

## **C. J. [Mike] Danzey.**

Qualified and Certified Real Estate Valuer.  
7. Bronte Marine Drive. BRONTE. NSW. 2024.  
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The Hon. Gladys Berejiklian  
Premier of New South Wales  
Premier Department.  
52. Martin Place.  
SYDNEY. 2000.

3<sup>rd</sup> February 2021

By registered post

Dear Premier.

The Clients listed below, advise that they reluctantly propose to: -

- ***“Withhold payment of State Land Tax [SLT] for the 2021 Tax Year until the unanswered correspondence [see copies attached] is answered and the important issues raised in that correspondence are dealt with in detail”.***

### **SLT design/agenda undermines the fiscal viability of: -**

*Exclusively rental apartment buildings (“ERAB”) if Privately Owned - especially in SEPP10 Council areas where Governments advise a rental housing crisis exists and invest \$Billions in government subsidies for rental housing to address that rental crisis.*

***Our decision to withhold SLT is not about profit, it’s about survival and continued ownership of the relevant ERAB properties.***

Clients ERAB – Stanmore-Sydney- Bronte currently housing about 120 residents in secure quality affordable rental housing in areas, government insists a rental housing crisis exists.

Client No 415492	-	SLT. 2019	\$505.pw
Client. No. 112762914	-	SLT 2019.	\$630.pw.
Client. No.1290399	-	SLT 2019.	\$864pw
Client. No. 83675405	-	SLT 2019.	\$498pw

**SLT alone is \$2,497pw for the above properties.**

*While SLT undermines the fiscal viability of ERAB, \$Billions are to be invested in affordable rental housing by the State Government, because of that rental housing crisis, the Government refuses to answer this simple question?*

***“How is a rental housing crisis abetted, by undermining ERAB viability with SLT “?***

### **A brief comment on proposed formula to spread SLT to lands currently exempt.**

*LAND not now liable to SLT when sold, would enable the purchaser to avoid stamp duty if they agree that such previously exempt land then becomes perennially liable for SLT.*

*That proposal would constitute an immediate tax windfall to Property Developers , Land Dealers, Short term owners/Investors, Spec Builders and others.*

***The proposed formula is stated to only apply to land now not liable to SLT plus \$500.00***

***Accordingly, the formula targets are: -***

- \*The Family Home on Freehold land***
- \*Farmlands***
- \*Nursing homes, and***
- \*Boarding houses and the like.***

***If the Proposal was implemented, Family Homes (unlike business and commercial land owners) cannot claim the costs of such taxation and other costs against Federal Tax liability.***

***SLT has reached exceptionally high almost usurious levels. The proposed initial formula will further exploit such tax in very unfair ways, under the not too subtle guise of extending the scope of the Tax reducing the initial annual rate, but increasing the liability overall by making the levy an annual tax plus \$500.00***

***We submit that SLT should be waived on all relevant ERAB properties as from the 2021 Land Tax Year and continue for so long as those properties are used solely to provide accommodation for residents in secure quality affordable exclusively rental housing.***

***We also submit that the current rates of Stamp Duty should be substantially reduced (by at least 50%) and first home buyers should be given 3 to 5 years to satisfy payment of that reduced amount of Stamp Duty to ease the impact of that tax on those buyers, without simply leading to a further increase in the cost of housing.***

***We look forward to hearing from you at an early date in relation to these extremely important and current matters.***

***Yours truly,***

***C.J. Danzey.***



***Qualified Property Valuer***

***Landtaxforum.com***

***Attachments.***

**C. [Mike]. Danzey**  
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2020

EXPRESS POST

The Hon Dominic Perrottet  
Treasurer of New South Wales  
Member for Epping.

11/11/20

Dear Mr Perrottet.

**Re: Land Tax adverse impact on existing affordable housing stock.**

**Refer to: - Unanswered correspondence to Premier. Hon Gladys Berejiklian from**  
A] Yarran investments letter of June 2020 and follow-up letter of October 2020  
[Both letters attached]  
B] landtaxforum letter of 16<sup>th</sup> January 2019 [ Attached]

We are grateful the Premier advised the above correspondence has been forwarded to you for your comprehensive response to the issues raised in that correspondence.

It is not clear if, you are also in a position to respond to my meeting with Premier [ Then Treasurer] arranged by then Member for Coogee. Bruce Notley-Smith.

