

LAND TAX ASSESSMENT AMENDMENT BILL 2010

Second Reading

Resumed from 26 May.

MR B.S. WYATT (Victoria Park) [11.29 am]: I rise to speak to the Land Tax Assessment Amendment Bill 2010. The opposition will be supporting this legislation, which was outlined in the recent budget. The details are at page 62 of budget paper No 3. The government outlined some revenue measures with respect to caravan parks. That is a fallout from report 2 of the Economics and Industry Standing Committee report entitled “Provision, Use and Regulation of Caravan Parks (and Camping Grounds) in Western Australia”, as tabled in the thirty-eighth Parliament last year. I believe that a number of members of that committee from this side of the house and, I assume, from the government side of the house, will speak about that government process. I want to make a few short comments about the opposition’s support of this legislation.

Mr R.F. Johnson: The minister who is dealing with this legislation is the Minister Assisting the Treasurer. He is not here at the moment but either the Minister for Water or I will be in his place during the second reading stage. We only intend to do the second reading stage before lunch.

Mr M. McGowan: Was he paired?

Mr R.F. Johnson: I assume so. He is on our list of pairs.

Mr J.E. McGrath: He was paired.

Mr R.F. Johnson: He was paired, as advised to your Whip, which is the normal thing to do. That is all I wanted to say. I just wanted to let you know that the minister is not here.

Mr M. McGowan: This is good management.

Mr B.S. WYATT: This is quality management when the Land Tax Assessment Amendment Bill 2010 has been on the notice paper for the past three days. Parliament sat on Tuesday and there it was, it was there on Wednesday and here it is again on Thursday. The minister is not here to deal with the issue.

Mr M. McGowan: Actually, it has been on the notice paper since 26 May.

Mr B.S. WYATT: Sorry; I am referring to the daily business program. It is lucky that the opposition is in a mood to support this bill.

Several members interjected.

Mr B.S. WYATT: There are some irritable backbenchers. We do not often hear from the member for Wanneroo. He has a few things to say about the absence of the minister. There is no need to be irritable in light of the fact that the opposition will be supporting this legislation. How long has it been on the notice paper?

Mr M. McGowan: A month.

Mr B.S. WYATT: It has been on the notice paper for a month. In light of the fact that it has been on the daily green sheet that the government gives us on Tuesday, Wednesday and now today, I would have thought that the minister might be in the chamber to deal with the matter. That is a point I raise now in light of the interesting discussion we had over the past half an hour about the management of the house. I will not cast any critical comment on the member for Hillarys. I do not think we need to cast any critical comment on the member for Hillarys; the member for Hillarys does that all by himself. I have not needed to make any comment on the conduct of this house whilst the member for Hillarys has been leader of government business.

As I was saying—no doubt the minister will be keen to read the *Hansard* when he eventually returns to Parliament to see the legislation through—this is very good legislation based on a good report on caravan parks. It amends something that the previous government introduced as well as adding a little more. Anyone who was on that committee knows that a large number of findings and recommendations are in this committee report that the member for Cannington, who was a member of that committee, will go through in more detail than I intend to. I want to address my remarks to what we are dealing with in this piece of legislation. Page 62 of budget paper No 3 makes the point that one of the revenue measures it will be taking will be to increase the land tax exemption for caravan parks to 100 per cent and then increase the clawback period from five to 10 years to ensure that people who own a caravan park and take advantage of that land tax exemption are then able to subdivide that property or use it for purposes beyond what is otherwise considered as a caravan park or a dwelling site, which I think is the correct definition. I will let the member for Cannington go through that. This legislation responds specifically to recommendations 16 and 17 of the committee’s report. Recommendation 16 states —

The land tax concession for caravan parks that provide predominantly tourist caravan and camp sites be increased to 100%.

That issue will be the subject of some questions in consideration in detail, which thankfully will not be taking place before 12.30 and when the minister returns from his pair. Recommendation 17 states —

The clawback provision for a 100% land tax concession should be increased to 10 years.

It is currently five years. The committee report is quite lengthy. It has considerable weight and it has many recommendations and many findings. I have not read it in its entirety but I have read the sections that apply to the legislation before us today. It is a good report.

Everybody in this house—certainly some members on this side who will be speaking later—has enjoyed the benefit of caravan parks in wonderful locations around our state during their lives. As the value of the land on which those caravan parks are located increases over the years, the ability of caravan park owners to maintain and keep the site as a caravan park is more and more difficult as land tax bills get higher. Effectively, the system was encouraging caravan parks to be developed for other uses—for a higher end use—because of the increasing land tax bills. As a result, it locked many people out of the market when it came to people wanting to use caravan parks as a cheap family holiday and access wonderful parts of Western Australia on a family budget. I think every member in this house would agree. I think every member has had petitions to that effect from people around Western Australia. Members on this side intend to make some remarks to that effect.

One of the submissions that the parliamentary committee received was from the Valuer-General's office. Page 165 of the Economics and Industry Standing Committee report includes a small part of that submission, which stated —

As properties are valued at their highest and best use, based on an unimproved land value, where they are under a common tourist zoning it can result in similarly sized and located properties paying similar land tax, irrespective of the extent of development or income-earning potential of the property. A low-key accommodation facility [for example, a caravan park] may pay similar land tax to a five-star resort, resulting in continued pressure for the redevelopment of the low-key property to generate sufficient income to manage an increasing tax liability.

That goes back to the comment I was making a minute ago. The land tax structure was effectively forcing caravan park owners to use their property in a way that would create more income so they could meet those tax liabilities; therefore, a caravan park would no longer suit that use. As the Valuer-General identified, a five-star resort next door to a caravan park would have the same land tax bills.

The standing committee also received a submission from the Department of Planning and Infrastructure. Submissions to the department's tourism planning task force stated—I am quoting from page 166 of the report —

the State land tax framework [is] encouraging the redevelopment of many low-cost forms of tourist accommodation to resort-style developments, and resulting in a loss of accommodation diversity. It was noted that this trend had the potential to intensify as the cumulative effect of a number of years of significantly increasing land tax took effect.

