

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates, 2 June – 4 June 2009

**Question: bet 37**

**Topic: Exemptions for Non-Real Property**

**Hansard Page: E100-101**

**Senator Joyce asked:**

**Senator JOYCE**—Back in 2006 you calculated the exemption for non-real property for foreign entities at \$50 million, \$65 million and \$65 million. Do you still hold to that costing?

**Mr Parker**—Can you give us some specific information? Then we will take the question on notice.

**Senator JOYCE**—With the exemption for non-real property assets for foreign entities that was passed in 2006, the calculation by the Revenue Group in Treasury was a costing, if I remember rightly, of \$50 million and then \$65 million in the preceding three years. Do you still hold to that costing, which at the time seemed absolutely remarkably low? If you do, what do you intend to save from taxing individuals who are deemed to be working overseas?

**Mr Parker**—In respect of your specific question about the earlier measure, I will take that on notice and go and have a look at the numbers.

**Senator JOYCE**—As you know, you have changed your laws in regard to when a person is deemed to be working overseas and when they are deemed to be working in Australia. Is that correct?

**Mr Parker**—That is right.

**Senator JOYCE**—I remember flicking through the budget—I cannot find it here—and seeing savings in there of about \$250 million.

**Mr Parker**—It is about \$200 million a year, and over the forward estimates it is \$675 million.

**Senator JOYCE**—Can you refer me to where that is in the budget papers?

**Mr Parker**—Yes. If you look at Budget Paper No. 2, this is the measures document. It is on page 19.

**Senator JOYCE**—I have it here. It is \$215 million, \$225 million and \$235 million?

**Mr Parker**—That is right.

**Senator JOYCE**—That is an exceptional windfall. Do you find that disproportionate compared with what you expect to have conceded on capital gains tax exemption for foreign entities?

**Mr Parker**—You put me in a difficult position, because I have taken that former question on notice.

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**Senator JOYCE**—You can take it from me that it is \$50 million and then \$65 million in the preceding years.

**Mr Parker**—You also asked me whether I stood by those numbers.

**Senator JOYCE**—Yes.

**Senator Conroy**—We have indicated that we would take it on notice.

**Answer:**

The financial impact of the 2005-06 Budget measure was costed at \$50 million in 2005-06 and 2006-07 and then \$65 million in the following years. These estimates have not been revised.