

C. J. Danzey
Reg. Real Estate Valuer
Spokesperson

LAND TAX TARGETS TENANTS

P.O. Box 17, Potts Point NSW 2011

Mr. Garry Banks
Chairman
Productivity Commision, Housing Inquiry

29 January 2004

FAX: 03/9653 2300

Dear Mr. Banks,

HOUSING INQUIRY - SYDNEY HEARING

I have arranged with Jan Savvides to address the Hearing and be questioned on the submission, Tuesday, 3 February, 2004, in Sydney at 2.30p.m.

My submission will seek to raise issues how State taxation policies in N.S.W. target low/medium rental housing (in SEPP10 districts) while State Planning/Housing Policy seeks to retain buildings "exclusively rental stock" and source Government subsidised housing that encourages councils to offer F.S.R. bonuses.

State Land Tax has/is, rendering existing exclusive rental apartment blocks economically obsolete in Sydney's established suburbs e.g.:

Waverley 4 x 2 bedroom block - State Land Tax is \$65 per week per flat, about 20% gross.

Generally tenants are unaware they are the targets of State Land Tax, despite almost every house in suburbs such as Randwick-Waverley-Woollahra-Leichhardt (to name a few), is subject to Land Tax because of a tenant in residence.

The attached tables are conservative, and show:

- 1/ Total Land Tax upon rental housing in -
 - a) Regional N.S.W.
 - b) Sydney region.

- 2/ Total Land Tax on commercial/industrial land.

- 3/ Letter dated 25/8/03 to Mayor of Randwick indicating how State Land Tax in Randwick-Waverley in competition with local Land Tax (Council rates).

This letter indicates the extent S.L.T. targets rental housing in Randwick and Waverley, that exacerbates demand for public housing.

- 4/ The State Government using terminology 'community of interest' and 'scales of economics', seeks to amalgamate some councils, yet, silent on State Land Tax.
- 5/ Stamp Duty is almost always criticised for its impact on first home buyers. This can be addressed as the Premier of Queensland has displayed. I believe, the Stamp Duty cash cow came with "Strata Title" introduced in N.S.W., 1960. The subsequent subdividing of anything standing (real estate) into numerous single titles e.g. City of Sydney buildings - and herald the corresponding sales explosion, generating Stamp Duty compared to pre 1960 land title regime - and the grid-locking rent control restrictions that were then in place.
- 6/ In N.S.W. both major political parties have taken the following stand on the imposition of State Land Tax upon the occupied family home, introduced 1996 at \$1 million threshold land value (in 2004 the threshold value is \$1.97million) and unique to N.S.W.

Labor:

We are "introducing a Land Tax on the silvertails" - the reality was that overwhelmingly Land Tax was/is targeted at rental housing - Labor was silent on this aspect.

Liberal/National:

Were/are in uproar about land taxing owner/occupied homes, also silent about land taxing rental homes! all were/are aware of Valuation Methodology to impose Land Tax that deems all land vacant (impact upon the Sydney region) or, reflects redevelopment value. Both were/are aware existing use (rental apartment blocks), is/was ignored in spite of State Planning and Housing policies

- 7/ N.S.W. since July 2000, has received about \$24 billion in G.S.T. rising at about \$ 1 billion per year.

N.S.W. State Taxation (Land Tax/Stamp Duty) is deductible against Federal Taxation e.g.

- a) All industry/small business are paying Land Tax Stamp Duty (leases) on rented premises they are now also paying 10% on rent value in G.S.T. set off is allowed.
- b) Rental housing is paying G.S.T. on all services and purchases to meet repairs/maintenance etc - set off is not allowed as residential rents are not subject to G.S.T., nor are they tax deductible for tenants (unlike commercial tenants).

I apologise for my late lodgment caused by my absence from Sydney during most of January.

Regards

(signature)

C. J. Danzey
Registered Real Estate Valuer 2003

ATTACHMENTS:

- 1 Tables Land Tax N.S.W. 2003 (will supply '02 and 01 if required)
2. Tables Land Tax of owner/occupied homes ('02/01 if required);
3. Letter to Premier and all members of the Executive Council, 18/12/03;
4. Letter to Premier Bob Carr dated 20/8/02;
- 5 Letter to Deputy Premier, Andrew Refshauge, dated 20 March 2002;
- 6 Letter to Julie Walton, Valuation of Land Inquiry, dated 25 August 1999
- Submission not attached/available;
- 7 Letter to Hon. J. Burnswood M.L.C. dated 14 February 2002
- Attached: Introduction/summary
- Submission not attached/available;
- 8 Letters to Mayor of Randwick, dated; 25/8/03
3/10/2003

(signature)

Table 1: Land Tax Statistics – 2003 tax year
Assessments issued as at 25 August 2003
Sydney Statistical Division