The report then notes —

Increasing land tax was also believed to negatively affect the general earning potential of caravan parks, as demonstrated by the following quotes.

Aspen Parks Property Management Ltd, which is a private company that owns a number of caravan parks up and down the Western Australian coast, made the point that —

Land tax bills have often increased beyond the earning capacity of the park.

Again the Department of Planning and Infrastructure's "Tourism Planning Taskforce Report" stated —

Land tax increases that are disproportionate to increases in income-earning potential have been perceived as affecting the general affordability of coastal holiday opportunities and reducing the range of accommodation available, through encouraging redevelopment.

The Shire of Augusta – Margaret River has many caravan parks. Indeed, for many years throughout my university years, there was a caravan park in that shire that I regularly frequented; it was on the water near Augusta. That shire council also provided a submission. It states in part —

Without some form of concession provided to operators of the caravan parks there is a real risk of the industry going into decline. The current expense of land tax, plus insurance is not sustainable, because operators must pass on these costs to the holiday makers, creating affordability issues.

Submissions were received from local government authorities all over Western Australia, and they effectively made the same point made by the Shire of Augusta – Margaret River—that is, that the land tax system was removing the viability of caravan parks, which has therefore seen a decline in accommodation diversity, making it more and more difficult for the average Western Australia to access holiday locations on the coast. That is a result of the tax system that exists.

I will not outline the situation in each state, but the committee analysed the regimes in South Australia, Victoria, the Australian Capital Territory and New South Wales, and also noted that in Western Australia from 2005–06, under section 39B of the Land Tax Assessment Act 2002, a 50 per cent land tax concession became available for caravan park land as defined in section 39A of that act. I will not go into those details now, but they will be the subject of questions to the minister during consideration in detail.

Since 2005–06, land tax has continued to increase, and the recommendation of the Economics and Industry Standing Committee, as replicated in this legislation, is to increase that 50 per cent concession to 100 per cent. The then Department of Local Government and local government made the point, as did Tourism WA, that a 50 per cent concession could no longer operate as an appropriate subsidy for maintaining accommodation diversity because land tax rates were getting so high. Even with a 50 per cent concession, there was still huge pressure on caravan park owners to use their properties to generate a much higher income than could be generated by a caravan park. Recommendation 16 states —

The land tax concession for caravan parks that provide predominantly tourist caravan and camp sites be increased to 100%.

The opposition certainly supports that recommendation. Recommendation 17 states —

The clawback provision for a 100% land tax concession should be increased to 10 years.

That is only fair. If the state is going to provide land tax exemptions to the industry so that properties can be used predominantly as tourist caravan parks, it has to be used in that way and not in any other way that could perhaps draw undue benefit from the generosity of the Western Australian taxpayer in providing that land tax exemption.

I will note the comments made by a number of different local government authorities. The submissions made to the committee by local government authorities were predominantly from regional parts of Western Australia. The submission from the Shire of Augusta – Margaret River states —

there has been a significant increase in cabin type accommodation to improve the product mix within the parks to cater for the diverse needs of the clients. There is increasing demand for this type of accommodation that competes with mid-level motel accommodation but offered the additional benefits of staying in a caravan park.

Similarly, the submission from the Shire of Albany states —

the smaller caravan parks have generally invested considerably less in maintaining infrastructure for those tourists using a caravan or tent, and they have progressively increased the number of chalets and permanent occupants, particularly where the caravan parks are more remote from urban areas and major tourism destinations.

The City of Mandurah also provided a quality submission, member for Mandurah! No doubt he is aware of it. It states, in part —

Mandurah, like many 'sea-change' coastal areas, is experiencing a shift in the caravan park industry, as parks located on prime waterfront land are closed and redeveloped as either resort-style accommodation or upmarket residential complexes. Whilst this boosts the availability of high-end accommodation in Mandurah, it negatively impacts on the availability of budget tourist accommodation, and also displaces a large number of permanent park residents.

That submission succinctly summarises what this rather weighty committee report is attempting to deal with, and I acknowledge that the report deals with a number of other areas of the caravan park industry. From Mandurah in the south to northern areas, these are places that have traditionally provided low-end accommodation where every Western Australian can afford to take a site and put up a tent or park a caravan and enjoy a holiday in literally first-class locations. Western Australia has an extensive coast and a very strong commitment to outdoor living. As Western Australians, we are determined to ensure that our children can benefit from and enjoy the camping and caravan experiences that we have all enjoyed growing up, before property prices increased so dramatically over the past 10 years. We need to take action to support caravan park owners who use their parks predominantly for caravan park purposes.

This is a good report and members who have spent any time caravanning or camping should spend some time reading it. This bill will implement two of its recommendations—to increase the exemption from tax from 50 per cent to 100 per cent, and to increase the clawback period from five years to 10 years to protect the Western Australian taxpayer, in the event that a property receiving such an exemption is no longer used predominantly as a caravan park. The budget papers indicate that from 1 July 2010, the exemption will increase from 50 per cent to 100 per cent, and that will mean an extra increase in the budget of about \$1 million a year. It does not have a huge impact on the budget. It is to preserve a very important part of the Western Australian lifestyle and to ensure that all Western Australians, regardless of their income, can afford to holiday in the sort of locations that Western Australia has become famous for. Accommodation diversity in tourist locations is vital. We want the five-star accommodation at the high end, but we also want to make sure that it is not to the exclusion of all Australians who cannot afford to pay the five-star rates that often sit at those preferred locations.

This is good legislation. The opposition will support it. I look forward to hearing from other members, particularly those members who were on the Economics and Industry Standing Committee. The member for Riverton, as chair of the committee, will no doubt make comments on this report. The report is much broader than just the legislation we are dealing with today. I look forward to the government's actioning some of the other recommendations that are contained in the report. The member for Cannington will no doubt spend a bit of time as well going through what the opposition sees as some of the priority recommendations contained in the report. With those very few words, I confirm again that the opposition will be supporting this legislation although some questions will be put to the minister during consideration in detail.

