



Monday, 15 March 2021
NSW Treasury

By email: TaxReformTaskforce@treasury.nsw.gov.au

NSW Property Tax Reform

Sympli Australia Pty Ltd (**Sympli**) welcomes the opportunity to comment on the proposed changes to allow property purchasers to pay an annual property tax in lieu of stamp duty and land tax (if applicable), as contemplated in the consultation paper released by NSW Treasury (**Property Tax Reform**). This submission will focus on the practical implications on such a change from Sympli's operational perspective.

Depending on what form this change takes, and the anticipated scope of integration with the Sympli Electronic Lodgment Network (**Sympli ELN**), this change may require Sympli to make significant system changes to allow the Sympli ELN to accommodate the changes resulting from the Property Tax Reform. The key factors affecting the scope of integration with Sympli are set out below.

Timing

Sympli's primary concern is to ascertain the expected timeline in which these changes are to be rolled out. There are two key dates that Sympli will need to be made aware of in order to properly prepare to adjust the Sympli ELN to handle the Property Tax Reform:

1. **Requirements Date** – the date that Sympli will be notified of all requirements and technical specifications needed by Sympli to begin to design and build any changes to the Sympli ELN.
2. **Implementation Date** – the effective date that the Sympli ELN will be required to support the Property Tax Reform.

Sympli will require adequate time to make any changes to the Sympli ELN to support the Property Tax Reform. This time frame will vary, depending on the scope of this change (as contemplated below), and the level of integration required with the Sympli ELN. If the level of integration is minimal, Sympli is likely to be able to implement the changes in an 8 week period, however for a more complex integration Sympli may require a period of approximately 6 months to design, build and test any system changes, and update any processes between Sympli and Revenue NSW.

Additionally, if changes to the Sympli ELN are required to support the Property Tax Reform, this may impact on the delivery timeframe for the implementation of interoperability with other Electronic Lodgment Network Operators by December 2021.

Sympli would welcome the opportunity to discuss timing further and agree on an appropriate implementation timeframe.

Scope

The timing requirements, and the cost of implementation to Sympli, are highly dependent on the scope of the changes that Sympli will be required to make to integrate the Property Tax Reform into the Sympli ELN. Sympli looks forward to discussing the details of the integration requirements further, and at this stage has the following questions:

1. *Registration of status* – How will the election of stamp duty or property tax be noted against each property?
2. *Election of stamp duty or property tax* – Will purchasers be making this choice through the Sympli ELN, through the Electronic Duties Returns (**EDR**) service, or through a separate process?
3. *Evidence* - Currently, when Sympli makes a call to Revenue NSW, Revenue NSW provides Sympli with evidence that the lodgment is ready to be stamped. This evidence allows Sympli to proceed with the transaction. Will there be an equivalent piece of evidence returned to Sympli for properties where property tax has been selected?
4. *Payment of property tax* - Will any portion of the property tax be required to be paid through the ELN at the time of settlement, or will this be handled separately (similar to the current land tax assessment and payment process)?
5. *Outstanding property tax at time of settlement* – If there is outstanding property tax against a particular property at the time of settlement, will the transaction be able to proceed or will there be a charge against the property that prevents a transaction from completing? This would require to Sympli to make sure that there is a check for this during the lodgment process.

Sympli notes that many of these above items currently sit outside of the Sympli ELN, however for completeness Sympli would like to confirm the expectation that this will remain the case. Any requirement to integrate these items within the Sympli ELN would require further development work by Sympli to implement, with associated costs. Additionally, any changes to the e-conveyancing process will require further training and documentation for practitioners using the Sympli ELN.

Sympli will be able to provide further feedback as to how the Property Tax Reform will impact the e-conveyancing industry once we have more detailed information in response to the above questions.

Sympli's Position

From Sympli's perspective, the most efficient integration path would include the following factors:

1. Election of stamp duty or property tax would be made through EDR, prior to the settlement transaction being completed in the Sympli ELN;
2. There would be no opportunity to change this election through the Sympli ELN;
3. For each transaction, the Sympli ELN would call Revenue NSW and be:
 - a. notified as to whether or not stamp duty is payable for that transaction; and
 - b. provided with evidence that lodgment is ready to be stamped; and
4. Payment of property tax would be entirely outside of the Sympli ELN.

These factors are key for Sympli to be able to efficiently integrate the Property Tax Reform into the existing processes within the Sympli ELN, and ensure an efficient transition from an e-conveyancing perspective.

We look forward to providing further feedback and suggestions as to how the Property Tax Reform could be best integrated into the Sympli ELN. We would welcome the opportunity to participate in any future discussions and workshops to work through the process of implementation of the Property Tax Reform to ensure a great outcome for all stakeholders.

Yours sincerely,



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