Local Government Area	Total number of liable residential properties	Number of Liable properties	Estimated land tax in LGA (residential land) \$M	Estimated land tax in LGA (total) \$M
Ashfield	1,773	2,257	3.48	7.09
Auburn	1,318	2,442	3.33	18.32
Bankstown	2,966	5,064	4.95	27.15
Baulkham Hills	2,654	3,681	7.50	18.49
Blacktown	2,410	4,506	3.83	21.06
Blue Mountains	1,413	1,815	2.24	3.37
Botany	957	1,708	1.73	14.57
Burwood	1,122	1,596	2.84	7.59
Camden	328	927	0.50	3.79
Campbelltown	983	2,083	1.06	11.82
Canada Bay	2,732	3,405	8.60	13.76
Canterbury	4,121	5,313	8.08	16.25
Fairfield	2,214	4,143	3.20	20.37
Gosford	4,903	6,502	16.92	25.27
Hawkesbury	473	1,294	0.49	2.78
Holroyd	2,044	3,001	3.72	20.48
Hornsby	3,387	4,581	7.81	14.87
Hunters Hill	557	659	4.45	5.23
Hurstville	2,201	3,154	4.72	10.58
Kogarah	1,722	2,256	5.55	8.00
Kuring-Gai	2,160	3,060	13.38	16.85
Lane Cove	1,355	1,675	6.23	11.48
Leichhardt	4,042	5,115	12.25	17.64
Liverpool	2,149	3,555	4.77	18.96
Manly	2,116	2,591	8.88	12.61
Marrickville	3,026	4,777	5.90	16.01
Mosman	2,115	2,439	10.83	13.13
North Sydney	5,230	6,901	15.83	29.36
Paramatta	3,592	5,447	7.12	29.01
Penrith	1,876	3,437	2.60	11.60
Pittwater	2,564	3,215	16.27	20.75
Randwick	6,116	7,355	16.75	22.86
Rockdale	3,070	3,879	6.25	11.51
Ryde	3,483	4,306	8.84	25.81
South Sydney	4,209	9,380	10.82	53.22
Strathfield	1,007	1,473	4.00	12.25
Sutherland	4,374	6,377	11.71	26.30
Sydney	1,017	5,883	5.08	86.70
Warringah	4,239	5,947	12.29	27.86
Waverley	4,566	5,413	12.87	16.35
Willoughby	2,795	4,275	9.70	25.82
Wollondilly	209	672	0.29	1.62
Woollahra	4,964	5,786	30.20	36.03
Wyong	2,883	3,897	6.03	10.18
Total	113,885	167,242	333.89	824.75

Note: residential properties includes premium property tax assessments

Table 2: Land Tax Statistics – 2003 tax year
Assessments issued as at 25 August 2003
Rest of NSW

Local Government Area	Total number of liable residential properties	Number of Liable properties	Estimated land tax in LGA (residential land) \$M	Estimated land tax in LGA (total) \$M
Albury	192	520	0.12	1.19
Armidale/Dumaresq	108	203	0.05	0.27
Ballina	554	821	2.10	3.36
Balranald	0	13	0.00	0.00
Barraba	0	10	0.00	0.00
Bathurst	194	445	0.12	0.86
Bega Valley	307	466	0.42	0.78
Bellingen	24	68	0.01	0.06
Berrigan	0	22	0.00	0.03
Bingara	0	3	0.00	0.00
Bland	0	59	0.00	0.02
Blayney	0	49	0.00	0.02
Bogan	3	13	0.00	0.00
Bombala	10	11	0.00	0.00
Boorowa	0	7	0.00	0.00
Bourke	8	16	0.00	0.00
Brewarrina	0	5	0.00	0.00
Broken Hill	40	41	0.02	0.02
Byron	753	1,380	3.95	8.62
Cabonne	0	28	0.00	0.01
Carrathool	0	25	0.00	0.01
Central Darling	0	14	0.00	0.00
Cessnock	180	504	0.08	0.78
Cobar	58	77	0.00	0.01
Coffs Harbour	564	903	0.87	2.47
Conargo	0	2	0.00	0.00
Coolah	0	12	0.00	0.00
Coolamon	0	25	0.00	0.00
Cooma-Monaro	55	87	0.02	0.07
Coonabarabran	0	44	0.00	0.01
Coonamble	0	23	0.00	0.01
Cootamundra	0	44	0.00	0.03
Copmanhurst	0	19	0.00	0.02
Corowa	33	53	0.07	0.08
Cowra	10	60	0.00	0.04
Crookwell	2	12	0.00	0.00
Culcairn	0	13	0.00	0.00
Deniliquin	31	34	0.05	0.05
Dubbo	103	423	0.06	0.92
Dungog	6	46	0.00	0.06
Eurobodalla	528	752	0.81	1.56
Evans	0	14	0.00	0.01
Forbes	21	49	0.00	0.03
Gilgandra	0	24	0.00	0.00
Glen Innes	7	29	0.00	0.02
Gloucester	8	25	0.00	0.02

