

LAND TAX ASSESSMENT AMENDMENT BILL 2010

Second Reading

Resumed from 17 June 2010.

MR W.R. MARMION (Nedlands — Minister Assisting the Treasurer) [5.01 pm] — in reply: I thank all the members who contributed to the debate on the Land Tax Assessment Amendment Bill 2010. I will endeavour to answer all the questions that members asked. Unfortunately, I was not in the house to hear the first two speakers, the member for Mandurah and the member for Victoria Park.

Mr D.A. Templeman interjected.

Mr W.R. MARMION: I heard it was a very good contribution, member for Mandurah!

Mr D.A. Templeman: It was one of my best!

Mr W.R. MARMION: I also understand that the contribution of the member for Victoria Park was equally as good!

Mr D.A. Templeman: I think it's fair to say it was one of my best contributions!

Mr W.R. MARMION: Following on from the member for Victoria Park and the member for Mandurah was the member for Riverton. Many of the points made by members were duplicated, but I will go over them. The member for Riverton raised the issue of zoning for caravan parks, and the problems that arise when they are rezoned to residential; the value of the unimproved land goes up and there is obviously an incentive for the caravan park owner to sell the property. This creates a problem for residents who have made the caravan park their home, let alone any tourists who might want to go to such a caravan park. The member for Riverton's point was well made. The result is that long-term caravan park tenants are displaced; where can they go?

The next speaker was the member for Cannington, who made quite a good contribution and supported the legislation, and I thank him for that. He agrees with the need to retain caravan parks and believes that this is a positive example of Parliament working to deliver a bipartisan solution to a problem within the community. He said that he appreciated the opportunity to contribute to the public debate. He also raised similar issues to those raised by the member for Riverton about the value of unimproved land increasing and the displacement of long-term tenants. He made the point that the two main benefits of the bill are to decrease costs for caravan park owners and to provide a disincentive for caravan park owners to sell their caravan parks through the retrospectivity of the clawback provisions. He also congratulated the member for Vasse for his initiative in coming up with a sensible approach to this problem.

The member for South Perth also congratulated the member for Riverton for the very good report presented by the Economics and Industry Standing Committee, from which this bill has emanated. He also raised the concern that the very best land for caravan parks is alongside rivers or the ocean, and that such areas are also ideal for residential subdivisions and are therefore subject to developmental pressures. As an aside, he mentioned that he was never really a caravan user but, rather, a tent user!

Mr P. Papalia: He couldn't afford a caravan!

Mr W.R. MARMION: That is right; he could not afford a caravan but he could afford a tent in his day! I had a tent also, but I pitched my tent in caravan parks when I was younger.

Mr P. Papalia: He used to live in a shoebox!

Mr W.R. MARMION: That is right!

The member for Forrestfield also contributed to the debate. We all have reminiscences about staying in caravan parks when we were young; he also was a tent-dweller! He mentioned the Springvale Village caravan park in his electorate, which is a real issue that will be addressed by this bill.

Mr D.A. Templeman: I'm really disappointed you weren't in the chamber when I was speaking.

Mr W.R. MARMION: I am disappointed too, because I heard from other members that it was a wonderful contribution!

Mr R.F. Johnson: I wouldn't go that far!

Mr W.R. MARMION: I understand that other members also raised similar points.

Mr D.A. Templeman: Not as well as I did!

Mr B.S. Wyatt: Until the member for Mandurah spoke, the opposition was thinking about voting against it; he convinced us!

Mr W.R. MARMION: I thank the member for Victoria Park!

The member for Forrestfield recognised that park homes are an important accommodation alternative for many, and one solution to affordable housing, and that we need to look after caravan parks, so he supported the legislation.

The member for West Swan also supports the bill, and asked a question that I will get to in a minute. She has caravan parks in her electorate and mentioned Kingsway Tourist and Caravan Park and the problems it has with long-term accommodation. The member for West Swan raised the issue of the rights of caravan park tenants; she was looking forward to my contribution on how we are going to look after tenants' rights and whether there would be any further legislation through which to address the issues of extra fees for cars and people staying overnight. The member also mentioned sites in Whiteman Park, Kenwick and Huntingdale.