MR D.A. TEMPLEMAN (Mandurah) [11.50 am]: I would like to make a contribution to this debate on the Land Tax Assessment Amendment Bill 2010. We have already congratulated the Economics and Industry Standing Committee that brought down the report, which included a recommendation to increase the land tax exemption from 50 per cent to 100 per cent for caravan park owners. As the shadow Treasurer has highlighted, it will also increase the clawback from five to 10 years.

This is a particular issue for a number of members in this place. The member for Cannington coined the phrase that Mandurah was the canary in the coal mine. The impact of pressures on caravan parks of Western Australia was felt in Mandurah in particular, possibly followed very shortly thereafter by some other communities in the South West, whose caravan parks are at the greatest peril of closure. Indeed, in the Peel region, which I represent, I think that about 10 to 12 caravan parks have actually closed in the past decade. That is a significant figure. As the shadow Treasurer highlighted, it demonstrates a significant shift in the accommodation needs. The problem in Mandurah, which is highlighted in the report, is that in the existing caravan parks, particularly those within the City of Mandurah and the Shire of Murray—in fact many of these are in my electorate—the figures show nearly 80 per cent of the current bays in caravan parks are taken up by so-called permanent residents; namely, people who are either living permanently or on a semipermanent basis in those caravan parks. On the one hand, they provide an important stable income for the caravan park owners. As we know, and as we have seen in the past decade, it means an affordable lifestyle. For many people, and an overwhelming number in my electorate, who are on fixed incomes, it has become their preferred, and indeed their only, option for affordable housing. In my electorate three caravan parks in the city centre of Mandurah are still subject to the whim of what the owners may or may not decide to do with them in the future.

One is the Lucky Caravan Park. It is very close to my heart because when I was a youngster some 30 years ago, Lucky Caravan Park, which is on the corner of Mandurah Terrace and Henson Street in Silver Sands, was owned by the government through the State Electricity Commission. It was then called the SEC caravan park. My dad was an employee with the SEC and he used to put in every year for our annual holiday at the Lucky Caravan Park, which was then known as the SEC caravan park in Mandurah.

Mr M.P. Whitely: Is it the one on the right as you go in?

Mr D.A. TEMPLEMAN: Yes.

Mr M.P. Whitely: I used to go there as well.

Mr D.A. TEMPLEMAN: It was very popular. It is very close to the Silver Sands beach and right across the road from the Silver Sands shopping centre.

It is only a small caravan park. It was only as recently as November of last year that the permanent tenants were given notice of termination and told that they needed to be out by 30 June of this year. In the intervening period from December until now, at least seven permanent residents have remained. I met with them again only a couple of Fridays ago because these seven residents, and five in particular, are particularly vulnerable. The City of Mandurah considered a development proposal for the site. The report to the council indicated that officers had directed the owners to liaise with the Department of Housing to ensure that the accommodation needs of these particular people would be addressed. Quite frankly, it did not happen from what I can gather.

Ian and Jodie Shaw are a couple who bought their caravan and annex in 2008 for \$20 000, only to be told less than a year later that they would be out on their ear on 30 June this year. They cannot sell their caravan, which has a number of attachments and other constructions and which is their home. They are on a disability pension. Ian's wife, Jodie, has been battling cancer and has ongoing treatment. Ian is on a disability pension. These people are not wealthy. Jodie got sick after they had purchased the caravan. They face homelessness.

Eric Colts lives at unit 1. Eric has been in the caravan park for 12 years. He has been trying to sell for a number of months—in fact, probably more than a year—but there are no takers. He went to the expense of applying to the then management to have some sewerage connected. He was given permission. I suppose it was an expectation because he got used to the fact that he had been there for 12 years and thought that he would be there forever. However, Eric faces homelessness.

David Christie is lucky in that he has found some accommodation after 30 June, which is a rental property. He is a young dad who is separated from his kids. He needs stable accommodation to enable him to reconnect with his kids and to have them around. Part of the demands of the Department for Child Protection is that he has stable accommodation so that he can have his kids around and eventually, of course, continue to play an increasing role in their lives. Although he has some temporary accommodation in Mandurah and did not own his unit, he could still have been homeless.

Andy McNeil is 57 years of age and has been in the caravan park for 16 years. He is a great bloke. He has an infrequent income. He gets casual work infrequently and relies mainly on Centrelink payments to supplement his income. Again, he owns his van. He has made some modifications but he cannot sell it. There were a couple of others who were not there on the day I went to meet with all these people, but they have similar stories.

I am not being critical of the City of Mandurah, but I believe that local councils must also take some responsibility when they assess applications. A lot of councils these days—Mandurah is one of them—talk a lot about the need for affordable housing and about wanting to make sure that affordable housing is available. They talk to government—in fact they demand that from government—but they do not always play their role, which I believe is advocating on behalf of their residents. These people may not be ratepayers—they are not ultimately, as they do not pay rates—but they are people. Ian and Jodie are battling a life-threatening disease for her. They are people.

When this particular item came up for discussion at council the councillors of the day should at least have put conditions on the development. Even if they could not legally require a developer to do something, they could have mentioned in their report that they had directed the owner to liaise with the Department of Housing. I then, as a councillor, would have demanded to know the outcome of that liaison. In fact I would have put in a condition that final approval would not be given until the council was satisfied that the people who were affected had been accommodated or assisted appropriately. It really annoys me that that did not happen. Someone said, "Look, it's only six people." I am sorry; it is six important people. They have as much right as anybody else has to be treated with respect and dignity; whether or not they are wealthy. I am disappointed that that did not happen.

