

CORRECTED VERSION ONLY

STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

Subcommittee

Inquiry into the State Taxation Acts Amendment Bill 2015

Melbourne — 15 June 2015

Members

Mr Joshua Morris — Chair

Mr Philip Dalidakis

Mr Khalil Eideh

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Ms Colleen Hartland

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Witness

Mr Rob Parker, chair, state taxes committee, Law Institute of Victoria.

The CHAIR — I declare open the Legislative Council economy and infrastructure committee public hearing. This hearing is in relation to the inquiry into the State Taxation Acts Amendment Bill, and I welcome Rob Parker from the Law Institute of Victoria. All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and is further subject to the provisions of the Legislative Council standing orders. Therefore you are protected against any action for which you say here today, but if you go outside and repeat the same thing, those comments may not be protected by this privilege. All evidence is being recorded, and you will be provided with proof versions of the transcript in the next couple of days.

We have allowed 45 minutes for this session. To ensure there is sufficient time for questions, the committee asks you to make some opening comments, to be kept at around 10 minutes or so. Finally, I remind you that this inquiry is only obtaining evidence in relation to how the measures in this bill would impact on housing affordability and housing supply in Victoria, so please consider your evidence to ensure it addresses these committee's terms of reference.

Mr Parker, I might just go through and introduce the committee. I am Joshua Morris, the chair of the committee. We have Mr Eideh, who is the deputy chair of the committee, Ms Hartland and Mr Dalidakis. This is a subcommittee of the committee. Obviously we are not all present today but we do have a subcommittee present for the hearing today. Welcome, Mr Parker, and I will throw to you.

Mr PARKER — First of all, apologies. Lily — I have forgotten her surname now —

Ms HARTLAND — Lily Tell.

Mr PARKER — yes, from the property and environment committee, was scheduled to appear, but she is not available today. Apologies for that, first of all. Obviously the law institute is fairly limited in the degree to which it can comment on economic issues. You will have received the law institute submission, I believe.

The CHAIR — Yes.

Mr PARKER — We have a number of concerns about it. One is the lack of prior consultation and the fact that the bill will become effective from 1 July in relation to the Duties Act and effectively on 31 December in relation to the 2016 land tax year, so it gives people very little opportunity to make adjustments and identify transactions that may be susceptible to the new imposition.

In terms of affordability of housing, I can only say that anecdotally I have heard that people are suggesting that they may purchase interstate — in Sydney in particular — as opposed to in Victoria. In terms of off-the-plan apartments, there is a balancing act there because in Victoria you get a concession for purchasing an apartment off the plan. You do not in New South Wales. As to whether the net effect of the added 3 per cent on the purchase of an off-the-plan apartment is going to outweigh the benefit of the off-the-plan concession, it is fairly much a balancing act, but I will give some examples. At the lower end of the scale it adds a significant amount of duty. The explanatory memorandum gives an example of a contract to buy an off-the-plan apartment for \$500 000, with concession bringing it down to \$300 000 after you take away the building costs. So you pay normal duty on \$300 000 plus you pay 3 per cent on the top-up. It adds about \$10 000 to the cost of an off-the-plan apartment compared to what you would pay in New South Wales. But, as I said, it is a balancing between the different components.

I will give another example. If you bought a \$2.5 million off-the-plan apartment, the difference becomes much more marginal because the value of the concession in Victoria begins to outweigh the additional 3 per cent. But obviously 3 per cent duty on the purchase of residential premises, new or otherwise, is going to be significant. The breadth of the new provisions is quite broad — corporations that are effectively foreign controlled. That includes Australian subsidiaries of foreign companies. And, in addition, trusts where there is a significant or substantial interest held by foreign corporations or foreign natural persons. So they are going to be fairly significant. They are probably much more far-reaching than what would appear on the surface.

Equally, the land tax provisions are also far-reaching, particularly with discretionary trusts, where you have got anybody who is a foreign object named in a trust deed or otherwise identified as a beneficiary of a trust. With the land tax, there is no transition, so it will apply equally to people who have existing properties that are held in the names of discretionary trusts. They will not have an opportunity to consider whether they will become subject to the provisions or not; they will just automatically become subject to them on 31 December. There is

no transition for people who have purchased properties — maybe 10, maybe 20, maybe 50 years ago — if they are in the name of a discretionary trust.