**At that meeting I advised**

*"State Land Tax policy was undermining the fiscal viability of exclusively residential rental apartment blocks housing about 120 residents and located in Council areas Government insisted were experiencing a rental housing crisis."*

The Premier then Treasurer assured. I would receive a detailed response to my personal representation in conjunction with Mr Bruce Notley-Smith. No response has been received by me after such a long period of time.

I look forward to hearing from you and your Department in detail at an early date regarding the extremely important matter raised. I am happy to address any issues you may wish to raise, either in person or by further detailed written submission.

Yours sincerely,



Cc The Premier and Local Member.

YARRAN INVESTMENTS. PTY LTD  
PO. Box 678. Waverley. NSW...2024  
Phone. 0408416588. Email.

[mikedanzey@gmail.com](mailto:mikedanzey@gmail.com)

7<sup>th</sup> October 2020

The Hon. Gladys. Berejiklian.  
Premier of New South Wales.  
Member for Willoughby.  
280 Willoughby Road.  
NAREMBURN. NSW. 2065.

Dear. Premier

**Subject:** *AFFORDABLE RENTAL HOUSING – see copy letter of 19th June 2020 attached.*

We seek your urgent response to our correspondence in relation to the very important issues raised in our correspondence to your department and yourself – which is currently unanswered or even acknowledged as at today's date.

We understand the information requested by this Company requires a detailed response and this may have taken some time for your officers to obtain, however the matter cannot be disregarded any longer.

*Please see the attached copies of our unanswered correspondence: -*

*1] Yarran Investments P/L letter of 19<sup>th</sup> June 2020. [ I represent Yarran P/L]*

*2] landtaxforum. letter dated 16<sup>th</sup> January 2019. [ This forum is a web-site]*

In addition, you have not responded to the representations made to you at our meeting with you at Parliament House on the \_ insert date\_ (arranged by Mr Bruce Notley-Smith who was at that stage the State member for Coogee.

At that meeting I provided examples how State Land Tax ("SLT") undermined the fiscal viability of private funded housing stock of **"exclusively rental apartment building, all providing secure affordable rental housing"** located in. **Waverley-Stanmore –Darlinghurst. Council areas.**

As you are all too well aware, your State Government and Local governments and others proclaim and insist that there is a rental housing crisis. At the same time while

claiming it is necessary to spend Billions of Taxpayer funds to provide affordable rental housing resulting from the overall rental housing crises.

It is inappropriate to say the least to expect Owners/Providers to remain silent while your NSW State Governments Land Tax agenda destroys the fiscal viability of this very significant rental housing stock.

By imposing Land Tax plus the Affordable Rental Housing Tax in situations where it is proposed to convert these apartment blocks to Strata Title.

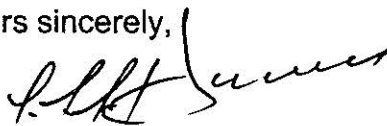
This very onerous imposition occurs at the same time as your government announces various Land Tax reductions for "new build to rent" residential developments. How can these financially competing situations be allowed to co-exist.?

I understand the timing for the preparation of a detailed response may require additional time while your government manages the impact of COVID19 pandemic but an "in principle policy response" is urgently required.

The issue highlighted above has adversely impacted the affected rental buildings very seriously with resulting vacancies and pressure for significant rental adjustments.

We will be grateful to receive your detailed response to above correspondence attached.

Yours sincerely,



**C. [Mike]. Danzey**  
Qualified and Certified Real Estate Valuer [1969]

*Encl (2) Attachments.*

YARRAN. INVESTMENTS PTY LTD  
PO Box. 678. Waverley. NSW. 2024.  
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Landtaxforum.com.au

The Hon. Gladys. Berejiklian.  
Premier of New South Wales.  
Member for Willoughby.  
280 Willoughby Road.  
NAREMBURN NSW 2065

May 2020

**Dear Premier,**

**Subject: Elimination or substantial reduction of State Land Tax to encourage Social and Rental Housing:**

**Client 1290399. State Land Tax [SLT] 2020 has been increased to \$45,200.**

The current SLT on the above property known as 36 Alfred St, Bronte, 2024 has increased by an amount equal to \$100p/w since the SLT assessment for 2018. This increase has virtually collapsed the fiscal viability of the existing use of the property as "*Exclusively Rental Residential Apartment Building*" [ERAB], if privately owned and funded. This is one of many examples of ERAB providing secure affordable housing being fiscally subverted by SLT.

