

**Proforma A**

**INQUIRY INTO ENVIRONMENTAL PLANNING AND  
ASSESSMENT AMENDMENT (INFRASTRUCTURE  
CONTRIBUTIONS) BILL 2021**

**Received: 22 responses**

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## **Rates and Land Tax are a form of Value Capture or Vendor Tax:**

Whilst Government and Council sees landowners as the beneficiaries of rezoning, there has been no mention, or factoring in, of the increased land taxes and rates being paid by the current landowners. For instance, my council rates for the last 12 months have seen an increase of nearly 50% by the local council, which I expect to be a continuing trend.

On completion of any new development on my property, both State Government and Local Council will continue benefiting from increased Land Taxes and Council Rates.

Where is this money going?

The NSW State Government is seeking infrastructure contributions, and like council, are not factoring in the millions of dollars in income that they will be receiving, and have received, in the form of increased Land Taxes from the uplift in property prices.

State Government and Council has not included this substantial increase in income (Taxes and Rate Increases) in their submissions.

Council is seeking an unprecedented increase in developer contributions, while at the same time appearing to have no regard as to the sustainability of these contributions.

All levels of governments are using my taxes to fund NSW developments and infrastructures needs. I don't dispute the need for contributions. But they need to be just, fair, equitable and affordable.

## **Vendor Tax**

This new tax will most likely contribute to the uncertainty of the planning system and discourage some development from proceeding, and it is not clear what the benefits of this tax will bring. Knowing how much investment the state and federal governments are pouring into the area, there is no way they can fund these developments by such tax. Whilst the addition of a vendor tax will bring increased revenue into the state coffers, the development of the area, which is being funded by State and Federal investment, should not be double-dipping, through the contributions of developers and land owners who pay income taxes, land tax, council rates and now a vendor tax.

This tax will impact the following:

1. Create additional cost, delay, uncertainty and investment disincentives that will hinder the potential sale of our land.
2. The intention to require draft contributions plans to be prepared in conjunction with planning proposals may further increase the time it takes to bring about changes in planning controls.

3. Reduce the attractiveness of development, and may see more land retained for its existing use. Landholders may decide to refuse to sell, regardless of what otherwise might be good development land, thereby increasing the cost of these developments.
4. If the property is sold by existing landowners following rezoning, the tax will be immediately payable, well before development takes place. This is likely to depress sale prices and reduce the likelihood that some landowners will sell, at least in the short and medium terms. Some landowners may attempt to game out the system, delay selling their land and count on the vendor tax being abolished.
6. The tax will certainly have significant impact on the benefits of development in the short and long term, by hindering attempts to unlock the precincts for developments to create jobs and revenue for both state and council.

Western Sydney has suffered with a lack of public funding for decades and unlocking the precincts for development will add more money and therefore more opportunity for the local area and its inhabitants, for generations to come. This new tax adds little and takes away much more.

Western Sydney is in a position to drive the economic recovery of our state, and we call upon the local and state governments not to squander this opportunity for a cheap cash grab. This new tax does not help.

No one Australia-wide is currently paying taxes on their family homes, so, why should we? This tax will make NSW unattractive for investors and developers. The state Government talks about affordability, but these taxes are an investment killer.

Every property owner in NSW should be concerned about these taxes. Any rezoning that sees an up-lift in property values as a result of re-zoning, will see that property taxed upon its sale, no matter where in NSW that property is located. This is not fair for landowners in our state.

**STOP Vendor tax now.**

**No tax on my family home.**