If the named beneficiary is a resident overseas — if they are non-citizens — then they will be potentially subject to those rules. We have had situations where, for instance, one of the partners I work with, her family discretionary trust includes her parents, who are Europeans and do not reside in Australia. Potentially anything in the named objects of that discretionary trust is subject to the new rules, even though the objects are not likely to benefit. The immediate objects are the partner concerned plus her immediate family, but because her parents are named as objects, then it potentially applies.

Ms HARTLAND — Sorry, could I just get you to explain that a bit more? So her parents live in Australia — —

Mr PARKER — No, her parents are European; they are not Australian citizens or residents.

Ms HARTLAND — But have lived in Australia?

Mr PARKER — No.

Ms HARTLAND — Right, okay.

Mr PARKER — Not as far as I am aware. The partner concerned is an Australian resident and Australian citizen, but because her parentage is from Europe her parents are named as beneficiaries of the family trust. The trust is in favour of her, her partner, children, but it also names her parents, so she is potentially subject to the new rules.

The CHAIR — Any further in your statement to begin, Mr Parker?

Mr PARKER — The only other thing we would like to point out is that there are some policy guidelines that the Treasurer has published on the State Revenue Office website, which I am sure you are aware of. Those guidelines are extremely broad and the discretions in the legislation are extremely broad — the Treasurer can consider a number of relevant factors which are enumerated but then any other circumstance. The content in those policy statements makes reference to contribution to housing stock in Victoria. That is something that is actually not mentioned in the legislation — it might be another relevant factor but it is not something that is specifically mentioned in the legislation. It leaves it open for the Treasurer to determine at a later stage that some other factor might be relevant, whether it might be housing stock or might be something totally different. There is the possibility of things just changing at the Treasurer's discretion or according to a change of Treasurer or a change of government.

The CHAIR — Thank you, Mr Parker. We might move onto questions, and I might begin with a question. In regard to those guidelines that you were speaking of earlier, can you give us some commentary around the legal status of those guidelines in your view as a result of them being published on the SRO website?

Mr PARKER — They probably do not have any legal status. Typically if the commissioner was vested with a discretion, the commissioner would exercise it in accordance with the administrative law guidelines and also in accordance with the requirements of the Taxation Administration Act. The Treasurer is not subject to any of those provisions, so if the commissioner publishes guidelines, then as a matter of administrative law he is bound to consider them, but it would seem that the Treasurer would not be subject to the same sort of restrictions. The guidelines would not have any legal status at all.

The CHAIR — So in terms of those guidelines, whether they may be tabled in Parliament or placed on the SRO website, that is not going to affect the legal status of those particular guidelines?

Mr PARKER — It might have some political status, but it would not have any legal status.

The CHAIR — Okay, very good.

Mr PARKER — The Treasurer could not be estopped from going back on whatever was published.

The CHAIR — Now, I also note in the law institute submission there are some issues raised about the doctrine of separation of powers and the rule of law in terms of the implementation of these laws. I am just hoping you could give some further comments on the issues that were raised there.

Mr PARKER — Yes, certainly. It is very topical given it was Magna Carta Day yesterday. As you will appreciate, the separation of powers, which derives from the Magna Carta, is basically that power of taxation is vested in Parliament and not in the executive. It is certainly the case that the Parliament can delegate powers. It cannot delegate the legislative power-making function itself. So whilst it is possible for Parliament to give discretion to the executive or to officials, given the breadth of the discretion in this case it is almost a case of we are delegating the whole function to the Treasurer to determine who might be subject to the new taxes and who might not be.

The CHAIR — To follow on from there, the concerns around transparency about who it is that may be exempt from these new taxes, does the law institute have a particular view around the transparency of who is going to be exempted from these particular taxes?

Mr PARKER — No, we do not, and that is one of the issues. It is going to largely be a matter of case-by-case analysis. I know the property council has had consultations with the parliamentary committee, so at the big end of town people like Stockland and Australand can probably get some certainty. But when you come down to smaller operators, it is going to be a case of making an individual application in each case or else just wearing the additional imposition. I do not know how the Treasurer would entertain applications by small-scale developers or individuals who are just buying a single property. I would imagine it is unlikely that the Treasurer is going to consider them in any sort of detail.

The CHAIR — In terms of transparency around those who are exempted, does the law institute have a view on whether or not those who are exempted whether or not that should be made public, in terms of which organisations have been exempted from these taxes and do not need to pay them?

Mr PARKER — We have not actually addressed that point. Personally I would have thought that there was an issue about confidentiality if they were published, but I could not put a point of view on behalf of the law institute; we have not actually discussed that issue.

