

LAND TAX ASSESSMENT AMENDMENT BILL 2010

Introduction and First Reading

Bill introduced, on motion by **Mr W.R Marmion (Minister Assisting the Treasurer)**, and read a first time.

Explanatory memorandum presented by the minister.

Second Reading

MR W.R. MARMION (Nedlands — Minister Assisting the Treasurer) [12.13 pm]: I move —

That the bill be now read a second time.

This bill seeks to amend the Land Tax Assessment Act 2002 to put in place a 100 per cent exemption from land tax for caravan parks from 1 July 2010, and increase the clawback period for reassessment of land tax from five years to 10 years from 1 July 2010, in the event of a subdivision of caravan park land.

These measures were announced as part of the 2010–11 budget. Currently, the Land Tax Assessment Act provides a 50 per cent land tax concession for caravan parks. This concession was introduced on 1 July 2005 and applies to land used as sites for caravans, park homes and camping grounds. It does not apply to caravan park land used for chalets, cabins, motels, hostels, boarding houses or restaurants. The purpose of this concession was to assist the long-term viability of caravan park businesses, following recognition that land values had risen rapidly. The rapid rise in land values led to large increases in land tax bills for caravan park business operators, which had an impact on the retention of low-cost, affordable holiday accommodation in the state's favoured tourism destinations. The concession was accompanied by a clawback provision that required a reassessment of land tax in the event of a subdivision of caravan park land for a period of up to five years prior to subdivision.

The proposed amendments, which are anticipated to further enhance the viability of caravan parks, flow from recommendations made in the Economics and Industry Standing Committee's 2009 report into the "Provision, Use and Regulation of Caravan Parks (and Camping Grounds) in Western Australia". The standing committee found that rising land values had effectively negated the value of the 50 per cent land tax concession to caravan park operators. It recommended that the land tax concession for caravan parks that predominantly provide tourist caravan sites and campsites be increased to 100 per cent, and that the clawback provision for a 100 per cent land tax concession should be increased to 10 years. The estimated additional cost to revenue is around \$1 million per year, thereby taking the total cost of the exemption to approximately \$2 million per year. I commend the bill to the house.

Debate adjourned, on motion by **Mr D.A. Templeman**.