



21 January 2011

The General Manager  
Indirect Tax Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

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Dear Ms Berkeley

**Implementation of the Recommendations of Treasury's Review of the Margin Scheme ("Discussion Paper")**

Thank you for the opportunity to comment on the Treasury Discussion Paper.

We welcome the clarity which the restructure of the Margin Scheme provisions and minor technical amendment in respect to calculating the margin on subdivided land will provide for the taxpayer and the ATO.

However, we note that our recommendations for reform, as detailed in our submission dated 20 August 2009 to Treasury in response to the initial Consultation Paper, have not been adopted.

We request that Treasury again consider implementing our proposed technical amendments as addressed in detail in our submission:

- 1 The Margin Scheme valuation rules should be amended to be more prescriptive as to what an "approved valuation" is. See Schedule 2 of our submission.
- 2 Division 75 should be amended to include a new provision setting out an entitlement to a decreasing adjustment for subsequent taxable supplies. See Schedule 4, Part 3.2 of our submission.
- 3 Clarification should be provided around the valuation point for unregistered owners. See Schedule 4, Part 3.3 of our submission.
- 4 An adjustment provision should be enacted into Division 75 to realise negative margins. See Schedule 4, Part 3.4 of our submission.
- 5 Supplies by way of partition should be ignored for GST. See Schedule 4, Part 3.5 of our submission.
- 6 Clarification around the treatment of tax law partnerships for GST purposes should be provided. See Schedule 4, Part 3.6 of our submission.

Attached is a copy of the original submission for your ease of reference.

We would be pleased to have further discussions with Treasury in respect to any of the above proposed amendments.

Please do not hesitate to contact me on 0406 454 549 if you have any queries or to arrange a time to meet and discuss the most appropriate path for reform.

Yours sincerely

A handwritten signature in black ink, appearing to read 'AM', with a horizontal line underneath it.

**Andrew Mihno**  
**Executive Director International & Capital Markets**  
**Property Council of Australia**  
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