Ms R. Saffioti: Just to help out, in a grievance response by the member for Vasse, he highlighted four areas that were going to provide potential caravan sites for long-term tenants. Two areas were in Whiteman Park, one in Huntingdale and one in Kenwick. I was asking for a follow-up to that response.

Mr W.R. MARMION: Yes, two in Whiteman Park and one each in Kenwick and Huntingdale. I understand that work is being done on a bill dealing with long-stay tenants; I think the member for Rockingham mentioned that he did a lot of work on it. We will be looking at that again to sort those matters out. The member for Vasse then spoke in support of the bill. He mentioned the Greenacres beachfront caravan park, which I stayed at many years ago. That does not exist anymore but it was right on the coast of Dunsborough. The land on which the caravan park was situated became too valuable. This bill will address that issue.

The member for Rockingham also spoke on the bill. There are three caravan parks in his electorate. He said that caravan parks are very social environments. All members who have stayed at a caravan park would agree that it is a wonderful social environment in which it is possible to meet a lot of people.

Mr M. McGowan: Did you know that the Palm Beach Caravan Park was the original park upon which Summer Bay in *Home and Away* was based?

Mr W.R. MARMION: I did not know that.

Mr M. McGowan: The bloke who wrote the original script for *Home and Away* some 25 years ago based it upon his experiences of living in that caravan park.

Mr W.R. MARMION: I hope that is recorded in *Hansard*. That is a bit of heritage of the member's electorate.

The member for Rockingham raised an important point that many other members raised; that is, a lot of people live in caravan parks permanently and if they are displaced from the caravan park, where do they go? This bill is one solution that might help to address that.

The member for Cockburn also spoke in support of the bill. He has three caravan parks in his electorate. Some of the good caravan parks in his electorate are near the water, as one would expect in Cockburn. He raised the issue of the need to review the Residential Parks (Long-stay Tenants) Act, and I support that view. We will have to look at that. Another string in the bow is to look after the tenants.

I thank members for their contributions and I strongly support the bill.

Question put and passed.

Bill read a second time.

Consideration in Detail

Clauses 1 to 3 put and passed.

Clause 4: Section 15A amended —

Mr W.J. JOHNSTON: I want to make sure that I understand this clause correctly. Does the concession under section 15A1(a) still apply if we delete all reference to "5 financial years"? I can see that in clause 5 there is effectively a saving for the concession, but it appears that the saving is being deleted in clause 4 so that it only applies—does the minister see what I am saying?

Mr W.R. MARMION: I think I do. Fortunately, I have an original and a marked-up copy of the bill so I can see it before and after amendments were made to it. Section 15A1(a) reads —

the land was subject to a concession —

That remains in the bill. However, the bill will delete —

under section 39B for any of the 5 financial years ...

Those words will be replaced by —

or exemption under section 39B for any of the 10 financial years

We are replacing “5” with “10”. The word “concession” remains in the legislation.

Mr W.J. JOHNSTON: The bill deletes “5” and inserts “10”. Why does there not have to be a saving to prevent more tax being paid? If a person has paid only the concession but not the exemption, will that person have to pay extra? The bill may be clear, but I do not seem to be reading it in the way the minister has suggested. If this clause is agreed to, section 15A(2) will read —

The land tax is payable by the subdividing owner of the land on the value of the taxable portion of the land for each of the 10 financial years ...

Does the minister see what I am saying? If someone has paid 50 per cent of the land tax for three years and then pays nothing for seven years, is the three years in which the person has paid the 50 per cent concession saved by these words, because it does not appear to me to do that?

Mr W.R. MARMION: The drafters have left in the word “concession” so that there is no confusion about either of the words “concession” or “exemption”. Whereas formerly the act referred only to a concession, it will now include an exemption. The land tax is worked out on the portion of the land that is rateable. Someone with a fixed dwelling will not get a land tax exemption on that. The land tax is calculated on the area of the caravan park that is a bona fide caravan park. A chalet is not part of the land tax exemption, or “concession” under the old act. My understanding is that the word “concession” has been left in the act so that there will be no ambiguity between the words “concession” and “exemption”.

Mr W.J. JOHNSTON: I will read section 15A(2) and include the figure “10” instead of “5”. It reads —

The land tax is payable by the subdividing owner of the land on the value of the taxable portion of the land for each of the 10 financial years reckoned retrospectively from and including the financial year in which the land is subdivided.