I wrote to the City of Mandurah only recently saying that this is a case of six or seven people in Lucky Caravan Park, but tomorrow it could be the same for more than 200 people in a caravan park such as Belvedere Caravan Park. The chair and members of the Economics and Industry Standing Committee, onto which I was co-opted, looked at that caravan park when we visited the Peel region during the committee's inquiry into caravan parks. It is quite feasible that tomorrow, as per the law, a 180-day notice would be given to more than 200 people in a place such as Belvedere Caravan Park and that they could be ultimately facing homelessness. I do not know how the Department of Housing would be able to cope with that challenge. I know of many older people living in that caravan park. Many of them own their own vans and many bought them thinking they would be living there until they were frail and unable to live there any more. But that is the challenge that faces those people.

I think that, even though councils say they have only certain powers and that it is the WA Planning Commission and the state government that have an impact on this issue, it is time that councils stood up for these residents. It is time that, when considering approvals for developments, councils include "affordable housing" not only in the text of their reports, but also in their conditions. I know that councils say to me, "But we will just get overridden and we'll have to go to the State Administrative Tribunal." I say, "Go to SAT." I say that they should include that condition and go to the State Administrative Tribunal, because at least they would be saying to their communities, "We understand the implications and we are standing up for you."

I met a wonderful old lady in Belvedere Caravan Park a couple of weeks ago. She lives in a very small van that she purchased—I think 10 years ago. She is frail and I actually asked her whether she had started to think about her future needs. Every morning she traipses to and from the ablution block in Belvedere for her normal hygiene needs and showers et cetera. This lady is old and frail and she will not be able to do that for much longer. In fact

she is finding great difficulty in doing it now. She is part of that generation in their 80s. She is a brilliant, feisty woman who wants to be totally independent, but her body is failing her. She is vulnerable.

Over Serpentine Bridge, which is still in my electorate but is in the Shire of Murray, there is a string of caravan parks along Pinjarra Road. Some of them are strata title, so they are okay. However, a number of caravan parks have a significant number of permanent residents who, of course, at this stage will actually benefit from the announcement on land tax. In fact I was talking to Donna Cocking, one of the owners of Mandurah Caravan and Tourist Park in Pinjarra Road. She said that the owners are very pleased about this announcement by government. It is a great initiative because it will allow them some stability to be able to cope with the pressures that owners of caravan parks have in terms of ensuring that they can not only maintain the parks to a standard but also, of course, make a profit, which absolutely they are entitled to do. I have been talking to an officer in the Department of Housing about the circumstances of the people of Lucky Caravan Park. Unless we can find alternatives for them, they are faced with homelessness as of 30 June this year, and that is a real concern.

In the report highlighted by the member for Victoria Park a number of other important recommendations were made, including this one about the 100 per cent land tax exemption. I am really pleased that the government announced this very quickly as part of the budget. I was very pleased that that initiative was seized on from a recommendation in the report. I am sure it was being worked on anyway in addressing the issue. But I thank the Premier for that, because it will perhaps allow some respite. However, in Mandurah, Busselton and other places in the South West, pressure on caravan parks will continue. Of course the pressures faced with the mining—I know the Premier does not like the word “boom”—expansion in the north west will continue. We know that—given the number of workers that are required, according to the figures highlighted by the Chamber of Commerce and Industry of Western Australia—not only will the pressure continue for the provision of affordable housing for people such as those who have chosen caravan parks to live in, but also pressure will come on to provide accommodation to people who might work on a fly in, fly out basis. I can foresee a van in a caravan park becoming quite attractive to people who fly in, fly out. They would fly in, fly out for four weeks, come south for their two weeks’ respite and the van would be available for the four weeks that it is empty. I am sure that happens now anyway.

What I really want to stress to the Parliament today is that the Ian and Jodie Shaws, the Eric Colts, the David Christies and the Andy McNeils of the world—and Ray and Tom, the other two who were not there at the meeting I attended at Lucky Caravan Park—are real people with real needs.

[Member’s time extended.]

Mr D.A. TEMPLEMAN: It may seem that they are only small in number in this case, but I know that other people living in caravan parks in my electorate and in other parts of the state could face exactly the same situation.

I believe the Department of Housing should have a strategic committee—I do not want to create another committee, as I know the Premier hates them—or a group of officers who are poised and ready and looking at this issue strategically and at the hotspots. They know where they are. The Economics and Industry Standing Committee knows where they are; it highlighted them. However, it is quite feasible that, given that many of the caravan parks under threat are on very valuable land, tomorrow a buyer could come along to the caravan park in Mandurah and say, “Mate, I want to buy your caravan park. Here’s \$20 million.” Some of these sites, I might tell members, are worth \$20 million-plus. The buyer could say, “Here’s \$20 million. Get your tenants out. I want them out by the 180-day deadline”; and we will have a situation in which not just six people but a couple of hundred or more are genuinely under threat. I think that the Department of Housing is looking at this in a strategic sense; and I hope that the Minister for Commerce can advise me on this, perhaps in response to this debate. The report gives some good guidelines and provides recommendations on how we can be a little more strategic. We have to be looking for new sites, or for appropriate sites on the one hand, particularly for the tourism and hospitality side of things, and on the other hand, we have to look for the hot spots where there are people under threat and ask what is being done in a strategic sense. That is important. In a strategic sense, what would we do if tomorrow the 200-plus tenants at the Belvedere Caravan Park in Mandurah, for example, were told that there was an international buyer for the site—the necessary zoning initiatives are in place around that land—offering something that was too good to refuse? What is in place for those 200-plus people if that situation were to occur? We know it could happen, we know it has happened and we know that it will happen again.

