

18 October 2018

Senator Chris Ketter
Deputy Chair of Economics Legislation Committee
PO Box 6100
Senate
Parliament House
CANBERRA ACT 2600

Dear Senator

Treasury Laws Amendment (Making Sure Foreign Investors Pay Their Fair Share of Tax in Australia and Other Measures) Bill 2018

We refer to the submission made in respect of the above Bill by Humphreys Lawyers Pty Ltd on behalf of the Purpose Built Student Accommodation (PBSA) industry.

The PBSA industry is currently going through rapid growth to respond to the enormous growth in the export of education to foreign students. It plays a vital role in the continued growth and success of that export; allowing it to compete on equal terms with institutions in other countries targeted by students.

The planned expansion of PBSA in the Perth CBD has generated considerable excitement in the International Education industry and sparked the interest of prospective international students, their families and agents.

PBSA develops specific purpose properties for student occupation, catering for their specific needs. Its rapid growth and development activities support thousands of direct jobs and also support thousands of indirect jobs through contractors and service companies that service the buildings into the future.

The Industry is reliant on foreign capital investment for their continued growth. Without foreign capital, future planned developments would materially decrease or stop. Domestic capital (such as superannuation funds) is not available to the Industry as those investors seek out low risk developed assets. They do not wish to take development risk.

I understand that the industry is **not** seeking any benefit or advantage from the Government, but rather simply to be treated consistently with all other accommodation providers. A special purpose provision included in the Bill, without an exclusion for PBSA properties that are "commercial residential premises" put it at a disadvantage not only compared with other development projects but at a disadvantage (on a risk adjusted basis) compared with low risk developed assets that still retain the 15% MIT concessionary rate.

A doubling of the rate is expected to cause at least a material reduction in foreign capital available to the industry.

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We seek your support in favourably considering the submission made by Humphreys Lawyers Pty Ltd on behalf of the PBSA industry. It proposes a simple amendment to ensure the industry is treated on the same footing as any other accommodation provider.

Yours faithfully



Phil Payne
Executive Director
StudyPerth



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