

MEDIA RELEASE

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Land Tax system is broken

Urban Taskforce CEO, Tom Forrest, has called for an immediate overhaul of the NSW Land Tax system which is crippling investors as tenants struggle to pay rent.

“Land Tax relief is critical for the survival on many companies that are being forced to pay taxes on land which is delivering little or no return at all”, Mr Forrest said.

“When land is re-zoned, land tax is levied on the new ‘higher use’ potential of that re-zoned land. However, the NSW Planning system, the slowest in Australia for every category of development application, levies land tax on the *highest and best use* related to the new zoning while investors and property developers wait, in some cases years, for development approvals.

“Worse – with COVID 19 having resulted in the shut-down of many businesses, no relief has been offered to land-lords”, Mr Forrest said.

Land Tax is being charged based on the *highest and best use* for the land, assuming the full economic potential of the land zoning is being realised.

“Where land has been re-zoned, but a new DA approval is stuck in the planning system, Land tax should be based on the old (lower value) zoning or waived altogether.

“If deferrals are contemplated by the NSW Government, interest must not be charged on the unpaid land tax”, Mr Forrest said.

Mr Forrest called on the NSW Government to waive land tax where land-owners can show they have been impacted by COVID 19.

“These simple changes would give much needed relief to property owners who rely on rental income for the viability of their business.

end

The material above can be attributed to Tom Forrest, CEO, Urban Taskforce Australia

*The **Urban Taskforce** is a property development industry group, representing Australia's most prominent property developers and equity financiers.*

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