I mentioned six people who have been affected by this. To be honest, I think that if the City of Mandurah had followed through on the directive that was mentioned in the text of the council’s minutes, it would have sat down with the owner and said, “We’ve seven tenants; what are we going to do? Let us go and ask Eric what he needs. Eric tells me that he needs another place to go.” One of the things that the management did was to poke a letter into their mailbox and say, “You’re out by ...! Here is a list of other caravan parks you might like to go to.” What did the tenants do? They rang those parks up and were told, “Sorry we’re full”, or “We’re not accepting

permanent residents”, or “We have no room.” That should not be the end of their responsibility. If the council were doing the right thing, it would say to the owner, “Before we give a final tick, what have you done for Eric, David Christie, Andy McNeil or Ian and Jodie Shaw?” I think if the owner had come to the party here and the department had been able to negotiate, the owner probably could have said, “Eric, we will give you \$2 000 to help you shift.” I reckon Eric would have accepted that. Jodie and Ian’s situation is different as they have health needs, and their situation is very much within the responsibility of the Department of Housing. Ian and Jodie have to concentrate on Jodie’s health. The first thing they need is a stable accommodation situation, so that they can get on with the battle they need to get on with. David Christie is okay as he has found some accommodation. David probably needs to be supported by the local community housing agency, and we are linking him up with that. What do people like Andy McNeil and Tom and Rae need? I reckon the owner could have got out of this for \$10 000 in total, if an offer had been made.

The other thing that is interesting, and Mr Acting Speaker (Mr A.P. O’Gorman) would know this having followed caravan park issues for a long time, is that it is not cheap to shift a van that is almost rusted to the spot! The caravan regulations and laws are quite interesting. Basically, according to the law, the caravan has to be able to be moved; however, if members look at some caravan parks, particularly the permanent resident parks, people make the caravans into their homes. They have turned them into beautiful homes. Some of them are magnificent with beautiful gardens, fences, ponds, vegie gardens, outhouses, greenhouses, additions, annexes and theatre rooms; they have little rooms for their grandkids who come to stay. I think it is fantastic. However, if they are told to move their home, the cost is potentially huge. It is not just a case of backing the Nissan Patrol or the Datsun 120Y up to the tow bar, hooking it on and moving to another caravan park! It is not that easy—not in the current climate and not in the future climate. I am not talking about a drying climate, Minister for Water! It is not that easy. If these people are elderly, frail, sick or have an illness like Jodie is facing, this is absolutely the last thing they need. I hope the government has learned from this landmark inquiry that it should get strategic about addressing an issue that it knows exists and will continue to exist and will become more serious in the future. There will be hundreds if not a few thousand people who will ultimately be at risk. The government will be called upon to respond, but if the government of whatever persuasion has not done its homework and looked at things strategically, we will have people pulling their caravans up to the front of Parliament House and saying, “You find us a home because we can’t get one! The Department of Housing can’t give us a home as there is a huge waiting list. I can’t put my van on any park because the parks have said they’ve no room.” Let us take the recommendations highlighted in this report very seriously, particularly about future use and provision and then address issues of people like Ian and Jodie Shaw, Eric Colts, David Christie, Andy McNeil and others who face eviction on 30 June from where they live.

I want to finish with one last point. The member for Riverton would remember that the committee members were invited to a WA Caravan and Camping Association event down in Yarloop. The member put in his apologies but I was able to go down there and it was great. It is a big group. Members have to understand that these are big groups of people. They may not live in a caravan park, but they utilise the services of caravan parks around Australia in their lifestyle travels. I went down there and addressed that big group. There would have been over 100 people there from all parts of state, particularly the south west metro area. They are a very good, strong lobbying group. I am sure that the member for Riverton has been getting a few of their letters because I told them to write to all the members of the committee and to the government asking for a response from the government. At that time we had not received the government’s response; we have now and that is great. I have been writing back to them saying that the government has now responded and I provided a copy of its response.

Mr J.E. McGrath: So have you been saying that you have sorted this for them?

Mr D.A. TEMPLEMAN: Basically, yes. I said I have sorted it out, fixed up the problem and I have acted on behalf of the government to ensure a response! They are good people. What came out of that, member for Riverton, who has probably received this feedback, is that these people are very interested in the government’s response. They want to know what members of Parliament will do strategically to protect the capacity for people in Western Australia and those who visit Western Australia in caravans and motor homes et cetera to access these facilities; that is, are we going to be strategic in the provision of these facilities from a tourism perspective? People are watching very keenly what the government is doing and what individual ministers will be doing. I think this issue demonstrates how the standing committee process can work very well and deliver outcomes. That is important. That is great to see.

Again, I thank the chairman and others for accepting me onto the committee. They were not even reluctant, which is a surprise. In fact, they embraced me when I applied to be on the committee and then they tried to take me on all sorts of trips. I was wary of the history of the member for South Perth when he goes on trips. I will be very interested to hear about the Whips’ convention in July!

With those comments, I congratulate the Treasurer on this initiative. I am sure that he knows what I am talking about, because it is an important plank in addressing the raft of issues that face caravan parks

Mr C.J. Barnett: It was very good work by the committee and it shows its effectiveness.

Mr D.A. TEMPLEMAN: Thank you.

DR M.D. NAHAN (Riverton) [12.19 pm]: I would like to make a few comments on the Land Tax Assessment Amendment Bill 2010 in support of what other speakers have said and to also highlight a few issues. The second report of the Economics and Industry Standing Committee is a major report. The committee made 150-plus findings. A major finding was that we are losing space in caravan parks. When I mentioned to people what we were doing as part of the committee, some of them giggled: “So you’re going on vacation!” Perhaps! Once we looked at it and thought about it, this is a very important piece of infrastructure not only for tourism but also, as the member for Mandurah highlighted, for many other uses. We are continually losing capacity in caravan parks for a variety of reasons. One of the main reasons is that when caravan parks were built many years ago, they were often put on the outskirts of town, often in a very nice, pretty area. They were located on a large block of land, by the river or coast, and had variable zoning laws. They can be rezoned and therefore capture value. That is what is happening all around the state.

As the member for Victoria Park said, it is very important that not only university students are able to stay at caravan parks and have a good time for the weekend, as I used to, but also that they are family oriented. When I first came to Western Australia, I went to the caravan parks in the member for Mandurah’s area. The nice thing was they were family oriented—the kids could run down and play by the beach without the need to keep too close an eye on them. Young families with not much cash could also enjoy themselves for the weekend. This is not just a one-off issue. Everywhere the committee visited, we found people who had been going to the same caravan park for 10 to 20 years. It was part of the tourism culture. There is another growing band of people, which I will shortly join, in the grey nomads. They are the retirees who are keen and have the time —

Mr T.G. Stephens interjected.

