

28 January 2004

Assistant Commissioner
Chris Sayers
Productivity Commission
Locked Bag 2 Collins Street East
MELBOURNE VIC 8003

Dear Sirs

**RE: FIRST HOME OWNERSHIP – PRODUCTIVITY COMMISSION
DISCUSSION DRAFT**

We act for Mr Pasquale Luigino Nero. Mr Nero has asked us to make a submission on his behalf to the Commission in accordance with the invitation contained in the discussion draft of December, 2003.

Mr Nero has had involvement in real estate agency and in the buying and selling of properties since 1952. It is his view that the substantial increases in prices for residential real estate will create significant problems for individuals and families seeking to purchase or rent accommodation.

He asks the Commission to consider a proposal by which Goods and Services Tax should be payable in respect of sales of existing residential property where the consideration for the property is greater than one million dollars (\$1,000,000.00).

If it is considered that a provision of this nature should not apply to first home purchasers he proposes that it should be introduced at least in respect of those purchasing a second property.

Our client's view is that this would reduce the incentive for investors to buy into residential real estate and result in a moderation in the rate of increase of home purchase prices.

WOOD MARSHALL WILLIAMS

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It is respectfully asked that this submission be taken into account in the Commission's deliberations.

Yours faithfully
WOOD MARSHALL WILLIAMS

Peter Wood