

**LAND TAX ASSESSMENT AMENDMENT BILL 2022**

*Introduction and First Reading*

Bill introduced, on motion by **Dr A.D. Buti (Minister for Finance)**, and read a first time.

Explanatory memorandum presented by the minister.

*Second Reading*

**DR A.D. BUTI (Armadale — Minister for Finance)** [12.35 pm]: I move —

That the bill be now read a second time.

The bill seeks to amend the Land Tax Assessment Act 2002 to resolve issues with the caravan park land tax exemption and introduce a new land tax exemption for home owners in full-time care. Caravan parks and camping grounds provide important, low-cost permanent and holiday accommodation throughout our state. To support these businesses, these parks receive an exemption from land tax. A decision by the State Administrative Tribunal in 2018 created uncertainty in the industry and meant that the exemption could not apply to new parks which contain relocatable homes that are not vehicles. These types of relocatable homes in a caravan park are often owned and lived in by permanent residents, commonly seniors. The bill will address the impacts of the tribunal decision and maintains the integrity of the exemption while ensuring that caravan parks can still access the exemption.

The new exemption will provide tax relief for parks containing owner-occupied relocatable homes. These parks will be fully exempt from land tax if at least 75 per cent of their accommodation sites are owner-occupied relocatable homes. As most relocatable homes are owner-occupied, it is expected that a full exemption will apply to most parks. A partial exemption will apply if owner-occupied sites comprise less than 75 per cent of the park's accommodation. This change will create a formal land tax exemption for residential parks containing owner-occupied homes. It will ensure that owner-occupiers in parks, who are often older or on lower fixed incomes, will not be indirectly charged land tax.

The new exemption also will continue to provide land tax relief for parks which provide low-cost holiday accommodation. These parks will be fully exempt from land tax if at least 75 per cent of their accommodation sites are caravan and camp sites. A partial exemption will apply if caravan and camp sites comprise less than 75 per cent of the sites in a park. This continues the intent of the current caravan park exemption and provides a full exemption for parks that provide sufficient low-cost holiday accommodation. The exemption will also apply to parks that provide a mixture of short-stay holiday accommodation and long-term accommodation for permanent residents. Park owners will need to provide information about the sites in their park and the uses of the various areas in their park. From this, RevenueWA will calculate the land tax exemption.

The government, through RevenueWA, provided opportunities for feedback from caravan and park home industry groups during the drafting of the bill to ensure that the legislative amendments will achieve the intended policy outcomes and be practical to administer. These changes were announced on 30 June 2020. They will benefit taxpayers and apply retrospectively from the 2020–21 financial year. A park will not be disadvantaged by the retrospective amendments. If a park will be exempt to a lesser extent under the amendments, the current exemption will continue to apply and the proposed exemption will apply from the financial year following royal assent to the bill.

This bill could also be said to recognise the well-known truism that nothing can be said to be certain except death—or, put a little more sensitively, ageing—and taxes. Importantly, for many Western Australians, given our ageing population and the incidence of living with significant disability, the bill will also provide a new land tax exemption for home owners in full-time care. Land tax is not charged on a person's principal place of residence. However, when an individual stops living in their home as a result of moving into full-time care, such as a nursing home or hospital, the land tax exemption no longer applies to their home. This is an unfair result that can put financial pressure on members of our community. The bill provides that a property will be exempt from land tax if its owner has moved into full-time care and the property is not rented. This is a commonsense legislative change to assist members of our community who move into full-time care and can no longer live in their home, as well as their families or carers. These changes were announced on 11 May 2020 and will apply from 1 July 2020, to provide an exemption for people who have moved into care since that date.

The bill will also update the notification requirements that apply to taxpayers who receive certain land tax exemptions. Under a notification requirement, a landowner must notify the commissioner of any event or circumstance that could cause an exemption to no longer apply. Currently, the Land Tax Assessment Act creates specific notification requirements for particular exemptions. The bill will remove these specific requirements and introduce a general notification requirement for landowners who receive any land tax exemption or concession. This change will ensure that landowners do not receive tax reductions to which they are not entitled. The amendments include protections to ensure that owners will be informed of their obligation. A detailed explanatory memorandum has been prepared to provide further details on the amendments and assist with understanding the legislation.

I commend the bill to the house.

Debate adjourned, on motion by **Mr P.J. Rundle**.