

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Department/ Agency: Treasury

Question: BET 733

Topic: Foreign sovereign investor status

Reference: Hansard - pages 77-78, 5 June 2014.

Senator: Heffernan

Question:

733. Senator HEFFERNAN: You most definitely need to have a look. Thank you very much for that. As you know, I chaired the FIRB inquiry and the Foreign Acquisitions and Takeovers Act was recommended to be revamped. In that inquiry, we looked at the foreign sovereign investor status and the declaration for humanitarian purposes production, which gives them charitable status. Have you blokes had a look at that? It needs to be re-written. If a sovereign foreign investor comes into Australia with the right paperwork—we took this evidence and the tax office agreed with us—and declares the production for a humanitarian purpose, they bypass our revenue base. Are we going to allow that to continue?

Mr Heferen: Sorry, I am not sure—

Senator HEFFERNAN: Can you take that on notice?

Mr Heferen: I will take that on notice, because I am not sure I know what you are talking about. I will take that on notice.

Senator HEFFERNAN: You do not know what I am talking about.

Mr Heferen: I will make a point that the FITPD, basically the group that works with FIRB, will be on this evening or later this afternoon in markets group.

Senator HEFFERNAN: Are you going to get—

Mr Heferen: I think it would be appropriate to address those questions to the markets group.

Answer:

733. Treasury and the ATO are aware of the issue raised by the senator.