Dr M.D. NAHAN: The member for Pilbara will be joining them soon, too.

Mr T.G. Stephens: I am just starting the second half of my career!

Dr M.D. NAHAN: I see. It will be a long second half!

Grey nomads are not only vocal but they are growing in number. They are very passionate about the recreation of travelling around the great state of Western Australia—in fact the whole nation. Many grey nomads come from places like Queensland and New South Wales. It is a major issue. There is potential, the committee thought, for the growing expansion of international grey nomads; namely, people who come and travel around in rented vans. Unfortunately one of the odd things is that the largest number of those are the Wicked vans that are, let us say, despised. The vans are kind of clapped out. People driving them tend to like loud music and cause some accommodation problems for the grey nomads. Nonetheless, we found them interesting!

One of the most difficult and serious aspects, as the member for Mandurah pointed out, is that increases in land values, particularly around the coast, are pushing up the price not only of caravan park land but also housing generally. Increasingly, our caravans are being filled by long-stay tenants often on very low incomes—although not always, as sometimes they do it for the lifestyle. They get into this mindset that things have not changed for decades. It was only recently that land values shot up in Western Australia. People went to caravan parks some time ago and bought a caravan, treated it as their home, put in gardens and parks and carports and thought everything would be fine because it had not changed in the past. Land values have now shot up and many people are under real pressure to keep their homes. There have been many closures. They simply do not have the cash or capacity to find a larger home. People are being turfed out in large numbers.

One of the major findings of the Economics and Industry Standing Committee was that this pressure will continue unless we do something about it. The committee made 55 different recommendations, one of which involved the land tax issue. The previous government, I think in a report by a tourist task force, responded to these same pressures by giving a 50 per cent discount to caravan parks for land tax. I believe that was in the 2007–08 budget. It was a positive initiative. Land tax is based on best alternative uses. In some caravan parks that are shire-owned or zoned strictly for caravan parks, it is not a big issue. One of the committee’s major findings was that the zoning of caravan parks varies immensely. Many are zoned “tourist” and can actually be used for four-star or five-star tourist facilities. In fact, that is what has happened to many of them. We have seen the unimproved value of land shoot up by 100 per cent to 200 per cent; therefore, the land tax levies shoot up accordingly. This has put real pressure on the economic viability of caravan parks as tourist parks. It also creates an incentive for people to convert caravan parks to alternative uses, as it would. In fact, I believe that is part of the purpose of the tax.

When the committee visited caravan parks, it found that a large number of firms have identified the speculative capacity of these parks—that is, the rezoning capacity—and are buying the land, often keeping it as a caravan park for periods of time but doing other things like putting chalets and more long-stay accommodation in. They

are waiting for the day they can change the value of the land. That is how business works. One of the committee's concerns, which was also a concern of the task force of 2006 under the previous government, was that it wants these parks to remain as parks. The Land Tax Assessment Amendment Bill 2010 provides a substantial land tax incentive to keep caravan parks. It wants that to be more permanent, so the committee suggested a clawback period. The previous government had a clawback period of five years. The committee's report recommended, since we are doubling the land tax exemption from 50 per cent to 100 per cent, that we increase the clawback period from five years to 10 years to dissuade speculative capacity. That is what the bill does. It takes up in full recommendations 16 and 17 of the committee's report, and implements them. I congratulate the government on that initiative.

The Minister for Planning gave quite a comprehensive response to the committee and its many recommendations. He indicated which recommendations he would undertake in part or in full and which ones he would not. Although the issues of this bill are relevant and very important, and the government should be congratulated for taking it up, there are other issues that are just as important. The differential between the profit that someone can make from operating a caravan park and what can be obtained by rezoning is phenomenal and overwhelms the land tax incentive. To give members some data, we heard that in one of the northern vacation cities of Western Australia—I will not name it—some of the caravan parks are on the market or could be on the market for over \$20 million. Seabird Caravan Park, which is north of the city, is one of the few that has been stratified; that is, strata titled. The committee heard that a few years ago one of the small blocks, probably no bigger than this area in front of me in this chamber, with a caravan on it, sold for \$750 000. In other words the value, whether it be for tourist or a holiday home or just the value Western Australians put on having a home by the sea, even if it is small, overwhelms this land tax incentive.

The Western Australian Planning Commission has issued a planning document that sets out a strategy for shires to take up. It says, "Let's look strategically at our caravan parks and say which ones we need to preserve, and zone them accordingly. Let's consider which ones are medium, and which ones we can utilise." It has to have a strategic focus. The committee found that the Shire of Augusta–Margaret River was the most advanced in that regard. It was very effective. Albany also did the same thing: the priority ones were identified. Such parks are usually by the coastline and are family oriented. For the second tier parks it would have allowed more chalets and some more long stays. For the third tier parks, which were usually further from the ocean, it would have allowed redevelopment, including for more long-stay accommodation.

Mr T.G. Stephens: Your normal philosophy and ideology is "let the market dictate". Can you just tell me why have you suddenly got a warm and fuzzy feeling towards caravan park users, when your warm and fuzzy feelings about every other segment of the market seem to be completely cold?

Dr M.D. NAHAN: Let us take that in three points. First, about this being the first time I have had "warm and fuzzy feelings", I do not think I have even had a conversation with that term, so I do not know how the member came out with the statement.

Mr T.G. Stephens: Warm and fuzzy in the Parliament.

Dr M.D. NAHAN: No. Second, why did I take this issue up? It is important people infrastructure. Do I believe that we should have zoning laws that stick; zoning laws that state that Kwinana should be an industrial site? Yes, I do. This is an issue about planning zoning for infrastructure. This issue is that we go out and build infrastructure and we zone it for caravan parks. The zoning gets watered down and therefore we lose essential infrastructure. That is what this legislation is about. If the member read the report, he would not have to ask that question. Third, we went to places and we found people, as the member for Mandurah outlined in detail, who are destitute; they are being thrown out of often second-rate homes. They like the properties and they like the facilities, but they are an offshoot and victims of a rising lack of affordable housing.