Is there a saving? The legislation says that the land tax is payable by the subdividing owner. Can the minister explain this to me? Perhaps I am incorrect. Where is the saving for the years that the owner has paid the concessional rate rather than none at all? Does the minister see the point I am making?

Mr W.R. Marmion: No. You have lost me on that one.

Mr W.J. JOHNSTON: As I understand the arrangement, the land tax is payable by the person who does the subdivision of the land —

Mr W.R. Marmion: No, this particular —

Mr W.J. JOHNSTON: The clause we are dealing with has two parts, the second of which is to delete “5” and insert “10”. I will read section 15A(2) but insert “10” instead of “5”. It reads —

The land tax is payable by the subdividing owner of the land on the value of the taxable portion of the land for each of the 10 financial years reckoned retrospectively from and including the financial year in which the land is subdivided.

Mr W.R. Marmion: I am with you now.

Mr W.J. JOHNSTON: I am asking the minister to tell me where it says that people do not have to pay the 50 per cent land tax they have already paid if there was a 50 per cent concession before the exemption applied. Does the minister understand the question?

Mr W.R. MARMION: I do now. I probably misled the member in my previous response. The member is right. If someone had a 50 per cent concession for a period and then the exemption came in and they have it for another period of time, maybe two or three years, they have to pay back only the difference of what they have not paid. There will be a calculation. It is not here. They have to pay back the difference of what they had not paid.

Mr W.J. Johnston: Where does it say that?

Mr W.R. MARMION: Section 15(1) states —

Land tax is payable in accordance with this section when rural business land is subdivided ...

If the land was subject to a concession, the land tax that was never paid is payable. That is the opening line at the very beginning of section 15. I ask the member to ask his question again now that my advisers are present.

Mr W.J. JOHNSTON: Subclause (1) of the clause we are dealing with inserts that new provision into subsection (1) of section 15A. Subclause (2) deletes “5” and inserts “10”. Section 15A(2) will then read —

The land tax is payable by the subdividing owner of the land on the value of the taxable portion of the land for each of the 10 financial years reckoned retrospectively from and including the financial year in which the land is subdivided.

That is section 15A(2) with the “10” inserted instead of the “5”. Where is the protection for the landowner if he has paid three years at 50 per cent and seven years at nothing? If the minister could explain how that works, I will be very, very happy.

Mr W.R. MARMION: The answer I gave before is correct. It is in the mechanics of it. If a landowner had an exemption and had not paid tax, he has to pay it all back. The formula will ensure —

Mr W.J. Johnston: Where is the formula?

Mr W.R. MARMION: Section 5 sets out the formula in words.

Mr W.J. Johnston: Is the minister referring to section 5 of the amending legislation?

Mr W.R. MARMION: It is section 5 of the existing act.

Clause put and passed.

Clause 5: Section 39B amended —

Mr B.S. WYATT: This is really the substantive part of the amendment. We have just dealt with the clawback. This clause amends section 39B. As it currently stands, section 39B refers back to section 39A, which includes the definition of dwelling park land that we are talking about this afternoon. Section 39A(2) states —

Land is dwelling park land if —

- (a) the land is, or is part of, a caravan park or camping ground;
- (b) the caravan park or camping ground is —
 - (i) operated, or required to be operated, under a licence issued under the *Caravan Parks and Camping Grounds Act 1995*;

Section 12 of the Caravan Parks and Camping Grounds Act outlines where a licence can be cancelled by the local government. Section 12(1) states —

Subject to this section, a local government may by notice in writing given to a licence holder cancel a licence for a facility on the grounds that —

It sets out three grounds. Does that cancellation of a licence by a local government authority trigger the clawback provision?

Mr W.R. MARMION: No. The only thing that triggers that is the subdivision of the land.

Mr B.S. WYATT: Just to confirm that, if the licence holder has been convicted of an offence under this act or does not fulfil a condition on that licence, which presumably would be that the licence holder is going to maintain that land for the purposes as defined in the Caravan Parks and Camping Grounds Act but does not use the land for those purposes, and the licence is cancelled, surely at some level when the licence is cancelled it would trigger the clawback.

Mr W.R. MARMION: I am trying to understand it myself. The member has referred to a section of the act to do with a licence that I have not read. I have been advised that the clawback is triggered only when the land is subdivided. If the licence is cancelled for some reason, that is another issue. The licence holder has an exemption in that year but the following year he will not qualify for the concession.