Accordingly, I ask you and your advisers to reflect upon and respond to the comments and questions I have set out below:

1. *Why is SLT used to collapse fiscal viability of property on land when the existing use is ERAB?*

If USE as "exclusively rental housing" is effectively removed while Politicians and their advisers and social commentators state that "a rental housing crisis exists" in many council areas in the State, how can you and your government remain silent on the impact of SLT in its present form undermining ERAB fiscal viability of those relevant properties? IT is at best contradictory and in reality, makes no sense.

2. Previous submissions made on this topic have in the past received the same drafted formula reply from the Treasury which avoids the essential issue - a tactic to control and evade the need for prompt action on this important issue.

*"State Land Tax is needed to fund schools, roads and hospitals"*

While the need for the above is correct and fully recognised, a "broad brush" approach to the imposition of SLT does not assist solve the real problem. Hundreds of millions of dollars of funding is made available to subsidise rental housing and, in includes the imposition of taxation on some properties which render them unaffordable for renters. This position is further impacted the addition of the Affordable Housing Tax on new developments and Strata Approvals. Affordable

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Housing is of course supported when need exists. However, the following question is never directly answered.

*“How is a rental housing crisis ameliorated by a SLT agenda that, impacts fiscal viability of ERAB property”?*

3. Private/social rental housing became a political football in NSW as early as the 1928 elections and remains so to the present time. Why does this issue continue to exist in its present form?

#### **Important observations and queries:**

- ERAB requires a Freehold site - SLT design and application target and Impacts such sites.
- VG imposed land tax valuations - ignore existing use as ERAB of any freehold land. What is the justification for this?
- VG land tax valuations of ERAB sites applies as comparable, land sales *not liable to SLT*. Why does this anomaly persist?
- Unlike commercial tenants, residential tenants cannot claim rental payments as Federal tax deduction (apart from any small areas if, used as a home office).
- Politicians and others, in many council areas, constantly advise of a rental housing crisis in many parts of New South Wales.
- SLT impacts ERAB significantly in those council areas which are identified by many politicians and others advise, have an affordable rental crisis, and indeed a general renting crisis.
- The way the SLT is currently designed and imposed destabilises ERAB fiscal viability of property and, in turn, exacerbates the rental and affordable renting housing crisis. Why is it permitted to continue in such form when it has such an adverse impact on this important issue?
- ERAB use property is restricted in its intended purpose of providing affordable stable rental housing as it is currently targeted by SLT. That position should be remedied as soon as practicable.
- The current design and imposition of SLT is “Machiavellian” at best and discourages any constructive focus on it and awareness of it by Tenants, commentators, analysts and the media. Treasury responses to date simply obfuscate the real issue and adverse impact of the current SLT structure.

In NSW, the following recent attempts have been made to expand SLT:

#### **Changes to SLT that was imposed:**

- **Carr Governments-** Premium Property SLT targeted homes in Sydney inner council areas. Catchall SLT on rental housing and small business. Both taxes collapsed as Bob Carr resigned.

#### **Changes to SLT that was Proposed:**

- Mike Baird as Treasurer proposed a catchall SLT at 0.7%. A major transfer of SLT to residential land, especially on freehold homes. Mike Baird was sent a confidential

report showing impact on freehold homes and his likely defeat in Manly. He subsequently asked the report be sent to Treasury. Catchall SLT not proceeded.

- Subsequent proposals called SLT a Levy.

#### Concerns:

- *Unfunded* State Superannuation of **\$49 billion** which is proposed to be funded by 2030, may be a strong factor driving Treasury's persistent efforts to impose/expand SLT to a 'catch-all' Land Tax in NSW. This is proposed as Treasury must be aware that a 'catch-all' state Land Tax will be inequitable and an attack on the family home – especially homes occupying freehold land. SLT now attacks tenants homes provided by existing ERAB
- Rental Housing became a political issue during the 1928 NSW Election and remains a '*political football*' which has constant support of the left-wing faction of politics. NSW continued to impose a momentous subsidised rental housing lockdown from 1946 to approximately 1990 (which was introduced by the Federal Government as a war-time precaution). This was a mass enforced rental and occupation lockdown which was totally funded by existing private rental housing providers. Numerous ERAB's were fiscally impacted by this lockdown, where it became a post-war political tool.
- Currently, a several decades later, existing ERAB's are being impacted by State Land Tax. Is there a pattern emerging here? The consequences of this rental and occupation lockdown left many suburban areas of Sydney (such as Paddington, Newtown, Balmain etc.) labelled as slum areas. As reflected by the idiom first said by Ben Chifley: *To get and remain elected, you create policies that touch the hip-pocket nerve*'.

#### Conclusion

I ask you respond in detail to the questions I have set out in this letter.

