

11th February 2021

The Hon Dominic Perrottet, MP
Treasurer, and Minister for Industrial Relations
52 Martin Place
SYDNEY NSW 2000

Land tax charges on NDIS development

Dear Treasurer

I write in relation to the current NSW regime of charging land tax on developments provided for the purpose of residential accommodation under the National Disability Insurance Scheme (NDIS).

In 2016 the NDIS introduced a funding provision to allow people with a disability to move into accessible and affordable housing, called Specialist Disability Accommodation (SDA). The policy provides the opportunity for the delivery of new housing that is accessible and potentially affordable, including options that enable people with disability to live with their partner and/or children.

Urban Taskforce members advise that, despite Commonwealth funding provisions, the delivery of SDA in NSW has been limited and is failing to meet demand. To facilitate increased delivery of this important housing product, governments need to ensure that investing in and developing SDA is viewed as a viable option by the private sector.

The viability of SDA in NSW could be greatly improved by one change to the NSW taxation regime - the removal of land tax. The removal of land tax for SDA developments would bring it into line with other jurisdictions and greatly improve private sector investment. Please refer to the attached table – *Comparison of Land Tax Exemptions*.

In the interests of providing additional housing for some of the more vulnerable members of our community, Urban Taskforce urges you to consider a change to the charging of land tax in NSW.

I look forward to your advice in relation to the suggestion made.

Yours sincerely



Tom Forrest
Chief Executive Officer

Comparison of Land Tax Exemptions

Is Land Tax exempt for:

	Aged Care	Retirement Villages	NDIS Housing	Boarding House	Caravan Parks
NSW	Yes Section 10R of the <i>Land Tax Management Act 1956</i> (NSW)	Yes Section 10R of the <i>Land Tax Management Act 1956</i> (NSW)	No	Yes Section 10Q of the <i>Land Tax Management Act 1956</i> (NSW)	Yes Section 10Q of the <i>Land Tax Management Act 1956</i> (NSW)
Victoria	Yes Section 76 <i>Land Tax Act 2005</i> (Vic)	Yes Section 78 <i>Land Tax Act 2005</i> (Vic)	Yes Section 67A <i>Land Tax Act 2005</i> (Vic)	Yes Section 75 <i>Land Tax Act 2005</i> (Vic)	Yes Section 76 <i>Land Tax Act 2005</i> (Vic)
Queensland	Yes Section 51 of the <i>Land Tax Act 2010</i> (Qld)	Yes Section 57 of the <i>Land Tax Act 2010</i> (Qld)	*Yes Section 51A of the <i>Land Tax Act 2010</i> (Qld)	No	Yes Section 54 of the <i>Land Tax Act 2010</i> (Qld)
Western Australia	Yes Section 38A of the <i>Land Tax Assessment Act 2002</i> (WA)	Yes Section 38 of the <i>Land Tax Assessment Act 2002</i> (WA)	No	No	Yes Sections 39A and 39B of the <i>Land Tax Assessment Act 2002</i> (WA)
South Australia	Yes Section 5(10)(ca) <i>Land Tax Act 1936</i> (SA)	Yes Section 5(10)(e) <i>Land Tax Act 1936</i> (SA)	Yes Section 5(10)(c) <i>Land Tax Act 1936</i> (SA)	No	Yes Section 5(10)(d) <i>Land Tax Act 1936</i> (SA)

*A property is exempt from land tax if it provides a residential service accredited at level 3 under the *Residential Services (Accreditation) Act 2002* (Qld). This is renting a room in a residential premises with more than one room where a service of regularly providing a resident with:

- (a) help in:
- (i) bathing, toileting or another activity related to personal hygiene; or
 - (ii) dressing or undressing; or
 - (iii) consuming a meal; or
 - (iv) meeting a mobility problem of the resident; or
 - (v) taking medication; or
- (b) help in managing the resident's financial affairs,

but does not include where funding is provided under the *Disability Services Act 2006* (Qld). Although some group homes may receive this funding and not fall into the exemption, most group homes would at a minimum be eligible.