Note: residential properties includes premium property tax assessments

Local Government Area	Total number of liable residential properties	Number of liable properties	Estimated land tax in LGA (residential land) \$M	Estimated land tax in LGA (total) \$M
Goulburn	85	227	0.03	0.28
Grafton	84	196	0.06	0.38
Great Lakes	784	1,499	1.64	3.53
Greater Lithgow	67	208	0.02	0.29
Greater Taree	370	721	0.40	1.30
Griffith	106	376	0.10	0.98
Gundagai	0	5	0.00	0.00
Gunnedah	16	86	0.01	0.07
Gunning	0	2	0.00	0.00
Guyra	2	7	0.00	0.03
Harden	0	6	0.00	0.02
Hastings	889	1,375	1.87	3.80
Hay	0	20	0.00	0.01
Holbrook	2	14	0.00	0.00
Hume	1	6	0.00	0.01
Inverell	16	71	0.00	0.05
Jerilderie	0	9	0.00	0.00
Junee	0	23	0.00	0.01
Kempsey	150	367	0.16	0.47
Kiama	647	824	1.98	2.73
Kyogle	0	24	0.00	0.01
Lachlan	0	39	0.00	0.00
Lake Macquarie	2,001	3,336	3.98	8.77
Leeton	9	60	0.00	0.05
Lismore	160	482	0.08	0.80
Lockhart	0	33	0.00	0.01
Maclean	286	372	0.79	0.94
Maitland	391	784	0.32	1.30
Manilla	0	6	0.00	0.00
Merriwa	6	32	0.00	0.00
Moree Plains	81	216	0.05	0.31
Mudgee	58	178	0.04	0.28
Mulwaree	0	87	0.00	0.10
Murray	0	57	0.00	0.03
Murrumbidgee	0	5	0.00	0.00
Murrurundi	0	23	0.00	0.01
Muswellbrook	76	241	0.02	0.30
Nambucca	64	121	0.08	0.17
Narrabri	14	103	0.01	0.12
Narrandera	0	42	0.00	0.01
Narromine	0	33	0.00	0.01
Newcastle	2,271	3,884	3.44	10.47
Nundle	0	3	0.00	0.00
Oberon	0	48	0.00	0.02
Orange	239	550	0.24	1.23
Parkes	0	113	0.00	0.07

Note: residential properties includes premium property tax assessments

Local Government Area	Total number of liable residential	Number of Liable properties	Estimated land tax in LGA (residential land) \$M	Estimated land tax in LGA(total) \$M
Parry	0	21	0.00	0.01
Port Stephens	1,408	2,119	3.31	5.32
Pristine Waters	0	39	0.00	0.02
Queanbeyan	238	391	0.16	0.59
Quirindi	0	21	0.00	0.00
Richmond Valley	108	165	0.12	0.20
Rylstone	0	52	0.00	0.01
Scone	23	55	0.01	0.04
Severn	0	6	0.00	0.00
Shellharbour	569	814	1.27	2.60
Shoalhaven	1,586	3,075	3.17	7.07
Singleton	66	266	0.04	0.62
Snowy River	123	268	0.04	0.17
Tallaganda	0	23	0.00	0.01
Tamworth	132	132	0.09	0.09
Temora	14	42	0.00	0.01
Tenterfield	0	15	0.00	0.00
Tumbarumba	3	12	0.00	0.00
Tumut	36	94	0.01	0.10
Tweed	822	1,317	2.69	5.33
Uralla	1	5	0.00	0.00
Urana	15	20	0.00	0.00
Wagga Wagga	264	702	0.24	1.92
Wakool	0	11	0.00	0.00
Walcha	0	8	0.00	0.00
Walgett	0	38	0.00	0.01
Warren	0	22	0.00	0.01
Weddin	1	20	0.00	0.00
Wellington	14	36	0.00	0.01
Wentworth	8	12	0.00	0.01
Wingecarribee	683	1,402	1.55	4.28
Wollongong	2,442	4,121	4.97	14.63
Yallaroi	0	16	0.00	0.01
Yarrowlumla	4	35	0.00	0.05
Yass	13	48	0.01	0.08
Young	9	46	0.00	0.06
Total	21,256	39,876	41.75	103.67

Note: residential properties includes premium property tax assessments

PREMIUM PROPERTY STATISTICS
(An asterisk* means less than 10 taxable properties within the LGA)

LGA	2001		2002		2003	
	As at 31 Dec 2001		As at 31 Dec 2002		As at 25 Aug 2003	
Baulkham Hills	15	\$147,922	12	\$155,252	*	*
Blacktown	*	*	*	*	*	*
Burwood	0		0	\$0	*	*
Byron Bay	*	*	13	\$202,670	14	\$116,660
Camden	*	*	*	*	*	*
Campbelltown	0		0		*	*
Canada Bay	12	\$138,327	10	\$97,693	11	\$33,910
Coffs Harbour	*	*	0		*	*
Fairfield	*	*	*	*	*	*
Gosford	*	*	*	*	20	\$48,580
Hornsby	*	*	*	*	*	*
Hunters Hill	111	\$953,225	135	\$1,738,506	130	\$1,253,150
Kogarah	10	\$93,413	*	*	*	*
Ku-Ring-Gai	43	\$329,440	50	\$522,955	48	\$277,820
Lane Cove	49	\$184,973	50	\$231,525	72	\$468,370
Leichhardt	28	\$225,947	30	\$298,522	27	\$257,870
Liverpool	*	*	*	*	12	\$98,270
Manly	54	\$346,227	62	\$461,331	58	\$302,280
Mosman	104	\$894,024	106	\$996,739	140	\$1,291,040
North Sydney	57	\$533,114	54	\$552,545	48	\$345,541
Parramatta	*	*	0		0	\$0
Pittwater	112	\$1,137,543	114	\$1,366,735	83	\$697,820
Randwick	*	*	*	*	*	*
Rockdale	*	*	*	*	0	\$0
Ryde	28	\$63,395	12	\$17,790	16	\$65,520
Shellharbour	0		0		*	*
South Sydney	25	\$347,980	10	\$324,982	10	\$206,779
Strathfield	19	\$176,073	15	\$198,617	*	*
Sutherland	26	\$372,922	21	\$328,002	18	\$165,170
Sydney	*	*	*	*	0	\$0
Warringah	*	*	*	*	*	*
Waverley	10	\$39,420	*	*	*	*
Willoughby	58	\$275,225	77	\$587,384	64	\$401,650
Wollongong	0		0		0	
Woollahra	579	\$9,662,767	495	\$8,558,820	390	\$6,651,210
Wyong	0		0		*	*
Other LGAs (<10 properties)	36	\$217,095	42	\$281,436	52	\$361,333
Totals	1,376	\$16,139,032	1,308	\$16,921,504	1,213	\$13,040,050