Mr EIDEH — In these proposed changes, what do you think of the suggestion that they may encourage foreign and domestic investors to go to other states, and what is the impact in your view of these new proposals?

Mr PARKER — It is hard to say what the net impact would be; you would need to do some financial modelling. But, for instance, for the Chinese investors who are buying a lot of the off-the-plan apartments at the moment I think the east coast of Australia is probably just one generic destination, whether it is Melbourne or Sydney. I think they are in direct competition. Therefore it is just a matter of weighing up the additional cost in Victoria compared to doing business in New South Wales.

Mr EIDEH — They prefer to invest in the same in Victoria. Are you saying it is because they like Victoria or is it that maybe they are interested just in itself for investment?

Mr PARKER — Obviously it varies, but I would suggest a large proportion are just investing in Australia — in the east coast of Australia, whether it is Melbourne, Sydney or even Brisbane.

Mr EIDEH — So you think this may change the equation with regard to other states.

Mr PARKER — I think it is certainly a possibility, and, as I have said, I have had anecdotal evidence that people will just look to Sydney as opposed to Melbourne.

Ms HARTLAND — A couple of things that were in your submission, particularly around lack of consultation. Having been in the Parliament now for eight years, I have not seen either government do consultation very well. What would you think would have needed to have happened with this bill, because as you say there is a wide group of people that should have been consulted with?

Mr PARKER — Obviously, being a budget measure, you cannot consult prior to the budget. Also, given the tight time frame, there was a limited period of consultation, but in the past the law institute has been given confidential drafts of legislation in the drafting process to comment on. Now that might be in a tight time frame

but usually we can manage it, so we can identify drafting issues as they arise rather than have something appear in Parliament and then try and point out issues that might need attention whilst it is in Parliament. I think the key is to be able to consult at the drafting stage rather than the parliamentary committee stage.

Mr DALIDAKIS — Thank you for joining us today, Mr Parker. I just have a couple of questions just from the back end of what you have said, and then I will get back to the beginning of your testimony. Correct me if I am wrong, but as a legal professional, when you prepare — are you a barrister or solicitor?

Mr PARKER — I am a solicitor.

Mr DALIDAKIS — A solicitor. So when you prepare — when I went through my commercial law at university, you were always required to use case law to back up what you say. So, I am very interested in your desire to use anecdotal data, which cannot be quantified. I find it a somewhat flippant comment, so I am just wondering about your use of anecdotal information as opposed or distinct from more hard facts.

Mr PARKER — Well, obviously it is only a proposed law at the moment, so there are no hard facts. I only offer the anecdotal evidence for the purpose of assisting the committee; I cannot back it up. Until the thing is implemented it is hard to say exactly what its net effect would be.

Mr DALIDAKIS — I am trying to work out the reasoning for the law institute's presentation today. Is it because you are aggrieved that you were not consulted in the early stages of the drafting of the legislation and the preparation of the policy, or is it because there is actually an issue here that you feel strongly about?

Mr PARKER — Well, I am here today because we were invited. We made the submission on the basis of probably two different concerns: one is the initial lack of consultation, and the second is to do with a couple of technical issues to do with the bill. One is the rule of law issue, and the second is, as I said, the transitional issues with land tax where it applies equally to properties that have been owned for a number of years.

Mr DALIDAKIS — In terms of the transitional issues, let us jump to that straightaway. You are aware that of course whilst 1 July is the date that it comes in, the properties do not need to have been settled by that date. That has been made very clear in the process.

Mr PARKER — Yes, I am aware of that.

Mr DALIDAKIS — If you enter into the contract in good faith off the plan, which was one of the issues that you raised in your testimony, that in fact is no longer an issue because of course it does not matter when it settles as long as that contract has been entered into by 30 June.

Mr PARKER — That is what has been stated. I am not sure that that is what the legislation says, but that was not the point that I was making. I was referring more to land tax imposition, which applies to properties owned as at 31 December but it applies to existing housing stock as well.

Mr DALIDAKIS — Can you point me towards the Law Institute of Victoria's desire to have an impact on stamp duty as opposed to legislation?

Mr PARKER — Sorry, I am not sure I understand the question.

Mr DALIDAKIS — If you are concerned about the revenue growth of the state government in relation to stamp duty, where is the remit of the Law Institute of Victoria to comment on revenue issues for the state? I am just curious as to find the understanding behind your motivation.

