
From: [REDACTED]
Sent: 3/03/2021 1:30:41 AM
To: Tax Reform Taskforce [taxreformtaskforce@treasury.nsw.gov.au]
Subject: Proposed Changes for Annual Property Tax vs Stamp Duty Submission

Dear NSW Treasurer,

I've submitted our proposal to the changes by the NSW Treasury Department for the introduction of the Annual Property Tax to your website however would also welcome an open conversation with you about the topic.

I have founded a successful [REDACTED] organisation and am a qualified [REDACTED] in Australia. We welcome the changes that have been proposed and we can clearly see the benefits this will have on our members who are purchasing properties and entering the market every day as well as the greater NSW population. Removing stamp duty and replacing it with annual property tax is much needed. The hardest thing for home buyers as well as investors is saving up enough to get into the property market. Having to pay stamp duty really delays their ability to enter the market therefore replacing this with annual property tax makes it much more affordable and sustainable. This change is also beneficial for the NSW government, as your revenue stream will become consistent and reliable rather than fluctuating so much from year to year as they do now.

This being said we have some objections to parts of the policy that need to be addressed particularly around the threshold.

The Policy states that:

Price thresholds would initially exclude people buying the most expensive properties from choosing the property tax, but over 80 percent of residential properties would be eligible to choose the property tax.

I understand that this change will be a big one off hit to NSW Government's revenue stream and that might be the reason why you proposed a price threshold. However, putting a price threshold does not make sense. Here's why:

The government will be better off in the long term as people buying the most expensive properties typically would hold the properties for a much longer time and therefore paying more taxes in total. Furthermore, introducing an arbitrary price threshold discriminates against people living in metropolitan areas, especially Sydney as it is home to the most expensive real estate in the state. Would-be homeowners in Sydney will be the most affected and they are the ones who need the most help in getting into the market.

I welcome most of the changes and believe that these proposed changes offer a smooth transition from stamp duty to annual property tax. All except for introducing a price threshold on the change. I strongly urge the NSW government to remove any price threshold on this change and welcome a conversation to discuss this further. We have investigated the impact this will have on our database and are happy to provide our findings should you wish to talk them through.

Thank you and best regards,

[REDACTED]