**LAND TAX TARGETS TENANTS
P.O. Box 17, Potts Point NSW 2011**

*Save our Councils -
Keep LOCAL inLOCAL Government*

18 December 2003

The Honourable Robert John Carr M.P.
Premier N.S.W.
Parliament House
Macquarie Street
SYDNEY 2000

Dear Premier,

CALL FOR LAND TAX REFORM - 30 MAY 2003

You have not responded to our letter seeking support and comments for the suggested State Land Tax reforms to exempt the following categories of land use:

1. Residential land in regional local government areas;
2. Residential land used as owner's principal place of residence;
3. Residential land used exclusively as rental apartment blocks;
4. Residential land owned by self-funded retirees, providing rental housing;
5. Residential land rented to fund owners' nursing care;
6. Commercial/industrial land in all regional local government areas also be exempted
from State Land Tax over a 4 year period.

It is disappointing, all members of the Executive. Council either ignored our suggestions or immediately engaged the 'Drover's 'Dog Tactic'. It appears there is no policy or intention to reform State Land Tax upon rental housing. It also appears Labor is determined to continue to target rental housing tenants and providers, and small business, with Land Tax.

Labor, when introducing Land Tax upon owner/occupied homes, used classic class politics, they were 'taxing the silvertails' aware overwhelmingly Land Tax was targeted at tenants and their homes. In 2003, 1213 owner/occupied homes were subject to Land Tax and about one-third are located in the Woollahra Council area and pay almost 50% of the \$13million in 2003 targeted at this group.

The Government policy to Land Tax in Regional N.S.W. is growing fast, as the following examples indicate in 2003:

- The total number of regional rental housing /residential land subject to Land Tax -19055
- The total Land' Tax for 2003 on regional rental housing/residential, about \$28 million.

The targeting of rental housing in the Sydney region has reached crisis point, despite the Government's Planning Policy (SEPP10-1984) which sought to retain in Sydney's inner areas, rental blocks of flats built prior to 1960 - a housing stock that offered low to medium rentals. It is this rental housing stock that State Land Tax targets and we believe has almost slaughtered, clearly exacerbating demand for Government subsidized housing.

In 2000, SEPP10 was extended over the greater Sydney regional councils including Newcastle and Wollongong, to restrict development of existing blocks of rental flats, and, also, to source Government subsidized housing stock in the name of community housing programmes.

While the Carr Government is directing local councils to approve over-development to source Government/community housing programmes. (see Craig Knowles's programmes also Upper House community housing report, November 2003) the Government, at the same time, uses Treasury to target rental housing with State Land Tax. The hypocrisy is breath.-taking as the following examples in a handful of council areas, indicate rental housing is a Land Tax target:

Examples of Land Tax overwhelmingly targeting rental housing in council areas (2003):

1	Pittwater Council	(John Brogden)	\$16.27	million	Premium	Property	\$.697
2	Randwick	(Bob Carr)	\$16.75	"	"	"	nil
3	Hastings	(Andrew Stoner)	\$ 1.87	"	"	"	"
4	Coffs Harbour	(Andrew Fraser)	\$ 2.2	"	"	"	"
5	Kuring-Gai	(Barry O'Farrell)	\$13.38	"	"	"	\$.278
6	Gosford	(Chris Hartcher)	\$16.92	"	"	"	\$0.48
7	Woollahra	(Peter Debnam)	\$30.2	"	"	"	\$6.651
8	Waverley	(Paul Pearce)	\$12.87	"	"	"	nil
9	Leichhardt	(Sandra Nori)	\$12.25	"	"	"	\$.258
10	Liverpool	(Craig Knowles)	\$4.77	"	"	"	\$.098
11	South Sydney	(Clover Moore)	\$10.82	"	"	"	\$.207
12	Newcastle	(Bryce Gaudry)	\$ 3.44	"	"	"	nil
13	Wollongong	(Noreen Hay)	\$ 4.97	"	"	"	"
14	Canterbury	(Linda Burney)	\$ 8.08	"	"	"	"
15	Rockdale	(F. Sartor)	\$ 6.25	"	"	"	"
16	Lake Macquarie	(Jeff Hunter)	\$ 3.98	"	"	"	"
17	Port Stephens	(John Bartlett)	\$ 3.31	"	"	"	"
18	Tweed	(Nev. Newell)	\$ 2.69	"	"	"	"

When the Carr Government introduced Land Tax on owner/occupied homes, the Government's line was as previously stated, "Land Taxing the Silvertails". The Carr Government was absolutely silent about its targeting of rental housing with Land Tax, and so were the Liberal/National Opposition - again the hypocrisy was breath-taking.