*“How is a rental housing crisis ameliorated by a SLT agenda that, impacts fiscal viability of ERAB property”?*

I request that your government change the existing SLT policy as it clearly is subverting ERAB. This is especially relevant in the Council areas where your Government and others [e.g. social housing lobbies] are constantly emphasising the existence of a rental housing crisis whilst remaining silent about SLT.

This consequently undermines the fiscal viability of existing ERAB. This is occurring while taxpayers are called upon to fund more taxpayer subsidised housing. In my opinion, this is significantly influenced by the concern that the gentrification of many council areas is altering the political allegiances of the residents.

Yours Faithfully, C.J. [Mike] Danzey Qualified and Certified Real Estate Valuer  
Yarran Investments P/L





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16<sup>th</sup> January 2019

The Hon. Gladys Berejiklan. MP.  
Premier of New South Wales  
Member for Willoughby.  
GPO. Box 5341.  
SYDNEY. NSW. 2001.

Dear Premier.

Regarding. - Obtaining the statistics of the number of Affordable/Social Rental Housing stock of each provider within City of Sydney (CoS) Council area.

The CoS proposes changes to its existing *Affordable Housing Code*, rising to 24% contribution tax to increase stocks of social / affordable rental housing from new residential developments. "This forum supports Affordable Housing when need is established, however, this proposal does not include any empirical data to support its implementation. This, therefore, raises our suspicion that there is, an element of political engineering funded by taxpayers to address concerns that gentrification is altering the inner-city electorates political allegiances.

The State governments proposed additional significant investment in affordable housing, we assume you would have, or have available this information and we would appreciate receiving it in due course. We wish to obtain the following information regarding Social/Affordable rental housing stock within the City of Sydney Council area:

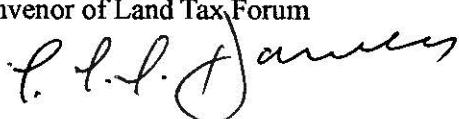
- The number of NSW housing Commission apartments.
- The number of apartments owned by City of Sydney Council.
- The Number of private low rental apartment buildings within a 5-kilometre radius of the GPO, which are State Land Tax exempted when rentals do not exceed; \$249 (1-Brm), \$331 (2-Brm), \$413 (3-Brm).in 2017
- The number and details of Social Rental Housing portfolios managed by all government, semi-government, and non-profit groups such as; Bridge, Shelter, etc.
- The number of registered boarding houses.
- The number of Social Affordable Housing sourced in developments in areas such as; Green Square, etc.
- The Number of rent assisted housing and the annual cost to State Government.

<b>Land Tax imposed on private rental housing 2017 assessed in 2018</b>		
<i>Council Area</i>	<i>Number of rental properties</i>	<i>State Land Tax (SLT) (\$)</i>
City of Sydney	9273	39,932,049
Woollahra	5973	62,791,547
Waverley	6969	49,142,354
Randwick	8311	48,947,272
Botany	1499	10,571,481
Marrickville	5238	21,678,815
Leichardt	4888	23,912,912

North Sydney	5473	27,342,082
<i>Total</i>	<i>47,624</i>	<i>284,318,512</i>

The data reflected in table above was provided by the NSW Office of State Revenue – and denotes the State Land Tax that is imposed on private rental housing in CoS and all the council areas that are immediately adjacent to the CoS and we are advised it is conservative. We are puzzled as to why the CoS has determined there is such a need for social/affordable housing - to the degree where a significant contribution -tax rising to 24% of housing stock of future residential redevelopments, would be contributed to social/affordable housing - whilst such excessive SLT is subjected to private and exclusively rental housing in the council areas denoted above and never raised at any level of government. We are also confused as to why the CoS council has determined that – if, the council feels that this proposal is necessary – then why is it specific and isolated within the CoS area? We feel that these notions reflect a clear contradiction, and this is why we are seeking the information above and believe an explanation is warranted.

Yours. Faithfully  
Mike. Danzey  
Qualified Property Valuer  
Convenor of Land Tax Forum



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The Hon. Pru Goward. MP  
NSW. Minister Social Housing.  
167—169. Auburn Street.  
GOULBURN. NSW. 2580.

Dear Minister Goward,

Regarding - obtaining the portfolios/statistics of the number of Affordable/Social Rental Housing stock of each provider within City of Sydney (CoS) Council area.

