



HIGH COURT OF AUSTRALIA

Public Information Officer

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PALIFLEX PTY LTD v CHIEF COMMISSIONER OF STATE REVENUE
SOUTH SYDNEY CITY COUNCIL v PALIFLEX PTY LTD

Land formerly owned by the Commonwealth became subject to New South Wales land tax and to council rates after its sale to Paliflex in 1998, the High Court of Australia unanimously held today.

Paliflex bought the property in the Sydney harbourside suburb of Elizabeth Bay for \$9 million. Paliflex challenged the charging of land tax and rates on the basis of section 52(i), which states that Federal Parliament has exclusive powers to make laws for the peace, order and good government of the Commonwealth with respect to places acquired by the Commonwealth for public purposes. Objections to two assessments for land tax were disallowed and the Supreme Court and a unanimous Court of Appeal dismissed Paliflex's appeals. Paliflex appealed to the High Court.

The Court unanimously dismissed Paliflex's appeal. It held that the land ceased to have the character of a place acquired by the Commonwealth for public purposes on the registration of the transfer of title to Paliflex in 1998. In their application to the land on the dates of land tax imposition, the NSW Land Tax Act and Land Tax Management Act were not laws with respect to a place acquired by the Commonwealth for public purposes.

In a related judgment, the High Court also unanimously held that the Local Government Act did not operate with respect to the land while it was a Commonwealth place. There was no invalidity when rates and waste management charges were imposed by the Council after Paliflex acquired the land.

- *This statement is not intended to be a substitute for the reasons of the High Court or to be used in any later consideration of the Court's reasons.*