Mr PARKER — In relation to the changes to the Duties Act, our submission and our concern is not on the quantum of revenue raised; it is on the manner of raising the revenue.

Mr DALIDAKIS — Okay, but it is still a revenue issue; it is not an issue of law, is the point that I am making. You can agree or disagree with that, but that is the point that I am making: that you are commenting on an issue of revenue raising, not an issue of legislation or legal precedent.

Mr PARKER — No, we are commenting on a legislative process.

Mr DALIDAKIS — That is not what I inferred. I could get Hansard to read back your testimony, but it will not add at this point. There are a range of other examples in taxation law where the Treasurer is able to make discretions. Are you aware of all of them?

Mr PARKER — Yes, I agree with that.

Mr DALIDAKIS — Okay, so are you questioning the validity of the Treasurer to be able to make those types of discretionary — —

Mr PARKER — No. As I said before, it is accepted that the Parliament can delegate functions to treasurers or to public servants for that matter — to the commissioner. It is a question of what is being delegated, whether it is a delegation of the function or whether it is a delegation of the legislative power itself.

Mr DALIDAKIS — Sure, but I note in your submission that you would make a preference, if I may, to suggest that you would be more comfortable if it was the commissioner of the SRO, for example.

Mr PARKER — Yes.

Mr DALIDAKIS — I am keen to try and tease out why you have more confidence in the commissioner rather than the Treasurer to be able to provide that kind of discretion.

Mr PARKER — It is nothing personal about the Treasurer or the commissioner. It is simply that the commissioner is subject to the requirements of the Taxation Administration Act, the commissioner is a public official, whereas the Treasurer is an elected official that is not subject to any sort of administrative review and not subject to the taxation admin act. If the commissioner was exercising the function, then it would be a function that was exercised subject to the taxation admin act.

Mr DALIDAKIS — But the commissioner is responsible to the Parliament and the Treasurer in particular. Again, I am trying to work out — if the Treasurer is responsible to the Parliament, then I fail to see a differentiation at this point as to whether it is the Treasurer or the commissioner of the SRO.

Mr PARKER — The Treasurer is responsible to the Parliament; the commissioner is responsible to the Parliament and to the courts.

Mr DALIDAKIS — I would in fact add that the Treasurer is responsible to the people of Victoria every four years as well. Moving along, you raised the issue of affordability. You implied — and feel free to correct me if you think my summary of your contribution is incorrect — that affordability of housing is at risk as a result of this. Is that an overstatement?

Mr PARKER — No, I did not raise affordability so much as just comparability between Victoria and other housing markets.

Mr DALIDAKIS — But this applies only to non-residents.

Mr PARKER — Yes.

Mr DALIDAKIS — So in fact the great percentage of purchasers of property are in fact either residents or in fact citizens, so we are talking about a very small proportion of either the population or in fact of the purchasers. Is that a fair assessment? Is that a fair summary?

Mr PARKER — Yes, I would agree with that.

Mr DALIDAKIS — So in which case, if we are talking about possible affordability or competitiveness, as you put it, were you aware that there was an NAB property study that showed that in fact interest from non-residents has grown from 5 per cent in 2011 to, I think it is, about 20 per cent recently?

Mr PARKER — I am aware of the study; I am not familiar with it.

Mr DALIDAKIS — So in fact if we were to talk about issues of affordability, that significant growth in the non-resident component of the market is actually probably driving up the affordability of the housing sector greater than anything else. Is that a possibility?

Mr PARKER — That might be right, but I do not think the law institute is in a position to comment on that.

Mr DALIDAKIS — Are you also aware that over the weekend a study was released by News Ltd showing that in fact Melbourne is the best place to live, work and raise a family in Australia? Are you aware of that?

Mr PARKER — I am not familiar with that one, no.

Mr DALIDAKIS — In which case, Melbourne and Victoria, ipso facto given that the legislation applies to the breadth and depth of this state, if the legislation has its intended consequences of applying only to non-residents, then by virtue of the fact that Melbourne and Victoria have a great deal to offer, there is a range of competitive issues within the marketplace to offset whatever the costs are for the purchaser vis-a-vis the benefits of purchasing here. Do you agree with that statement?

Mr PARKER — That may well be so. I am just commenting on the comparative costs of duty compared to, in this instance, New South Wales.

Mr DALIDAKIS — If we again go back to the issue of the non-resident element of the market being a relatively modest component of the overall subset of the market, would you also then agree that the issue of competitiveness with other jurisdictions across Australia is a small issue, not a large issue, in the overall scheme of the legislation before us?