The CoS proposes changes to its existing *Affordable Housing Code to a 20% contribution* to increase stocks of social / affordable rental housing from new residential developments. This forum supports Affordable Housing when need is established, however, this proposal does not include any empirical data to support its implementation. This, therefore, raises our suspicion that there is an element of political engineering to address concerns that gentrification is altering the inner-city electorates political allegiances.

As the Minister for Social Housing, we assume you would have this portfolio information and we would appreciate receiving it in due course. We wish to obtain the following information regarding Social/Affordable rental housing stock within the City of Sydney Council area:

- The number of NSW housing Commission apartments.
- The number of apartments owned by City of Sydney Council.
- The Number of private low rental apartment buildings within a 5-kilometre radius of the GPO, which are State Land Tax exempted when rentals do not exceed; \$249 (1Brm), \$331 (2Brm), \$413 (3Brm).in 2017
- The number and details of Social Rental Housing portfolios managed by all government, semi-government, and non-profit groups such as; Bridge, Shelter, etc.
- The number of registered boarding houses.
- The number of Social Affordable Housing sourced in developments in areas such as; Green Square, etc.
- The Number of rent assisted housing and the annual cost to State Government.

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Total	47,624	284,318,512

The data reflected in table above was provided by the NSW Office of State Revenue – and denotes the State Land Tax that is imposed on private rental housing in CoS and all the council areas that are immediately adjacent to the CoS. We are puzzled as to why the CoS has determined there is such a

CD

need for social/affordable housing - to the degree where a significant contribution of 20% of housing stock of future residential redevelopments would be contributed to social/affordable housing - whilst such excessive SLT is subjected to private and exclusively rental housing in the council areas denoted above and never raised at any level of government. We are also confused as to why the CoS council has determined that – if the council feels that this proposal is necessary – then why is it specific and isolated within the CoS area? We feel that these notions reflect a clear contradiction, and this is why we are seeking the information above and believe an explanation is warranted.

Yours. Faithfully  
Mike. Danzey  
Qualified Property Valuer  
Convenor of Land Tax Forum

A handwritten signature in black ink, appearing to read 'M. Danzey', written in a cursive style.

# Land Tax Forum.

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3<sup>rd</sup> April 2018

THE. Hon Dominic Perrottet. MLA.  
Member for Epping  
Treasurer of New South Wales.  
52. Martin Place  
SYDNEY. NSW. 2000.

[mikedanzey@gmail.com](mailto:mikedanzey@gmail.com)

Dear Dominic Perrottet.

**Subject. A catchall State Land Tax [SLT] for NSW.**

Seek your response.

“Why? You support imposing a catchall SLT on Family Home” Treasury is aware, taxes and other annual costs are not deductible against Federal tax liability in contrast with SLT liable and other costs on land used for business are deductible against Federal tax liability. Accordingly, a catchall SLT produces the following.

- A] SLT is reduced on existing liable land.
- B] SLT on Family Homes especially, impacts Homes on Freehold land  
Why do you and current NSW State Government support such an inequitable spread of SLT demanding a full explanation

### **Brief comments about recent history of a Catchall SLT.**

- 1] Carr Governments. Baleful SLT impost on Family Homes-Premium Property
- 2] Carr Government Imposed SLT on all rental housing. and small. Lasted 12 months. Carr and Egan resigned.
- 3] \*Barry O'Farrell attempts to introduce a Catchall SLT, calling it a “Levy”
- 4] Mike Baird's as Treasurer proposed a universal 0.7%. SLT Not proceeded. A confidential report was sent [ available] Baird sent to Treasury. So sever and unfair was the impact it would likely see Baird lose Manly
- 5] Gladys Berejiklan Treasury, proposed a Levy to fund Emergency Services. A Catchall SLT called a Levy. Not proceeded with at this time.

SLT subverts “private funded exclusively rental housing and Small Business need of a freehold site”. While Governments warn of a rental housing crises, especially, in SEPP10 Council areas, requiring more subsidised rental housing, while enabling “Built to Rent with SLT remission”. Done, refusing to explain How? Subverting private funded exclusively rental housing with SLT assists a rental housing crises.  
Yours. Faithfully

In the State electorate of Hawkesbury 2017. SLT 1,107 rental properties  
\$3,500,000.

\*  
\*

In your electorate of Hawkesbury in 2017, SLT was imposed as fol-  
lows.

Rental housing. 1,107 liable \$3,425,000.0.  
\$8,170,500.0.

Business. 1252 liable

Yours. Faithfully.

C.J. [Mike] Danzey.

Qualified and Certified Property Valuer.

Convener of [landtaxforum.com](http://landtaxforum.com)