

10 June 2020

The Treasury  
Langton Crescent  
PARKES ACT 2600

By email only:  
[stampingfeeteam@treasury.gov.au](mailto:stampingfeeteam@treasury.gov.au)

Dear Secretary

## Stamping fee exemption regulation

The Financial Services Council (FSC) welcomes the opportunity to make a submission to the draft stamping fee exemption regulation. Our submission focuses on the list of prescribed asset classes that constitute an *infrastructure entity* as stated in the Corporations Amendment (Stamping Fee Exemption) Regulations 2020, Schedule 1 – Amendments, 2 subsection 7.7A.12B(2).

## About the Financial Services Council

The FSC is a leading peak body which sets mandatory Standards and develops policy for more than 100 member companies in Australia's largest industry sector, financial services. Our Full Members represent Australia's retail and wholesale funds management businesses, superannuation funds, life insurers, financial advisory networks and licensed trustee companies. Our Supporting Members represent the professional services firms such as ICT, consulting, accounting, legal, recruitment, actuarial and research houses. The financial services industry is responsible for investing \$3 trillion on behalf of more than 15.6 million Australians. The pool of funds under management is larger than Australia's GDP and the capitalisation of the Australian Securities Exchange and is the fourth largest pool of managed funds in the world.

## The FSC's overall position

The FSC supports the current list of assets that constitute an *infrastructure entity*, but also recommends that prisons be added to the prescribed list as an *infrastructure entity*.

## Recommendation

Include prisons as an asset class for the definition of an *infrastructure entity*.

Infrastructure investments tends to be capital intensive but have the potential to provide vital development to Australia's functioning, economic development, and prosperity.

Prisons are capital intensive projects that support the social and justice infrastructure needs of states and territories. As it stands, the classification of prisons as infrastructure is not a new idea. As stated in Infrastructure NSW's *State Infrastructure Strategy 2018-2038*, Justice Infrastructure such as increasing court and prison capacity, is listed as part of its plan to address the strategic objectives of Infrastructure NSW<sup>1</sup>.

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<sup>1</sup> Infrastructure NSW, State Infrastructure Strategy 2018-2038, Page 200, <https://insw-sis.visualise.today/chapters/Justice.pdf>

This also aligns with the logic for the inclusion of hospitals in section (d) of the amendments. Given the importance of hospital assets as part of the health infrastructure for state and territories, prison assets are equally a key part of justice infrastructure for state and territories.

The classification of prisons as part of infrastructure also aligns with the Australian Department of Infrastructure, Transport, Regional Development and Communications' vision of "Great Cities. Strong Regions. Connecting Australians." This is because large amounts of prison assets are located in regional communities and provide significant local employment opportunities, which in turn help create strong regions. Investment in prison assets would assist with the rebuilding efforts of regional communities that have been devastated by the dual shocks of the bush fires and the COVID-19 pandemic.

The FSC would welcome the opportunity to discuss this submission further. For further discussions please feel free to contact us on (02) 9299 3022.

Kind regards,



**Vincent So**  
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