Mr PARKER — I probably could not comment on that because I do not know the respective figures, and it would be speculation as to the net effect of the duty anyway because it may be that people buy in Victoria for totally — —

Mr DALIDAKIS — For different reasons?

Mr PARKER — For lifestyle reasons, for other reasons.

Mr DALIDAKIS — I concur with your answer, and I would respectfully put to you that if that is the case, then it is probably not wise to speculate that it would be an issue in relation to the legislation if you are unaware of the potential impacts within the state of Victoria. Is that fair?

Mr PARKER — I can only state that the imposition of duty in Victoria will be higher.

Mr DALIDAKIS — Sure, but you raised it as a potential issue but you are not aware of what the totality of that issue would be. Is that also correct?

Mr PARKER — No. As I said at the outset, we are not in a position to determine the economic impact of the additional duty.

Mr DALIDAKIS — So we can safely agree that you have not done any economic analysis of what that cost impact will be?

Mr PARKER — No, we have not done any economic analysis.

Mr DALIDAKIS — I appreciate your time, Mr Parker.

The CHAIR — We do have a little bit more time, so if we have got further questions, we might run through. I did just have one more if that is okay, Mr Parker?

Mr PARKER — Yes, sure.

The CHAIR — I wanted to quote from the submission, which says, under ‘Rule of law concerns’, in the final sentence in the second paragraph:

On this point, we note that the discretion is vested in the Treasurer, rather than the commissioner of state revenue.

Furthermore, the exercise of the power lacks transparency. The Treasurer’s decision is made ‘in writing’. There is no need to make a legislative instrument or to lay before Parliament the written decision that a person has been exempted from the taxation obligation. There is therefore no opportunity for Parliament to oversee the Treasurer’s decisions.

In terms of that and just to sort of flesh out the lack of transparency that is raised there, I am just contemplating who is involved in these particular decisions. We have a Treasurer, whomever it might be, and we have property developers of some description. I think probably in the view of many of the public politicians and property developers are sometimes viewed with a little bit of a question — whether it be right or wrong, but there is often that perception there in the community. So I am just wondering about what you may foresee as issues that result out of that lack of transparency between which exemptions may be made and to whom.

Mr PARKER — Well, yes, there is certainly an issue of transparency there. As I said, on one hand if the Treasurer publishes details of all the exemptions given, then there is an issue of privacy. On the other hand, if the Treasurer does not, then there is an issue of transparency and why exemptions may have been granted to one person rather than another. Whilst the Treasurer may be responsible back to Parliament and may report back to Parliament, there is nothing in the legislation requiring that.

Ms HARTLAND — Thank you very much for the submission. I found it extraordinary helpful, as I always do with the law institute's work, so I really appreciate that. This is a very technical bill obviously, so I was not actually expecting you to be able to come along and have detailed economic analysis to present to us. But are there other things that you think we should be looking at in the bill, things that might make it clearer, because I think the issues around transparency that you have raised are quite important?

Mr PARKER — I think we have raised the major issues. Obviously there would be more transparency if the relevant criteria were set out in more detail in the bill. As I said, there are three or four factors plus a catch-all of any other relevant circumstance, so it fairly much open. It would be of assistance if there was more objective criteria set out.

Mr EIDEH — In your view, are there any other measures that could be implemented to improve housing affordability?

Mr PARKER — I probably could not comment on that — not on behalf of the law institute anyway.

Mr EIDEH — I was just asking for a view.

Mr DALIDAKIS — Mr Parker, you raised the issue of transparency, and it is one that I am keen to get some further advice from you on. If you remain concerned — and you noted the delicate balancing act between the privacy of those non-residents who may receive the benefit of the Treasurer's discretion, but there is a range of legislation obviously that allows the Treasurer to have discretion — would you be calling for all of those other pieces of legislation to have the same level of transparency that you may like to see for this piece, or is it specifically only this piece that you are calling for transparency on?

Mr PARKER — It is specifically this piece. The other circumstances where the Treasurer has discretion — I think he has some discretion under the Land Tax Act at the moment, but they are much less substantive matters.

Mr DALIDAKIS — So your issue is with the substance. Is that correct?

Mr PARKER — Yes.

