



NSW

Member Alert

Vendor Transfer Duty and Mini Budget Issues

HIA met this morning with the NSW Treasurer's office to further discuss the impact of the NSW Mini Budget and in particular, the vendor transfer duty (VTD).

HIA had previously expressed concerns about the application of VTD and the potential for it to become merely another valued added tax, which would further erode affordability. HIA were assured that it is clearly not the intention of the NSW Government to apply the VTD in this way.

As a result of the meeting, members should have a greater degree of comfort that the VTD will be applied so as to quarantine "genuine residential builders and developers" from the impact of the new duty. The definition of "genuine residential builders and developers" is most likely to be linked to definitions under the Federal GST tax laws, making compliance easier.

While the legislation is still being drafted, it is intended that the VTD not apply where buildings are being significantly renovated or refurbished for sale and/or where the developer incurs significant costs for remediation, etc and subsequently sells at a higher price. These and other case studies will be worked through as the legislation is finalised.

HIA also raised the issue of retrospectivity, where two equivalent properties may be up for sale with one having been purchased originally over 30 years ago. The impact created by the VTD and the estimate of current capital value will be reviewed in order to remove any distortions from the system. This will allow for those two properties to be valued on a more equitable basis.

If you have a case study that you feel requires clarification, please forward the details to HIA and we will be pleased to take the issue up with the Office of State Revenue. HIA will update you with further information as the legislation progresses.

BASIX online from tomorrow

BASIX, the Building Sustainability Index, developed by the NSW Government will apply from 1 July 2004 to all detached housing and some attached housing e.g. terrace housing. From tomorrow, BASIX will be available on line at www.basix.nsw.gov.au for members to review and trial. This trial period will finish on **31 May 2004**.

The BASIX web program includes supporting notes and design guidelines and should allow for members to test their own plans against the new requirements. If you have any technical problems, contact basix@dipnr.nsw.gov.au or call the Sustainability Unit, Department of Infrastructure, Planning and Natural Resources (DIPNR) on 02 9762 8000.

The NSW Government are holding free industry briefing sessions on 6 May at Parramatta. Seven, 2 hour intensive training sessions are also planned. You can register at the above email address or phone DIPNR on 02 9762 8000.



Questions ?



02 8878 0400