Since July 2000, the N.S.W. Treasury has received about \$24 billion in G.S.T. revenue which is growing at \$1 billion p.a. Residential rent is not subject to G.S.T. (and neither it should be), although all repairs, maintenance and other costs are subject to G.S.T. and cannot be offset.

We look forward to your response to the issues raised in this letter, and our call for reforms to Land Tax.

Thanking you,

(signature)

C. J. Danzey
Registered Valuer
Spokesperson, L.T.T.T.

P.S. "The Drover's Dog Tactics" used by government members, especially the Premier.

"These matters are the responsibility of Michael Egan"!

Bill Hayden said, given certain circumstances "The Drover's Dog" could get elected, and Number One on Labor's Upper House ticket in New South Wales, is such a circumstance.

Michel Egan M.L.C., No. 1 on the ticket and State Treasurer, is the Government's fall guy-demon of all the Carr Government's taxation policies - and so the analogy 'The Drover's Dog Tactic'. Treasury has a pat response for Labor's taxation policy. We call it Mr. Egan's three barks - school-hospital-roads.

C. J. DANZEY
Registered Valuer
PO Box 17
Potts Point NSW 2011
Ph: 9357 2417 (w)

28 August 2002

The Hon. Bob Carr
Premier of New South Wales
Level 6, Governor Macquarie Tower
Farrar Place
SYDNEY 2000

Dear Premier,

Part of your electorate is within the Local Government districts of Randwick and both Waverley and South Sydney adjoining Randwick.

The Mayor of Randwick, Cr Dominic Sullivan was calling for the amalgamation of Randwick, South Sydney and Botany Councils. To "underpin our rate base and improve our capacity to fund and maintain regional services".

I recently wrote to the Sydney region's local government councils seeking information - none could provide me with information of how much State Land Tax was being raised in their local districts.

The following information is provided and your response would be appreciated:

WAVERLEY	Total State Land Tax collected 2001	\$15.6 million
	Total from residential property	\$12.1 million
RANDWICK	Total State Land Tax collected 2001	\$19.6 million
	Total from residential property	\$14.2 million
SOUTH SYDNEY	Total State Land Tax collected 2001	\$54.5 million
	Total from residential property	\$11.9 million

The great bulk of State Land Tax imposed on residential property in Waverley-Randwick and South Sydney, is raised from rental housing and is a prime reason for the demise of private rental apartment blocks to Strata or Company.

It is difficult to understand why your Government is so determined to impose State Land Tax in a most discriminating way upon housing tenants and providers, and the handful of private homes.

It would be appreciated if you would meet with me, enabling me to show you the considerable proof State Land Tax is targeting rental housing, impacting on low to medium rental apartment blocks your Government Planning Policy, seeks to retain.

I would be pleased to meet with you - or Senior Planning and Treasury representatives regarding retaining stocks of private rental housing, which loss surely exacerbates the problems of State Housing.

Yours truly
(signature)
C.J. Danzey
Reg. Real Estate Valuer

C. J. DANZEY
Registered Valuer
PO Box 17
Potts Point NSW 2011
Ph: 9357 2417 (w)

20 March 2002

The Hon. Andrew Refshauge M.B., B.S.
Deputy Premier of New South Wales
Minister for Planning
Minister for Housing
244 Illawarra Road
MARRICKVILLE 2204

Dear Deputy Premier,

Please find attached my submission to the State Upper House inquiring into aspects of community housing (Government Rental Housing), you referred to the Standing Committee on social issues. I would appreciate your response to the issues raised, also, if you would be prepared to meet with me about my concerns "That Private Rental Housing and its tenants are targeted by the State Government with State Land Tax".

The State Government and yourself, particularly, are aware private rental apartment blocks are in serious decline - especially in SEPPT10 original local government areas. Yet, you appear to support:

- A/ Targeting private rental housing and tenants with State Land Tax, and SEPP10 if rental apartment blocks;
- B/ While the State is active in the property market, either to purchase or lease remaining rental apartment blocks. "~

There appears to be considerable conflict in retaining rental apartment blocks for private rental housing tenants and obtaining Government Rental Housing, using State Land Tax as leverage and SEPP10 to lock in.

Obvious questions arise. It would be appreciated if, you would respond to the following, either in writing or a meeting at your convenience:

- Question 1 Why does the State Government target Private Rental Housing with State Land Tax?
- Question 2 A/ Do you believe the examples given in my submission at Waverley and South Sydney, indicate Private Rental apartment blocks and their tenants are targets of State Land Tax?

 B/ In both locations of the Waverley and South Sydney examples, are close by Casual Rental Apartments in Strata divided blocks, that are not targeted by State Land Tax or SEPP10. Do you believe this fair to tenants in rental apartment blocks.

Question 3 Do you as Minister for Planning and Housing, see any community benefit in retaining Private Rental Housing blocks -

If no, why?

If yes, why are they targeted by State Land Tax and SEPP10?