Mr B.S. WYATT: What would happen if I go to the state and say that I am worthy of this exemption because I have a caravan park and I have a licence to prove it?

Mr W.R. MARMION: If the licence holder is a fit and able person as at 30 June, he would qualify. If suddenly he is not fit and able on 2 July, it is not until the next year that they say he has been naughty and he does not qualify.

Mr B.S. WYATT: Obviously the prohibition notice will not trigger the clawback either.

Mr W.R. Marmion: Only subdivisions.

Mr B.S. WYATT: Section 25 of the Caravan Parks and Camping Grounds Act 1995 refers to the Caravan Parks and Camping Grounds Advisory Committee. Section 25(4) states —

The functions of the Committee are —

- (a) to provide advice to —
 - (i) the Minister;
 - (ii) the Department;
 - (iii) public sector bodies, as defined in the Public Sector Management Act 1994;
 - (iv) local governments;
 - (v) members of the public; and
 - (vi) such other persons as the Minister directs,with respect to caravanning or camping; and
- (b) to recommend to the Minister, or such other persons as the Minister directs, ways to improve, promote and regulate caravanning and camping throughout the State.

Did the government seek the advice of the Caravan Parks and Camping Grounds Advisory Committee? If so, when did the government seek the advice of the advisory committee and what was its advice to the government about this legislation?

Mr W.R. MARMION: In terms of advice about this bill?

Mr B.S. Wyatt: Yes.

Mr W.R. MARMION: I am unaware. I do not know, being a new minister, whether that was sought. I will get advice and get back to the member on that.

Mr B.S. WYATT: I make the point that the 1995 legislation dealing with the Caravan Parks and Camping Grounds Act sets up the Caravan Parks and Camping Grounds Advisory Committee. It says that the role of the committee is to provide advice to the minister on ways to improve, promote and regulate caravanning and camping throughout the state. I am sure that the government—obviously not this minister, but perhaps the previous minister—sought advice from this very important committee on what the legislation deals with. Certainly former Premier Richard Court, when he passed the original bill through Parliament, had a very strong view that this committee would be consulted when significant reform was proposed to the caravanning and camping ground industry. Can the minister come back to me by way of further information—whether the minister writes to the former minister, or however he wants to get back to me—about whether the government sought advice from the Caravan Parks and Camping Grounds Advisory Committee, when that advice was sought and what that advice was? It would be much appreciated.

My next question is: now that the government is furiously attempting to cut committees, does the Minister Assisting the Treasurer intend to amend the Caravan Parks and Camping Grounds Act 1995 to abolish the Caravan Parks and Camping Grounds Advisory Committee?

Mr W.R. MARMION: I will have to see how valuable the advice was that may or may not have been provided! I spoke on radio 6PR's *Caravan and Camping Show*, which is aired at 7.00 on a Sunday morning —

Mr W.J. Johnston: Was the show pre-recorded?

Mr W.R. MARMION: It was, actually. It was pre-recorded in Kununurra after I had seen a few caravan parks. It went down a treat. The caravan park people, who I understand listened to the show, think this is a terrific bill. I do not doubt that if we sought advice from the committee about this bill—which I am sure the previous minister did—it would have been extremely positive. It is only really a win-win for the caravan —

Mr B.S. Wyatt: Will the minister write to me setting that out?

Mr W.R. MARMION: I certainly will.

Mr B.S. Wyatt: And also the future ambition of the minister for that committee; about whether it will be abolished or kept.

Mr W.R. MARMION: I will let the member know.

Clause put and passed.

Title put and passed.

Leave granted to proceed forthwith to third reading.

Third Reading

MR W.R. MARMION (Nedlands — Minister Assisting the Treasurer) [5.35 pm]: I move —

That the bill be now read a third time.

MR D.A. TEMPLEMAN (Mandurah) [5.35 pm]: I will be very brief. This bill is extremely important to the caravan park industry. During consideration in detail the members for Victoria Park and Cannington sought important clarifications from the minister. The minister missed out on my magnificent contribution to this bill —

Mr B.S. Wyatt: Do it again!