Mr DALIDAKIS — The Treasurer has discretion on the Financial Management Act, the liquor subsidy payments, obviously land tax exemptions for the Urban Renewal Authority. There are also exemptions provided under land tax, as you have noted, and also payroll for group training organisations. I would probably put to you that it is just as substantial for those organisations involved as it would be for this, and I am keen to, again, better understand why you believe that the issue of transparency is so great on this particular issue and whether or not you have received any correspondence from the Treasurer replying to your concerns at the law institute and whether or not you feel that in that response from the Treasurer that they have been dealt with appropriately.

Mr PARKER — I must say the institute has received a response. I was only advised this morning; I have not seen it.

Mr DALIDAKIS — Okay. So that may change your view or testimony depending on what is in that correspondence. Is it fair to — —

Mr PARKER — I have not seen the response, but I believe from discussions with people at the law institute that no, it did not address the concerns. But I obviously cannot comment on that.

Mr DALIDAKIS — Is there any opportunity for you to seek a copy of that correspondence and come back before the committee once you are better informed?

Mr PARKER — I could seek a copy of that, yes.

Mr DALIDAKIS — I appreciate your time, Mr Parker.

Ms HARTLAND — Can I just raise a comment? I think that last question was a bit unfair because we are talking about this bill, not other acts, not other pieces of legislation. Mr Parker was here to address this bill, and this bill only is what I understood this committee was about, as an aside.

The CHAIR — That is a fair point, Ms Hartland, and I suppose — —

Mr DALIDAKIS — I do not think it is fair at all. In fact Mr Parker raised the issue — —

The CHAIR — Thanks, Mr Dalidakis.

Mr DALIDAKIS — No, Mr Parker raised the issue of transparency — —

The CHAIR — Sorry, Mr Dalidakis, I am speaking, thank you.

Mr DALIDAKIS — Yes, and I am responding.

The CHAIR — In terms of where we are, I think that is an important point to make there, Ms Hartland. Obviously you have come here today, Mr Parker, to make comment on this particular bill that is before us, and we certainly appreciate your time in doing so.

Mr PARKER — But I am happy to respond to Mr Dalidakis if — —.

The CHAIR — If you so wish, Mr Parker.

Mr PARKER — As I said, I am aware that there are other circumstances where the Treasurer has discretion, such as under the Land Tax Act and the Payroll Tax Act, but I would not have thought those were as significant in totality as in this particular bill. And obviously those particular discretions are directed at a particular legislative outcome, whereas there is no legislative purpose behind these provisions that you can put your hand on. Basically it is up to the Treasurer's discretion. There is no legislative purpose in the bill that gives any guidance as to why the Treasurer would or would not exempt anybody.

Mr DALIDAKIS — Would not the issue of tax avoidance be an issue in and of itself?

Mr PARKER — That may well be, but that is not what is specified in the bill.

Mr DALIDAKIS — Is that not a good public policy pursuit to limit the ability of people to reduce and minimise the appropriate tax that they pay into the jurisdiction of Victoria? Is that not a good public policy pursuit?

Mr PARKER — I am not sure how giving the Treasurer discretion addresses the issue of tax avoidance.

Mr DALIDAKIS — But we are talking about a policy that is specific for non-residents only. So to try and ensure that non-residents are caught up in that provision, the legislation has been written in the way that it has to ensure that non-residents are caught up in that provision, which is why that discretion is then available to the Treasurer to exclude those people from being caught up who do not deserve to be so.

Mr PARKER — If the purpose is to tax non-residents, then what is the purpose of the Treasurer being given a discretion to exempt them from the tax, if they are clearly a non-resident?

Mr DALIDAKIS — By virtue of the fact that there is an exemption. I can give you the response if you wish.

Mr PARKER — There is nothing in the legislation that provides a purpose.

Mr DALIDAKIS — No, but the legislation and the exemption is provided so that the end purchaser is the non-resident that is taxed, not the corporation that is necessarily building it for residents or citizens to purchase. That is henceforth the reason for the exemption and the ability for the Treasurer to create that exemption in the first and subsequent instances.

Mr PARKER — That may be the intention, but it is not reflected in the legislation.

Mr DALIDAKIS — According to your perspective.

Mr PARKER — I would suggest it is not reflected in the legislation, full stop.

The CHAIR — Good point, indeed.

Ms HARTLAND — Would it be possible to have a copy of the letter that the Treasurer has sent to the law institute?

Mr PARKER — I do not have a copy; I can obtain one.

Ms HARTLAND — That would be fantastic.

The CHAIR — Yes, at some point in time, that would be wonderful. Very good. Thank you very much, Mr Parker, for your time; it is very much appreciated.

Witness withdrew.