I would be pleased to meet with you and show you evidence how Private Rental Apartment blocks are being made unviable, as rental stock. I assume this is not the intention of the State Government.

Yours faithfully,

C. J. Danzey
Reg. Real Estate Valuer

Attachment: Submission

C. J. DANZEY
PO Box 17
Potts Point NSW 2011
Ph: 9357 2417 (w)
Fax: 9358 5103

23 August 1999

Ms Julie Walton
Chairperson
Valuation of Land Inquiry
Level 31
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Julie

Thank you for the opportunity to place some brief comments before your Inquiry, and including comments (26-3-.99) to Legislative Council Standing Committee re Land Tax.

My comments are directed to the impact upon Residential Land used as Rental Housing and Premium Property. The principles and practices the current Valuation Methodology applies are well established, although Land Valuation is not an exact science as, opinions to qualify and quantify, market sensitivity between different zoning – location and physical features etc becomes educated guesswork.

The Valuation of Land Act 1916 requires the Valuer Generals to value on mass each parcel of land reflecting its Highest Economic Use. The methodology the Valuer General applies is to compare all Residential Land with the sale price of Vacant Land, often referred to as knockdowns. In established urban areas (Example SEPP10), Vacant Land sales are rare, and supply and demand is distorted as all parcels are valued as though each will be offered in isolation for sale on a market where such Vacant Sales are rare and demand high.

The Valuation Methodology used to impose Land Tax upon Rental Housing and Premium Property, particularly conventional housing in established suburbs, exploits unmercifully supply and demand factors to maximise Land Tax on Rental Housing and Premium Property.

Rental Housing that State Environmental policy seeks to conserve or retain for low or medium rental is driven to Strata or to be knockdown for Strata development, where a minority may become modern, high rental apartments. The impact upon established areas to impose urban consolidation policy by current methodology/ and Land Tax Policy is rendering existing conventional Rental Housing economically obsolete.

These policies are intended by both major political parties, who by consensus seek to expand Land Tax as a growth tax into the suburban housing. Perhaps the move to Land Tax Premium Housing that became an election issue in 1999, may have stalled plans.

During election '99 Land Tax on homes with a land value of \$1million, became an issue, yet Land Tax upon Rental Housing was not an issue. Labor's rationale to Land Tax Premium Property, was to impose a Land Tax on millionaires and silvertails, while Labor increased, and continued to Land Tax Rental Housing.. The Opposition objected to a Land Tax on millionaires, while advocating land taxing Rental Housing.

The guidelines based on class as to who should pay Land Tax on their homes is breath-taking. hypocrisy.

I wish you success.

Thanking you,

(signature)

C. J. Danzey
Registered Valuer

(see High Court decision – of 13/2/2003.
Maurici v Chief Commissioner of State Revenue)

High Court of Australia



[Index] [Search] [Noteup] [Download RTF] [Help]

Maurici v Chief Commissioner of State Revenue [2003] HCA 8 (13 February 2003).

Last Updated: 13 February 2003

HIGH COURT OF AUSTRALIA

MCHUGH, GUMMOW, KIRBY, HAYNE AND CALLINAN JJ

ANTHONY PHILLIP MAURICI APPELLANT

AND

CHIEF COMMISSIONER OF STATE REVENUE RESPONDENT

*Maurici v Chief Commissioner of State Revenue [2003] HCA 8
13 February 2003
S107/2002*

ORDER

1. *Appeal allowed.*
2. *Orders 2 to 5 of the orders of the Court of Appeal of New South Wales made on 20 June 2001 be set aside, and in their place, order that the appeal from the orders of Cowdroy J of the Land and Environment Court made on 23 December 1999 be dismissed with costs*
3. *Respondent to pay the costs of the appeal to this Court and the Court of Appeal of New South Wales.*

On appeal from the Supreme Court of New South Wales

Representation:

B W Walker SC with I McN Jackman SC for the appellant (instructed by Speed & Stracey)

B J Preston SC with J B Maston for the respondent (instructed by the Crown Solicitor for the State of New South Wales)

Notice: This copy of the Court's Reasons for Judgment is subject to formal revision prior to publication in the Commonwealth Law Reports.

CATCHWORDS

Maurici v Chief Commissioner of State Revenue

C. J. DANZEY
Registered Valuer
PO Box 17
Potts Point NSW 2011
Ph: 9357 2417 (w)

14 February 2002

Hon. J. Burnwood M.L.C.
Chairperson
Standing Committee on Social Issues
Parliament House
Macquarie Street
SYDNEY 2000

Dear Chair,

Re: THE INQUIRY INTO COMMUNITY HOUSING

Please find attached my brief but frank comments to the above inquiry.

The submission hopefully raises some concerns about the "Whole of State Government Policies" that targets Private Rental Housing with State Land Tax, and its obvious impact on subsidised Rental Housing, such as Community Housing programs, particularly in the original areas of State Environmental Planning Policy targeted by (SEPP10).

I will appear before your committee, and further elaborate my comments, and answer any questions you or your committee members may ask.

Thanking you in anticipation.

Yours faithfully,

CJ. Danzey
Reg. Real Estate Valuer

Sent to

- All Sydney Regional Councils – also Central/Newcastle/Illawarra etc.
- All members – Legislative – Council
- Local Government Organisations.

