

Tax Working Group Public Submissions Information Release

Release Document

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Key to sections of the Official Information Act 1982 under which information has been withheld.

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people;
- [2] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage.

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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

From: Trevor [1]
Sent: Saturday, 22 September 2018 7:49 AM
To: TWG Submissions
Subject: Submission to tax working group

Hello working group,

May I politely point out non-factual statements in your document.
You state:

"The tax system is not responsible for constraints in the supply of housing, but it does influence demand for housing. Certain features of the tax system – such as the inconsistent treatment of capital income – have probably exacerbated the house price cycle in New Zealand, even if the tax system is not the primary cause of unaffordable housing."

This is factually untrue to a huge degree.

Please have all the working group read the associated persons act IR620 and deliberate on how this affects investors in property and the housing supply.

If you still do not understand the connection, please ask a tax advisor who advises investors in property – I can put you onto one, if you do not have anyone to ask.

FACT – House prices are a feature of supply vs. demand – If more houses are built than the demand the price goes DOWN

Successive government policies have CAUSED the housing shortage, but being politicians, they cannot admit it and instead create another bill so they can look like they are doing something.

See below just a few:

1. Removal of depreciation deduction on rental properties – a chip off the benefit of having rental properties
2. The kiln dried timber policy which led to the leaky building crisis – vastly impacted housing supply whilst builders rectified defects instead of building new
3. The reaction to the leaky building crisis by regulating amateur built homes that were nothing to do with the leaky building crisis – removed supply and added cost
4. Removal of LAQC tax deductions on property building – removed an incentive to invest in property
5. The RMA and the way successive councils have milked this to death to provide great income for the councils and huge wage increases for council staff by leaving and becoming required consultants
6. The associated persons act – more and more with rentals who also built properties exited building houses except large corporations with many directors – one of the main supply of the housing supply was removed at a stroke.

When I brought the the Associated Persons Act to the attention of the minister of housing, they did not understand the correlation and said it was a "tax matter not a housing matter"

I hope this working group has more intelligence than the minister of housing, who is now about to copy the UK model and build vast new housing slums.

Many Thanks

Regards
Trevor Dance
3 Musson Drive
Waiheke Island
[1]