



Legislative Council Economy and Infrastructure Committee

Inquiry: Inquiry into Land Transfer Duty Fees

Hearing Date: 28 June 2023

Question[s] taken on notice

Directed to: Australian Property Institute

Received Date: 18 July 2023

1. David Davis, page 28

Question asked to Amelia Hodge:

David DAVIS: What is the next-highest rate? You may not know the exact number. You can take it on notice.

Amelia HODGE: I do not know the answer to the tax rate. I think, as you know, different states have different frameworks, so it might be something around infrastructure charges, but that is just a tax. I do not know the details on the states, but I am happy to do some work on that because our members would be able to find that.

Response: The following information has been obtained from API members around Australia. The API cannot guarantee the accuracy of this information and recommends that the Committee undertake their own research:

Jurisdiction	Legislation	Tax Rate
ACT	<i>Planning and Development Act 2007 (Betterment Tax)</i>	75% of uplift in value
Tasmania	N/A	N/A
NSW	N/A	N/A
Queensland	<i>Economic Development Act 2012</i>	Charges a fee rather than percentage
South Australia	N/A	N/A
Northern Territory	N/A	N/A
Western Australia	N/A	N/A

2. Bev McArthur, page 31

Question asked to Amelia Hodge:

Bev McARTHUR: Do you have a view, or does your institute have a view, on how school zoning affects the property market?

Amelia HODGE: No. That is a really interesting proposition. I will have to look into that.

Response: The issue of school zoning and its impact on property values relates to the position of the individual property. A residential property located within a desirable school zone would, all other things being equal, be expected to experience higher demand from purchasers wanting to locate within the school zone than an equivalent property positioned outside the school zone. However, all properties are different and there may be numerous other factors or variables that impact the decisions of market participants.

The role of the valuer is to provide their professional opinion as to the most likely prices that would be negotiated between a willing seller and a willing buyer if the property was offered to the market as at the date of the valuation. The valuer investigates and analyses the market that the property that is the subject of the valuation transacts in and then interprets market sentiment. This is done by gathering information about the subject property and sales evidence in the locality. The sales evidence is compared to the subject property and allowances and adjustments are made for differences (both positive and negative) between the sales evidence and the subject property. The valuer is not setting the market, rather the valuer is interpreting the market and providing their opinion as to the market value of the property as at the valuation date.

The location of a property within a school zone is just one factor/variable that the market (and therefore the valuer) considers. It can result in a premium paid but that is decided by the market pertaining to each school zone. Locational factors such as proximity to desirable lifestyle aspects (e.g. close to the CBD, close to the beach, close to shops etc) are all relevant. School zone locational boundaries are just another aspect that is taken into consideration when valuing a property. There is no definitive evidence to indicate the quantitative impact on property values in a school zone versus those outside.