

NSW Treasury Tax Reform Taskforce

Via email:

TaxReformTaskforce@treasury.nsw.gov.au

16 March 2021

Submission: Property Tax Proposal

This submission has been prepared by Bridge Housing Limited in response to the NSW Government's Property Tax Proposal.

Bridge Housing Limited is a Tier 1 community housing provider operating across 20 Local Government Areas in the Sydney Metropolitan region, we own and manage 3,500 properties providing affordable and secure accommodation for 5,500 people. We are a registered Charity with Australian Charities and Not for Profit Commission with Deductible Gift Recipient status.

Bridge Housing Limited supports the submission prepared by our peak body, the Community Housing Industry Association NSW (CHIA NSW).

Tax exemptions for charitable bodies must be maintained

CHPs with charitable status are currently exempt from land tax and transfer duty. This exemption supports the ongoing financial viability of CHPs, given their slim operating margins, and is especially critical at a time when their operating costs, such as insurance premiums and council rates, are rising.

It is vital that existing land tax and transfer duty exemptions for charities and not-for-profit organisations are retained. These organisations must also be exempt from the proposed Property Tax, noting that the exemption must be applied at an organisational level and not to the residential or commercial property. Exemptions must also include shared equity schemes delivered by CHPs. By retaining these existing exemptions, the NSW Government can ensure that CHPs are strongly positioned to continue building new social and affordable housing in areas with a high proportion of households experiencing housing stress.

CHIA NSW strongly recommends that the NSW Government continue to consult widely with diverse representatives of the housing, disability, aged care, early childhood, sporting and mental health sectors to ensure that the proposed reforms do not have adverse or unintended impacts on the financial viability of the not-for-profit sector.

Concerns over impact on land costs

Even with existing exemptions being maintained, there is a risk that the proposed reforms may have unintended impacts for not-for-profit organisations, including CHPs. It is anticipated that buyers may use any available tax savings to increase their purchasing capacity, thereby creating increased market competition. Higher land and property costs will place additional financial barriers on CHPs delivering social and affordable housing, given that land is the most significant cost in residential development. It is noted that CHPs will be unfairly disadvantaged in these scenarios as the current reform proposals will not provide them with any cost savings, unlike other types of investors.

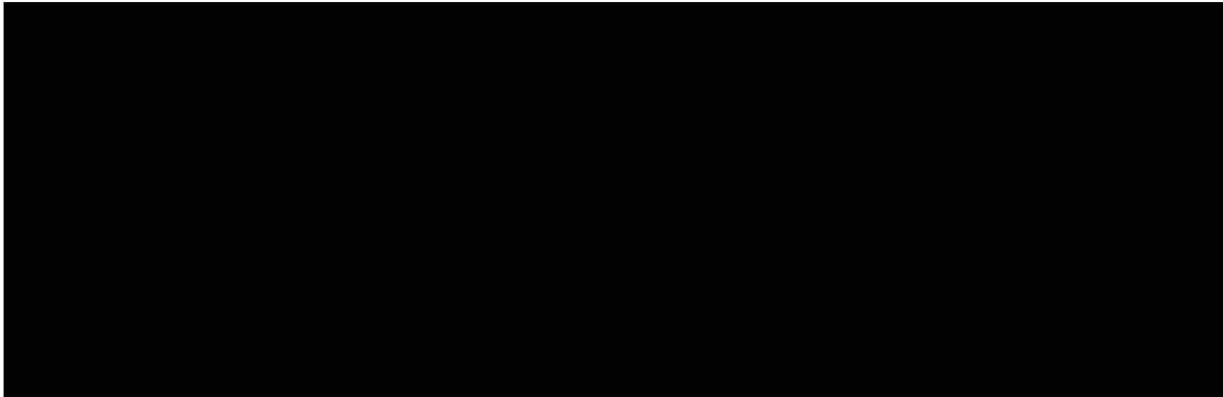
It is crucial that the Taskforce identifies policy responses that can effectively respond to market distortions that may arise during the implementation phase. These responses include:

- Introduction of a grant scheme or subsidy to assist CHPs purchasing land for affordable build-to-rent housing
- Releasing more government-owned land for social and affordable housing, including prioritising the delivery of such housing in new land release and urban intensification programs
- Establishment of a streamlined approvals pathway for social and affordable housing projects with the objective of reducing the costs of planning and delivery.

Protections for owners and tenants

Bridge Housing Limited supports the introduction of measures that ensure that any increases to property prices over time remain in line with a household's capacity to pay, noting that the reforms will apply to property owners who are currently not required to pay ongoing land tax. These measures need to be designed and ready before any reforms are implemented.

The transition implementation arrangements must also ensure the cost of the new annual tax is not immediately passed onto tenants in the form of higher rents, which would deepen the housing affordability crisis and place increased pressure on the social housing system. Such protections must be extended to CHPs that are leasing housing from the private market to provide additional social housing under the Community Housing Leasing Program. These protections must ensure that program delivery costs do not increase unfairly as a result of the reforms.



English

If you need help to understand this letter please contact the Telephone Interpreters Service on 131450 and ask them to contact on 8324 0800 for you at no cost. You can also come to the Bridge Housing office and ask for assistance in your language.

Simplified Chinese

如果您理解这封信有困难, 请拨打电话传译服务 131450 要求电话传译 服务替您拨打 Bridge Housing, 电话 8324 0800。这项服务是免费的。您也可以到 Bridge Housing 的办公室来。要求用您的语言来协助您。

Spanish

Si necesita ayuda para entender esta carta, por favor comuníquese con el Servicio Telefónico de Intérpretes al 131450 y solicite que lo contacten sin cargo con Bridge Housing al 8324 0800. También puede dirigirse a las oficinas de Bridge Housing y solicitar asistencia en su idioma.

Russian

Если для понимания содержания этого письма Вам необходима помощь, свяжитесь, пожалуйста, с Телефонной переводческой службой по номеру 131450 и попросите соединить Вас с Bridge Housing по номеру 8324 0800. За соединение платить не нужно. Кроме того, Вы можете лично посетить офис Bridge Housing и попросить об услугах переводчика.

Greek

Εάν χρειάζεστε βοήθεια για να κατανοήσετε την παρούσα επιστολή, παρακαλώ επικοινωνήστε με την Υπηρεσία Τηλεφωνικών Διερμηνέων στο 131450 και ζητήστε τους να επικοινωνήσουν με το 8324 0800 για εσάς χωρίς καμία χρέωση. Μπορείτε επίσης να επισκεφθείτε το γραφείο Bridge Housing και να ζητήσετε βοήθεια στη γλώσσα σας.

Vietnamese

Nếu cần người giúp để hiểu thư này xin quý vị liên hệ với Dịch Vụ Thông Ngôn Điện Thoại số 131450 và nhờ họ liên lạc với Bridge Housing qua số 8324 0800 cho quý vị một cách miễn phí. Quý vị cũng có thể đến Văn Phòng của Bridge Housing và xin giúp đỡ bằng ngôn-ngữ của quý-vị.

Arabic

إذا احتجت إلى مُساعدة في فهم هذه الرسالة رجاء الاتصال مع خدمة الترجمة الهاتفية على رقم 131450 واطلُب منهم أن يتصلوا لك بمكّتب على رقم 8324 0800 بدون تكلفة عليك. ويُمكنك أيضا الحضور إلى مكّتب Bridge Housing وطلب المُساعدة بلُغتك.