Also, up in the member for Pilbara's area, which I did not mention, there is not so much a long-stay issue; essential pieces of infrastructure—that is, caravan parks, which are part of the infrastructure for grey nomads and other tourists in that area—are being consumed. Therefore, the tourists have nowhere to stay because the people who have not been able to find accommodation due to the lack of affordable housing and land availability have taken over the caravan parks.

Ms A.J.G. MacTiernan: Carve up those cow paddocks! Do not bother about the —

Dr M.D. NAHAN: The member would rather people —

The ACTING SPEAKER (Mr A.P. O'Gorman): Members!

Dr M.D. NAHAN: The member for Armadale would prefer people not have any place to stay in the caravan —

Ms A.J.G. MacTiernan: Laissez faire; don't worry about sewerage!

Dr M.D. NAHAN: The member for Armadale would have people live in low-quality homes; that is what she would prefer!

Ms A.J.G. MacTiernan: No. The member does not have the figures. The member should look at living affordability, not just housing affordability.

Dr M.D. NAHAN: I do.

Ms A.J.G. MacTiernan: You cannot stick people out there and provide nothing for them and expect that to be functional. This is the failure of your laissez-faire politics that you have pursued!

Dr M.D. NAHAN: Talk to the member for Mandurah! The problem that the member for Mandurah highlighted is largely the previous government's doing. People are living in that accommodation; they do not have opportunity because the previous government did not deal with housing affordability when it was its issue, so the problem lies with the former government!

Ms A.J.G. MacTiernan: You would just carve it up—carve up the cow paddocks!

Dr M.D. NAHAN: I would carve up cow paddocks if it meant that people would have affordable housing—yes, I would.

Ms A.J.G. MacTiernan: But they don't have affordable housing; you have got to look —

Dr M.D. NAHAN: Yes, I would.

The ACTING SPEAKER: Members!

Ms A.J.G. MacTiernan: You can't look just at the cost of the land; you've got to look at the living affordability.

Dr M.D. NAHAN: Has the member looked at the people who live in those caravan parks and their situation?

Ms A.J.G. MacTiernan: All that data is showing is the cost of transport actually outweighs the cost of housing.

Mrs L.M. Harvey: She knows absolutely everything!

Dr M.D. NAHAN: The member for Armadale —

Ms A.J.G. MacTiernan: I like to think that I have learnt something.

The ACTING SPEAKER: Member for Armadale, I am trying to hear the member for Riverton. Until now it has been a reasonable contribution that we have been able to hear. We have heard everybody else in silence and I ask that we hear the member for Riverton in silence.

Dr M.D. NAHAN: Thanks very much. There is a very major issue, as the member for Mandurah said, that not only in Mandurah but also around the Perth area and other areas there will be a growing crisis with people who have located, or plan to locate, to caravan parks but those caravan parks are to be rezoned. Those people will not find an alternative. That is the issue that we must plan for. The real issue is that most of the land in the places where people want caravan parks has been taken up for alternative uses and it is very expensive. A major recommendation in the report is that governments, whether they be local government or the state government, identify and rezone land that can be taken up, identified and rezoned as caravan parks. That is not easy but it has to be done.

An issue that the member for Mandurah raised, which I think is important, is that this to a large extent has to be provided by, and the leadership has to come from, local governments. Local governments need to identify at-risk caravan parks and land that can be used and appropriately zoned for caravan parks. A major recommendation of the Economics and Industry Standing Committee's second report was in fact that shires take the lead not only in identifying the land but also owning the land for caravan parks to more effectively prevent that land being rezoned for other uses. Nonetheless, the Land Tax Assessment Amendment Bill provides something that the government can do quickly that builds on the committee's report, and the Tourism Planning Taskforce report of 2006 augments it. The bill provides a constructive way to help people retain caravan parks as caravan parks while we undertake a more strategic review. On behalf of the Economics and Industry Standing Committee, I thank the government's initiative in taking this issue up and I welcome the bill.

MR W.J. JOHNSTON (Cannington) [12.36 pm]: I rise too as a member of the Economics and Industry Standing Committee that examined this issue. I am pleased that the government is following through on this initiative. This is an important initiative, although it is not the whole answer to the question of preserving caravan parks. I will not go into the reason that we need to preserve caravan parks, I think that was covered very well by speakers before me so I do not need to go through that again.

I think this is a good example of the operations of the Parliament in action. A bipartisan committee considered an important issue and came up with a range of recommendations to government about how to deal with the issue, and the government has responded to that report by introducing the Land Tax Assessment Amendment Bill 2010 to the Parliament. Therefore, that is a great example of the operations and the importance of the parliamentary process. We often sit in this place and, appropriately, deal with the political cut and thrust of what we do. Politics is about battles of ideas and that is the appropriate forum; we have opportunities for people to put their opinions, have them considered and see what occurs, but the parliamentary process can also be about bringing ideas together. The Liberal members of the committee are the member for Riverton, who is the committee chair; the member for Scarborough; and the member for South Perth. The member for Collie–Preston and I are Labor members of the committee; and, of course, the member for Mandurah, whom we should never forget, was co-opted on to the committee. We all took a clear bipartisan approach to these matters. The fact that the large number of recommendations and findings were all made unanimously demonstrates the way that Parliament can operate, so I am very pleased to be part of this public policy contribution to the state of Western Australia. I believe that it is not the first time that I have been able to contribute to the public policy debate, and on other occasions it has always been as part of a team. People like the member for West Swan and former Premiers Gallop and Carpenter are people whom I have been able to contribute with. I always think about the fact that we were able to stop the building of the Kimberley canal, which was another major contribution to Western Australian public policy. Had the canal proceeded, it would have crippled Western Australia for generations.