14 February 2002

COMMENTS TO COMMUNITY HOUSING **Comments into Community Housing**

1) Introduction:

Many factors have impacted on rental housing contained in "Rental Apartment Blocks" (R.A.B.), used exclusively as rental housing particularly in Sydney's inner local Government areas, with subsequent impact on 'Government Rental Housing' (G.R.H.).

Many of these factors have been at the instigation of State Government policies, comprises the State Governments credibility towards rental housing.

These following comments are brief, although hopefully attempt to raise concerns, that private rental housing (P.R.H.) is under attack by a "Whole of Government Policy" that targets P.R.H. and its tenants.

Examples of R.A.B, will be provided indicating P.R.H. is the target of State Land Tax (S.L.T.). Government has spread into the Housing Sector despite having a Planning Policy (SEPP10) intending to retain Rental Housing. The State appears to have extended S.L.T. significantly into the Local Government areas and field of taxation, that being, a Local Land Tax (L.L.T) commonly called Council Rates.

A Government inquiry that could further recommend to expand Community Housing programs, exploiting Local Government and its powers to impose Condition of Consent on Development Applications, be it, existing R.A.B., or new housing development, needs public examination to ensure State Housing obligations are not being transferred to Local Government. Also, Community Housing is not sourced by Local Government encouraged to exceed Building and Planning Codes.. In some areas of Sydney, community housing is expensive to source, -yet, by a "Whole of Government" attack on R.A.B., exacerbates their difficulties to survive and impacts on all Rental Housing.

A further interesting conflict of Government attitude is to allow Company Title apartment blocks to restrict tenant occupation - thus rendering a large sector of housing stock, concentrated in SEPP10's original areas, "tenant free zones". Again this reflecting the Government Policy and attitude towards Rental Housing and tenants.

SEPP10's arrival in the early 1984, saw some inner Sydney Councils move to further engage Local Government in G.R.H. programs, I believe at the behest of the State Government and party politics. At the same time, the state government was TARGETING S.L.T. and SEPP10 restrictions to attack P.R.H.

ACRONYMS	R.A.B.	Rental Apartment Blocks	G.R.H.	Government Rental Housing
	P.R.H.	Private Rental Housing	S.L.T.	State Land Tax
	SEPP10	State Environment Planning Policy No. 10	L.L.T.	Local Land Tax

SUMMARY:

- There is clearly a Whole of State Government policy to target-maximise-conceal-State' Land Tax on Private Rental Housing in Sydney's established residential areas.
- The State ignores its own Planning Policies
- The State uses Planning Policy to secure Government Rental Housing in SEPP10's original area.
- SEPP10 has recently been extended, and intended to source Government Rental Housing throughout Sydney's local government areas, and possibly beyond.
- State Land Tax has significantly encroached on, Local Government's Field of Taxation forcing local government to increase all charges including rental of streets for parking while State keeps the easy camera revenue.
- State Land Tax rate compared to Local Government Land Tax rate.
e.g. Waverley 13% of S.L.T. rate
 South Sydney 1% of S.L.T. rate

The State seeks to acquire Government Rental Housing by involving Local Government and without any capital contribution, or responsibility for ongoing costs and compensation while applicants have to list with State Housing.

- Councils are allowing residential sites to exceed their Building and Planning Codes, to secure Government Rental Housing - the State is encouraging this.

The State is aware private rental.apanment blocks are periously in decline yet engage O.S.R. , and the V.G. to target tax and impose land values that ignore rental housing. This targeting impacts on all rental housing.

- Government Rental Housing programes not be passed to local government unless acquisition and ongoing costs are fully funded by State Government,
- The effectiveness to meet the needs of Government Housing is exacerbated by state target taxation of private rental housing and tenants,
- Full public involvement is required to ensure
 - the State is not passing Government Rental Housing responsibility to local government
 - and encouraging/allowing local government to source Government Rental Housing stock by allowing building and planning codes to be exceeded.
- That S.L.T. be withdrawn from rental housing.
- That incentives are given to retain the remaining stock of Rental Apartments blocks, especially in Sydney's established residential areas.

I would be pleased to address any group or Councils about the contents of this submission.

LAND TAX TARGETS TENANTS (L.T.T.)
P.O. Box 17, POTTS POINT NSW 2011

25 August 2003

Councillor Dominic Sullivan
Mayor, Council of the City of Randwick
30 Francis Street
RANDWICK 2031

Dear Mayor,

Your recent [Wentworth Courier 21/8/03] call to remove existing local government in Sydney's eastern and inner city regions by a super council, is a further expansion of your call to hold "meaningful discussions about possible amalgamation and boundary adjustments issue" with Botany and South Sydney councils.

You raise financial issues are causing Council's struggle to provide facilities and services, and point to the cost of maintaining Crown Land on beach fronts etc. I would have thought the local Member for Maroubra, and a Randwick ratepayer, would have been interested in resolving Council's financial position, yet, it appears the Member for Maroubra's solution is to remove "local" from local government, and centralise State Government political power and remove grass-roots presentation.