Mr D.A. TEMPLEMAN: No; I do not want to waste the house's valuable time! I would not expect the minister to commit to this at this stage, but, say, in six months or certainly by the end of the year it would be very worthwhile —

Mr R.F. Johnson: That will be six months!

Mr D.A. TEMPLEMAN: Yes, that is true—whichever comes first!

Mr R.F. Johnson: Which year?

Mr D.A. TEMPLEMAN: I am very interested in the minister presenting a brief ministerial statement, or something brief to the house, to provide an update on the health of the caravan industry. This government measure will obviously have a very big impact and will be well received by caravan park owners. We need to keep a very close eye on this issue. I would be very appreciative if, at the end of the year, or before the house rises, the minister could provide a health check update on the caravan industry at that time given that six months would have transpired since the measures were put in place. If the economy continues to improve, the pressures that were discussed in the second reading debate and during consideration in detail highlight that this is an area that needs a watchful eye placed on it. Given that in my magnificent contribution to the second reading debate I highlighted a couple of very pressing issues that are particularly relevant to my electorate and region—I know the same concerns were raised by other members in their contributions—I would appreciate the minister doing that later this year.

MR W.J. JOHNSTON (Cannington) [5.37 pm]: The Economics and Industry Standing Committee recommended in its report that the Minister for Tourism be given the lead role in this area. I understand the government rejected that. If the Minister for Commerce ends up being the minister with lead responsibility for caravanning, I am keen that caravanning be kept in mind. Although there have been lots of good intentions from government on both sides, one of the reasons we ended up with problems is that it has not been a priority and has fallen by the wayside. I really urge the minister—a person with whom I have had warm relations in the past—to continue to give focus to this, otherwise we will be back here in five or 10 years with the same sets of problems that we have today. It is not just about the law; it is also about encouragement and contact with the industry. With those very quick words, I commend the bill to the house.

MR B.S. WYATT (Victoria Park) [5.38 pm]: I want to make a couple of quick comments acknowledging the member for Mandurah's comments regarding whether, by the end of the year or six months from now—whichever comes first!—the minister comes back to the house with an update on the health of the caravanning industry. The contributions made by all members of this house to a bill that is being supported by both sides of the chamber highlights the fact that all members have a very keen interest in a viable future for caravan parks and camping grounds in Western Australia. I note the member for South Perth made a rather impassioned speech about his keenness for caravan parks despite prefacing his speech by saying that he has never stayed in a caravan park!

Mr J.E. McGrath: I lived in a caravan park when I was too young to recall having done so. My family lived in a caravan park in Coogee.

Mr B.S. WYATT: That counts, member!

The point I am making is that this bill achieves a very good outcome. The point has been made that land tax is rising and that regardless of the 50 per cent concession that was being granted, it was distorting the way people were using properties and was not resulting in diversified accommodation options for tourists who are not keen on the five-star end of the tourism market.

I thank the two members on the committee who sit on this side of the house. I refer to the members for Cannington and Collie—Preston.

Mr W.J. Johnston interjected.

Mr B.S. WYATT: The member for Mandurah was co-opted onto the committee.

Mr D.A. Templeman: I am easily forgotten.

Mr B.S. WYATT: I apologise, member for Mandurah!

I thank them for their contribution to this legislation and for the advice they gave me about the legislation. Whatever advice the Caravan Parks and Camping Grounds Advisory Committee gave the minister—whether or not it was sought—did not seem to stick in his mind. Perhaps he has found for the Premier a committee that he can hold up proudly as one that he intends to abolish. I know that he is keenly looking around government to see what committees he can get rid of. The committee was set up by former Premier Richard Court way back in 1995. I have a sneaking suspicion that the committee was not consulted about the merits of this legislation. I appreciate that the minister has undertaken to write to me to let me know whether the committee was consulted and the nature of that advice.

The opposition supports the bill. It achieves a very good outcome with only a small impact on the state's budget.

MR W.R. MARMION (Nedlands — Minister Assisting the Treasurer) [5.44 pm] — in reply: I thank members for their contributions to the third reading debate. They were good contributions and I will take on board all the suggestions that they made. I thank the members of the Economics and Industry Standing Committee for their recommendations; indeed, one has come to fruition. I will ensure that the member for Victoria Park receives a letter from me in due course.

Question put and passed.

Bill read a third time and transmitted to the Council.