The Land Tax Assessment Amendment Bill will increase the land tax concession from 50 per cent to 100 per cent and increase the clawback period. That has two good benefits. It obviously reduces the costs of operating a caravan park. Therefore, people who choose to run a caravan park business can have some of the cost pressures taken off them. At the same time because of the extension of the clawback arrangement from five to 10 years, effectively an improvement tax will have to be paid if a caravan park operator at some future time chooses to move from running a caravan park to some other type of activity; the operator will have to retrospectively pay the costs of the land tax. That means that there is a disincentive to take the caravan park out of that area and use the area for other purposes.

I congratulate the former minister, the member for Vasse, on his approach to this caravan park issue. It may surprise some in the chamber to hear me stand up and congratulate the member for Vasse on the way he approached this issue because I have been very critical of him in his former role as Treasurer. I thought he was a quite lazy Treasurer.

Mr J.E. McGrath: He's been critical of you too.

Mr W.J. JOHNSTON: I am sure he has, as have others, I imagine. The point I am making is that I felt his response to the caravan park issues that arose in the northern suburbs was reasonable. The interdepartmental working group that he established to deal with these issues was a sensible approach to the problems that were coming up. The Economics and Industry Standing Committee recommended that that interdepartmental working group continue and be given a broader scope than was originally set up by the minister.

I challenge the new minister, a person whom I know personally from my former life as state secretary when he used to see me on behalf of Syme Marmion & Co, the lobby firm, to lobby me on behalf of his various clients. I always found him to be an effective lobbyist and a person that I was always happy to deal with.

Mr R.H. Cook: Was he registered?

Mr W.R. Marmion: You don't have to be registered if you are approaching someone.

Mr W.J. JOHNSTON: I was not a public servant so the lobby register did not apply to me. I hope that the minister will take up the mantra of the former minister because I think he took a pretty good approach to these issues.

Page 143 of our report states —

As part of the research that resulted in the *Understanding the Caravan Park Industry in WA* report, Tourism WA and Tourism Australia attempted to quantify the park owners' intentions in relation to the redevelopment of their land as a residential area. One hundred operators 'from across all regions in WA' were asked 'what is the probability that in the next 5 years the land will be ... redeveloped as a residential area?'

At the time of that survey, 18 out of those 100 caravan park operators thought that they had a probability of converting from a caravan park to residential land. We can see the development pressures that are on the caravan park industry at the moment. As the member for Mandurah outlined, every time a park closes there is a personal tragedy for the long-term residents in those parks. The Land Tax Assessment Amendment Bill is not the complete response but it is part of the response we need.

It is also important to think about the tourism uses of these parks. Tourism has to be the most significant issue when it comes to protecting caravan parks. Long-stay tenants have become the most important individuals in the park. Both those issues need to be looked at. Clearly, one of the problems that we found—there is mention of this in the report—was the lack of proper understanding about what a long-stay resident gets by living in a park. As the member for Riverton outlined, just because they have been there for a long time, does not give them any permanency. One of the committee's recommendations is that the Department of Commerce amend the booklet that it gives to people in long-stay caravan parks so that it is absolutely clear—the current documentation is not clear—that there is no guarantee of tenure in a caravan park.

Over the past decades lifestyle villages have been created in which people in their 50s and 60s sell their suburban homes, liberate their capital, buy a cheaper place in these lifestyle villages on a 30-year lease and have a great lifestyle, living amongst a group of friends and travelling. They probably buy a van or a four-wheel drive and live a good lifestyle, but they are on a long-term lease. There is usually an understanding of what is being purchased when people buy into those lifestyle villages. On the other hand, as I think I mentioned in my address to the report itself, problems arise for caravan owners in a caravan park where there is no tenure. Fortunately for the people at the particular site mentioned, the owners of that park have no interest in redevelopment but if that was to change at any time in the future, there would be those same development pressures. People are paying \$50 000 for a 30-year-old caravan thinking that they are purchasing the land underneath the van. That is a huge problem. In my view, the Department of Commerce needs to step up to the plate and take on more responsibility so that people do not buy things when they think they will get something more. This is an important part of the government's response to the committee's report.

I spoke in my budget reply about the government's decision not to follow through on two of our recommendations, specifically that Tourism WA has a specific budget allocation in respect of caravanning, and the question of zoning of lifestyle villages on rural land. I will not comment further on those two issues because I addressed them in my budget reply. If members are interested, they should look at the *Hansard*.

There is a third issue that I should raise. The committee not only recommended that a 100 per cent land tax exemption be granted for these caravan parks but also suggested that there be an exemption from council rates. The government's response to that is that councils are another tier of operation and the government does not have any direct responsibility for the behaviour of councils. Therefore, it rejected the recommendation. I wish to make two points about that. Firstly, the recommendation is still sensible, even if the government has not adopted it. Councils should consider that themselves because obviously if there was a lower rate base for those caravan parks, more of them may be able to survive. If councils put in a clawback provision such that we are debating in this bill, there would be that disincentive to convert the land to other uses. Secondly, at the end of the day, the Parliament controls councils because they are not separate institutions under the constitution; they are just a creation of the Parliament itself. It is probably worth members thinking about the constitutional amendments that were proposed by the former federal Labor government in 1986 I think. One of those was the recognition of local governments in the Constitution. That referendum question was rejected. It is interesting that the Liberal Party opposed that constitutional amendment. Councils are subject to the decisions of this Parliament. Perhaps we should look at using our abilities because I believe that that rate exemption would encourage the retention of caravan parks and relieve the pressures on caravan parks that other members have outlined.

I want to move to another matter that I and other members have already touched on. The minister referred to this exemption in his second reading speech, which stated —

It recommended that the land tax concession for caravan parks that predominantly provide tourist caravan sites and campsites be increased to 100 per cent,

That is not actually correct, and in my reading of the bill it is not what is actually being done, but the committee recommended it for all caravan parks, whether they provide predominantly tourism accommodation or long-stay accommodation. We did that for the reason that when we looked at the question of the balance between tourism and long-stay accommodation, we could not work out how to provide a regulation that would actually work.

Debate interrupted, pursuant to standing orders.

[Continued on page 4126.]