

27 May 2016

IPART  
PO Box KI35  
HAYMARKET POST SHOP NSW 1240

**Attention: Mr Derek Francis**

Dear Mr Francis

### **REVIEW OF NSW LOCAL GOVERNMENT RATING SYSTEM**


Thank you for the opportunity to make a submission on the Discussion Paper. As you may be aware, Meriton is Australia's largest residential apartment developer with an extensive portfolio of residential apartments across the Sydney Metropolitan Region.

We have reviewed the report and believe that the final report must recommend to the Government to retain the current system for the reasons listed below:

- The market has already slowed down so extra taxes will only exacerbate any downturn. Any consideration of such a significant change must wait for the property market to stabilise and start increasing again.
- Using the CIV approach will increase cost of unit ownership and consequently reduce demand for units and slow down housing supply.
- Slowing of housing supply will slow down other forms of Government income – land tax, stamp duty, s94 etc. This has not been taken into consideration in the IPART Report.
- Multi-unit developments make contributions beyond private dwellings by:
  - Providing their own on-site services (childcare centres, shops,
  - pools, gyms, communal space, playgrounds etc) which reduce demand on Council services
  - Unit owners are also subject of strata fees to fund on-site services at the expense of relying on public services/facilities
  - Being well-located for access to public transport placing less demand on roads and other Council owned infrastructure
- Councils are already distracted by amalgamations and the requirements for this process are too great for Council's who cannot recover any additional rates through this process.

We trust that you can accommodate our points in your recommendation and we can discuss further at our meeting next week.

Yours faithfully  
**MERITON GROUP**

  
Matthew Lennartz  
**Executive Planner**