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Select Committee on Housing Affordability

Members: Ms Jen Butler, Ms Cassy O'Connor, Ms Joan Rylah, Ms Alison Standen, Mr John Tucker.

Dear Members,

I attended the above enquiry as a matter of interest as an observer on the morning of the 15th August.

I advise I am a significant investor in Hobart property and have currently over 20 residential properties acquired progressively over 35 years let.

The most recent example is a property in Sandy Bay purchased for \$570,000.

The stamp duty on this purchase was \$21,573.

If this amount is amortised over 10 years the relevant cost would be \$2,157 per year.

I pay land tax of \$2,776.80 per year on this property.

The total of these two Government charges is \$43 and \$53 per week respectively.

Another Government charge is that of payroll tax when I employ a firm to do necessary repairs and I cannot calculate this amount but a tax on business size is a very unpopular tax.

What I am saying is that one of the major costs of property is Government charges (to the owner) or conversely Government revenue to the State.

All States have Housing Affordability problems and all States have similar major costs flowing through to rental expenses for tenants.

If all three of these taxes could be re-allocated to a higher G S T for everyone then these costs would not be allocated to tenants as the landlords would not have the expense.

What I am saying is that the States must have and need the current revenue but if all states calculated what they received in above and had the Federal Government raise the equivalent amount by adjusting G S T and paying the States so no State would be better or worse off.

The above would remove three very unpopular taxes, maintain the States revenue and make tenants better off as landlords would not have to pass on the current taxes to tenant.

This would assist in creating more affordable housing.

Your specific task is looking at AFFORDABILITY and as specified the State Government are the biggest cost outside interest expense.

I look forward to reading the results of your deliberations.

Yours faithfully


Robert Rex

PS Please feel free to contact me if you wish.

16th August 2019