74.4	76.9	79.4	82.1	84.8	87.6	90.6	93.6	96.7
Off the plan concession - Form 4A + Form 1(or2) + Form 62	no	215.9	223.1	230.6	238.2	246.2	254.4	262.8	271.6	280.6	290.0
Spousal or domestic partner transactions - Form 9A + Form 62	no	56.9	58.8	60.8	62.8	64.9	67.1	69.3	71.6	74.0	76.4
Residential (non-PPR) - Form 1 + 62	no	722.8	746.9	771.8	797.5	824.0	851.4	879.8	909.1	939.3	970.6

**Total cost of storage - monthly rental**

PPR - Form 1 + 62 + 53d	Total \$	27,521	58,802	94,062	133,533	177,454	198,559	220,872	244,451	265,779	284,679
Sub-sale - Form 6A + Form 1(or2) + Form 62	Total \$	25,996	55,544	88,852	126,136	167,624	187,560	208,637	230,910	251,056	268,909
Sub-sale with PPR first home duty reduction - Form 6A + Form 1(or 2) + Form 61 + Form 62	Total \$	668	1,427	2,283	3,241	4,306	4,819	5,360	5,932	6,450	6,908
Sub-sale with an off the plan concession - Form 6A + Form 1(or 2) + Form 4A + Form 62	Total \$	5,460	11,666	18,661	26,492	35,206	39,393	43,819	48,497	52,728	56,478
Off the plan concession - Form 4A + Form 1(or2) + Form 62	Total \$	16,374	34,985	55,964	79,448	105,581	118,137	131,413	145,442	158,131	169,376
Spousal or domestic partner transactions - Form 9A + Form 62	Total \$	4,317	9,224	14,754	20,946	27,835	31,146	34,646	38,344	41,690	44,654
Residential (non-PPR) - Form 1 + 62	Total \$	54,810	117,107	187,331	265,938	353,411	395,443	439,881	486,839	529,314	566,955

# Appendix C – Survey consultation questions

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## Questions

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Q1 As a user of the Digital Duties Form, how would you describe your role

Q2 Please describe the size of your business

Q3 How often do you use the Digital Duties Form and Duties Online?

Q4 How often have you had to correct errors due to incomplete or incorrect data after the Digital Duties Form has already been signed?

Q5 Please provide an estimate of the time taken to correct errors.

Q6 Thinking of situations where the parties have provided you with all relevant information and data and no corrections are required, is the new Digital Duties Form quicker and easier to complete than the previous paper-based forms?

Q7 Please provide an average estimate of the time savings that the Digital Duties Form has helped you to achieve per transaction?

Q8 Before we introduced the Digital Duties Form, how long did it take you to complete the following paper-based forms for these transactions:

- PPR - Form 1 + 62 + 53d
- Sub-sale - Form 6A + Form 1(or2) + Form 62
- Sub-sale with PPR first home duty reduction - Form 6A + Form 1(or 2) + Form 61 + Form 62
- Sub-sale with an off the plan concession -Form 6A + Form 1(or 2) + Form 4A + Form 62
- Off the plan concession - Form 4A + Form 1(or2) + Form 62
- Spousal or domestic partner transactions - Form 9A + Form 62
- Residential (non-PPR) - Form 1 + 62

Q9 How long does it take you to complete the Digital Duties Form for these transaction types?

- PPR - Form 1 + 62 + 53d
- Sub-sale - Form 6A + Form 1(or2) + Form 62
- Sub-sale with PPR first home duty reduction - Form 6A + Form 1(or 2) + Form 61 + Form 62
- Sub-sale with an off the plan concession -Form 6A + Form 1(or 2) + Form 4A + Form 62
- Off the plan concession - Form 4A + Form 1(or2) + Form 62
- Spousal or domestic partner transactions - Form 9A + Form 62
- Residential (non-PPR) - Form 1 + 62

Q10 Before we introduced the Digital Duties Form, how long did it take you to prepare, arrange for the signing and submitting of the paper-based duties forms?

Q11 How long does it now take you to prepare, arrange for the signing and submitting of the Digital Duties Form?

Q12 Before the introduction of the Digital Duties Form, can you please estimate your stationary and ancillary costs such as printing, postage and storage for 2016-17 (for paper-based forms): \$

Q13 Please estimate the time that staff in your business have spent on learning and training about the new Digital Duties Form.

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