I have attached a letter to the Member for Maroubra which raises your call for council mergers. You will see Mr. Carr was asked to respond to why the State Government in a most discriminating way, targets rental housing/tenants and small businesses with State Land Tax (July 2002) e.g:

Waverley	Total State Land Tax (S.L.T.)		\$15.6million
	Rental housing	\$12.1 million	
Randwick	Total S.L.T.		\$19.6 million
	Rental housing	\$14.1 "	
South Sydney	Total S.L.T.		\$54.6 million
	Rental housing	<u>\$11.9</u>	
	TOTAL	\$38.1 million	\$89.8 million

Mr. Carr has not responded despite followup letters providing additional information about State Land Tax in local government areas. .

Randwick Council, on 31 December 2002, was forwarded information about State Land Tax, and has never responded. In fact, your Council is silent about the targeting of rental housing by a State Government Land Tax policy applied to the redevelopment value of land to maximise State Land Tax.

Your Council supports, and imposes the State Government affordable housing programs (e.g. S.E.P.P. 10) yet, is silent about the transfer of Government housing responsibilities to local government, while exacerbating the demand for housing exclusively rental by targeting such housing with State Land Tax.

Your detailed response would be appreciated.

C. J. (Mike) Danzey
Spokesperson L. T. T. T.

Attachment: letter to the Member for Maroubra

.

**LAND TAX TARGETS TENANTS (L.T.T.T)
17, POTTS POINT NSW 2011**

3 October 2003

Councillor Dominic Sullivan
Mayor, Council of the City of Randwick
30 Francis Street
RANDWICK 2031

Dear Mayor,

“YOUR CALL” TO ABOLISH RANDWICK MUNICIPALITY AND ADJOINING COUNCIL AREAS AND REPLACE WITH A SUPER-COUNCIL

Thank you for acknowledging receipt of my letter of 28/8/03 that attempted to raise the extent State Land Tax (S.L.T.) has spread into Randwick, targeting rental housing and small business.

Council's General Manager's reply to my letter to you, made **no comment** on the issues raised and **passed** response to **Michael Egan**, M.L.C., Treasurer of N.S.W. This tactic is used by all executive members of the **Carr Government** - a tactic I refer to as "**The Drover's Dog Tactic**". (Please see P.S, for explanation).

"Your call" to remove grass roots representation, the essence of 'Local Government' is Carr Government policy **to further centralise political power**. These policies are also **supported** by influential and generous members of **Property Councils**. In January, 2003, Randwick (as a member council), received a copy of a **letter to** the President of **S.S.R.O.C**. This letter raised the **issue** of State Land Tax, and provided comparative figures of Council's rate revenues and- **S.L.T. spread into Council areas**.

1. Example – **Randwick residential only**

Randwick from 42988 properties	(2001) revenue was \$27.2 million
Randwick S.L.T. from 6123 properties	(2002) revenue was \$14.19 million
So, Randwick revenue from 700% more properties is only 48% more than S.L.T.	

2. Example – **Waverley residential only**

Waverley from 28136 properties	(2001) revenue was \$13.19million
State Land Tax on 4824 properties	(2002) revenue was \$12.19million
So Waverley Council's revenue from 533% more properties is only 13% more than the S.L.T.	

At July 2002 in both **Randwick** and **Waverley**, no owner/occupied homes paid S.L.T. (Premium Property S.L.T unique to N.S.W.), accordingly S.L.T. in Randwick and Waverley was imposed on **rental housing only**. **When this issue is raised with State Ministers** for Housing Planning-Regional Development-Fair Trading, also the Premier (Member for Maroubra) and Deputy Premier, the **DROVER'S DOG TACTIC** is immediately triggered.

The State Government, in a predatory manner, invades **Local** Government's prime field of **revenue**. The application of **State Land Tax** is imposed with **breath-taking hypocrisy** to **target rental housing**, while the State demands local **Councils administer** State Planning-Housing Policies e.g. (SEPP10), seeking to **retain rental housing**, and **source subsidised housing**. While this is occurring, the Government seeks to remove 'local' from the third tier of **Government**. While this is occurring, **Randwick** Council is **silent** and advocating support to **remove local representation** and further centralise political power.

If you would agree to meet with me, I will provide you and Council **considerable information how S.L.T is "imposed"** and **"maximised"** by State policies. Also, I would be prepared to address Council or its Committees before **"Your Call"** to abolish Randwick is supported by a Resolution of Council.

Your reply would be appreciated.

Thanking you

(signature)

C. T. Danzey
Registered Valuer 2003
Spokesperson L.T.T.T.

P.S. **Bill Hayden** said there were circumstances where **"The Drover's Dog" could get elected**. Such circumstance is Number One(1) on Labor's ticket for election to the Upper House in N.S.W. where 'The Drover's Dog' could be **elected**, and so my analogy. **Michael Egan M.L.C., No. 1 on the ticket**, is made the fall guy the demon of all things that are the Carr **Government's taxation policies**.

Michael Egan is also **trained/told**, to **bark three(3) times** to all questions about State Taxation. These barks mean **schools - hospitals - roads**.

Attachment:	letter to Randwick Council General Manager	31/12/02
	letter to President S.S.R.O.C. sent to Randwick	31/12/02
c.c.	The Premier, Member for Maroubra	
	Deputy Premier	
	Member for Coogee	
	Member for Heffron	
	Member for Vacluse	
	Leader of Opposition	
	S.S.R.O.C.	