
From: [REDACTED]
Sent: 14/03/2021 12:46:25 PM
To: Tax Reform Taskforce [taxreformtaskforce@treasury.nsw.gov.au]
Subject: 'Have Your Say' Response re: Proposed Changes to Stamp Duty

Dear Treasury,

In response to the feedback requested on the proposed stamp duty changes, please find below the feedback and reasons strongly opposing these changes.

Please note my request for confidentiality that my personal details (e.g.: name, email address etc.) are not to be published with my submission.

Thank you.

1. The proposed new scheme appears to predominately benefit developers more than the general public who will get away with paying far less in tax given that they will buy, build and sell (typically within 2-3 years of purchase) and therefore pay less than if they had been forced to pay upfront. It is the general public who generally will only ever own one or two homes that require the tax relief the most and yet this new scheme does not appear to look after them for the long-term.
2. The proposed scheme is not of long-term financial benefit or relief to prospective buyers in the general public who plan on owning homes for the duration of their life. For anyone that has done the analysis on this proposal, electing the new scheme will result in **far more** tax being paid for the duration of ownership than if they paid the current upfront stamp duty.
3. The proposed scheme does not appear to provide protections for retirees and so it is therefore naturally assumed that the government would expect retirees to keep paying tax until they die. How does the government expect retirees to foot this tax bill year after year? Through their superannuation, which is meant to support their retirement?
4. Subsequent to point 3 above, women have a longer life expectancy than men by 5 years, and not factoring this in the proposed scheme is sexist and discriminates against women who will be expected to pay more tax for longer even though they are already disadvantaged in pay inequality and job security. The COVID-19 pandemic has proven this as women have been far more affected than men by job losses.
5. This proposed scheme does not also consider other vulnerable groups such as those with disabilities. Are they also expected to pay this yearly tax post retirement?
6. If developers chose to not pay the current stamp duty upfront and elect to pay under the proposed scheme (per year), new purchasers will be locked into this arrangement also and it will subsequently limit the pool of choice for them if they do not want to be locked into the new and more expensive scheme. Not having this choice is severely limiting for prospective buyers.
7. Similarly, a prospective buyer will be locked into this proposed scheme if the current vendor has chosen to pay under the proposed scheme. Again, not having this choice will severely limit the pool of

properties available for purchase for those who want to pay upfront to avoid this expensive proposed scheme. This is in already difficult market.

8. Subsequent to points 6 and 7, preventing prospective buyers from paying the current stamp duty upfront for a newly purchased property and forcing them to pay under the new scheme if a previous developer or vendor did so, does not make financial sense for the government. I find it astonishing that the government would knock back a lump sum in favour of an annual tax. This supports point 2, and could this be that the government knows that compelling buyers to pay the proposed scheme will result in more tax in total from the one vendor to the government over a lifetime? This is not 'reform' for the average buyer who intends to own a property for their lifetime who will pay more tax.
9. Similarly, subsequent to point 1, allowing developers to avoid paying the full current stamp duty does not make financial sense for the government and in turn, the public.
10. There is no guarantee that the proposed tax rates will not rise in the future. It is highly likely that these rates will rise in the future and cost the average buyer more in tax.
11. Similarly, the land and property values will continue to rise, which will continually increase the tax paid.
12. This proposal does not appear to have the adequate stakeholder consultation, analysis or thought behind it to successfully and equitably deliver, 'reform'. Reform is meant to improve a system and this is not an improvement.
13. If the government was actually serious about stamp duty reform and housing affordability, then it would take a leaf out of the Victorian Government's step of halving stamp duty (50% - even a 25% or 30% reduction would assist). That's if the government actually was serious about providing relief to the general public in a fair system that benefited all. The current proposal however, indicates otherwise.