

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

Organisation: United Realty
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10th July 2021

To Whom it May Concern

Re: Proposed Infrastructure Contributions Reform

After carefully looking at the proposed "Vendor Tax", I can honestly say that I have never seen such an unjust tax and think that imposing such a tax would be an unconscionable act. My reasons for coming to this conclusion is based on my years of real estate experience and directly relates to the area around my office which is now being rezoned due to the Badgery's Creek Airport:

- Landowners have absolutely NO say on rezoning of their properties!
- The majority of landowners where rezoning occurs LIVE on their properties, it is their home and primary residence, yet with the introduction of this tax they are being penalised when they sell their own home (no one else is taxed when they sell their own home)
- The majority of the current land holders in the rezoning areas have lived at the properties for many years and bought where they did so they could farm the properties. They have worked hard for many years on their properties as primary producers and are being pushed out of their properties so redevelopment can occur – Council Rates alone have increased by 50% in the last twelve months, yet their incomes have not gone up 50%
- When landowners sell their properties, the purchaser of the property pays stamp duty! If the sale price is higher due to rezoning, the government ALREADY receive increased amounts of Stamp Duty
- When the landowners sell, they buy somewhere else to live and ALREADY pay Stamp Duty on their new properties.
- Once the property is redeveloped say into residential lots, the State Government then receives Stamp Duty on EACH of the sales of those properties.
- Assuming investors buy some of these residential lots, the State Government also received increased levels of Land Tax as well as Land Tax on the Commercial and Industrial sites.

- When the property is developed, local Council demands a development contribution which is quite substantial, is this not supposed to fund the surrounding infrastructure? If not, where are these funds being spent if they are not being spent to develop the area.
- How can it be determined what the normal increase in property value would have been without the rezoning? How can this be measured fairly? I have seen prices explode in areas that have not been rezoned, so how can a fair method be determined for landowners in rezoned areas?? Who determines this? One of our clients has had his property rezoned and wishes to sell, however to buy in the next suburb which has not been rezoned, he could not afford to sell, pay vendor tax and then pay stamp duty on the new property as he would be paying a comparable price for the new property (in the suburb that has not been rezoned). This seems quite unjust and will pressure landowners to stay and therefore stop the development that Council and State Government want.
- How is it determined what value the improvements on the property have caused an increase in value as compared to rezoning of a property. How can this be determined fairly and accurately?
- The introduction of a Vendor Tax will create major concerns and more backlash with Councils over rezoning and development plans. Let's be honest, most people DO NOT WANT their land rezoned! They have bought their properties to live on and enjoy a particular lifestyle. That lifestyle is being taken away and then they are being asked to pay for it when they decide to sell and find that lifestyle elsewhere. I deal with a lot of landowners in the area and most have been on their properties for 20 years or longer. They did not choose for rezoning, they do not want to leave their properties, yet they are being pushed out by the Government because of the rezoning so that their can be an industrial, commercial and residential hub around Badgery's Creek Airport. **HOW IS THIS FAIR? WHY SHOULD THEY BE PENALISED?**
- It is easy to determine when land is being purchased for Land Banking purposes, for future rezoning hopes, generally by foreign investors. Would it not be more prudent to place a tax on this sort of land when it is sold? This will place the burden on Foreign Investors instead of Australians who already pay income taxes, council rates, land tax, GST etc.
- The Government would be receiving multiple taxes on the one transaction! This is unethical! The purchaser is already paying tens of thousands of dollars in Stamp Duty on the purchase of the land when it is sold, now the with a Vendor Tax the seller is to pay tens of thousands also! **THIS IS UNCONSCIONABLE!** Real estate agents are only permitted to charge one party on the sale of a property, the vendor if they sell the property or the buyer if they are a buyers agent! We are not permitted to charge the vendor AND the buyer as this is seen as unethical and is illegal behaviour! Yet the Government now wants to do exactly that! If it is unethical and illegal for real estate agents, why is it all of a sudden ethical and legal because a Government body wants to do the same thing!

I strongly oppose any introduction of a Vendor Tax to properties that are rezoned and where the landowner benefits. I believe this to be unethical, unconscionable and a case of the State and Local governments badly mismanaging their budgets and funding and then asking landowners to pay for the infrastructure that they have already paid for through the multitude of taxes that they already

pay. I feel any introduction of this sort of tax would depress the real estate market and stop the development that Councils and State Government want and already benefit from through increased amounts of Council Rates, Land Tax and Stamp Duty, by creating uncertainty amongst landowners. Western Sydney has already been disadvantaged over many years by lack of funding. This sort of tax would disadvantage Western Sydney even more. For many years, all over Australia councils and government have rezoned land to allow for development and the spread of the population, but now that Western Sydney residents may benefit from rezoning, a new tax is wanting to be introduced? I have already had a client say that if this sort of tax comes in, they will leave NSW and go to Queensland! He is a major landholder, and his home has been affected by the latest rezoning. Does NSW want to drive away its residents?

Yours sincerely
UNITED REALTY

Edwin Borg
OWNER