

"Rod Van de Hoef"

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To <vplrc@parliament.vic.gov.au>

cc

Subj: [WARNING - NOT VIRUS SCANNED] Law Reform Committee Inquiry Into
Property Investment - Personal Submission of R. Vandehoef

Thank-you for the opportunity to provide a submission;

With respect to regulation, I query whether with regard to the aspects of provision of property investment advice, whether the government through regulation should be involved at all. My view is government should not. There are common law remedies for misrepresentation of fact. There is no need to create further laws to deal with an issue that is akin to natural selection. An individual or business makes choices based on fact or representation – relying on others for information is fraught with danger, as their motivation is not always apparent. Be aware of the possible motivation, ask questions - If the choices are bad – that is life – you win or lose, that is part of life – that is also part of investment – you can't win all the time.

Any proposed law reform may impact upon both individuals and businesses – however there should not be an expectation created that the government should act on behalf of individuals, as the government would also have to represent the needs of business. Perhaps the review could be broadened and any legislation should explore the need for intergenerational equity in relation to access to property and resources, legislation relating to equitable land rating and taxation structures (especially in comparison to business and individuals) and taxation and charges appropriate to the optimum usage of land or property.

I urge the government to get serious about law reform, particularly the apparent beneficial treatment of the building industry. For example, can a new building really depreciate its full cost for investment purposes over a period of 7 years for taxation purposes? I think the Australian Standards for building construction aim for a building life of 30 to 40 years. How does the "First Homeowners Grant Scheme" fit in with the Australian Constitution? It appears to have no basis under the constitution. Back to the inquiry, what defined benefit will this provide to the people or business of Victoria?