



## Exemption for Land used for a Caravan Park, Camping Ground or Residential Park

This Commissioner's practice outlines when the Commissioner of State Revenue (Commissioner) will grant a land tax exemption for land used for a caravan park, camping ground or residential park for assessment years commencing on or after 1 July 2020. See superseded Commissioner's Practice LT 16.1 for previous assessment years.

### Background

Unless otherwise specified, section 39A of the *Land Tax Assessment Act 2002* (the Act) defines the terms used in this practice.

#### *Land in a dwelling park or residential park*

Section 39B of the Act provides that land in a *dwelling park* or *residential park* is exempt from land tax in certain circumstances.

*Dwelling park* is either a *caravan park* or *camping ground*.<sup>1</sup>

- A *caravan park* is an area of land on which caravans, or caravans and camps, are situated for habitation.
- A *camping ground* is an area of land on which camps, but not caravans, are situated for habitation.

A *caravan* is a vehicle fitted or designed for habitation, and unless the contrary intention appears, includes an annexe.

A *camp* is any portable shed or hut, tent, tent fly, awning, blind or other portable thing used for, or capable of being used for, habitation.

*Residential park*<sup>2</sup> means a place, including a caravan park, where there are sites on which relocatable homes may be parked, assembled or erected in accordance with a long-stay agreement between a person and a park operator. The park operator grants the person a right to occupy a relocatable home in the residential park as the person's principal place of residence. The residential park can include shared premises for the use of long-stay tenants in accordance with a tenancy.

### Park sites

The exemption applies to the *park sites* in the dwelling park or residential park that are used for specific purposes.

A *park site* is an area of land set aside, marked or intended to be used for:

- one caravan, camp or relocatable home or
- one holiday cabin, chalet or similar building.

A park site may be a *long-stay site* or a *short-stay site*.

<sup>1</sup> As defined in the *Caravan Parks and Camping Grounds Act 1995*.

<sup>2</sup> As defined in the *Residential Parks (Long-stay Tenants) Act 2006* s 5B.

A *long-stay site*<sup>3</sup> is used, or intended to be used, as a person's principal place of residence. The site and home may be rented from the park owner (long-stay tenant), or it can be an *owner-occupied home site*, which means the tenant has the right to occupy their own relocatable home on the site.

A *short-stay site* is not used, and not intended to be used, as a person's principal place of residence.

### **Excluded land**

*Excluded land* is:

- (a) land used for a hotel, motel, hostel, lodging house, boarding house, shop, café or restaurant
- (b) land not listed in paragraph (a) subject to a licence under the *Liquor Control Act 1988*
- (c) land which has been cleared for the purpose of developing the land
- (d) land used for prescribed purposes<sup>4</sup> and
- (e) land the Commissioner considers is not used for the purposes of operating the dwelling or residential park.

### **How the exemption is calculated**

Land in a dwelling or residential park is exempt for an assessment year if there are caravan or camp sites or owner-occupied home sites in the park at midnight on 30 June in the previous financial year.

A park with at least 75 per cent of short-stay sites classified as caravan or camp sites will receive a full exemption, less any excluded areas.

A park with at least 75 per cent of long-stay sites classified as owner-occupied sites will receive a full exemption, less any excluded areas.

For mixed use parks, short-stay and long-stay sites are calculated separately.

The exemption is calculated on the proportion of the exempt sites to the whole of the park.

### **Short-stay parks**

A short-stay park only contains short-stay sites. Only caravan or camp sites are exempt.

#### **Example 1 – Full exemption**

A caravan park contains 200 park sites. 160 are caravan and camp sites, and 40 are holiday cabins and chalets. The park does not contain any area used for excluded purposes.

The entire park is exempt because more than 75 per cent of the sites are caravan and camp sites ( $\frac{160}{200} = 80$  per cent).

<sup>3</sup> As defined in the *Residential Parks (Long-stay Tenants) Act 2006* s 3.

<sup>4</sup> Subsection (d) allows the Government to prescribe specific uses of land which are excluded from the exemption. Currently there are no prescribed forms of excluded land.

#### *Example 2 – Partial exemption*

A caravan park contains 200 park sites. 100 are caravan and camp sites, and 100 are holiday cabins and chalets. The park does not contain any area used for excluded purposes.

The park receives a 50 per cent exemption because less than 75 per cent of the sites are caravan and camp sites ( $\frac{100}{200} = 50$  per cent).

#### *Long-stay parks*

A long-stay park only contains long-stay sites. Only owner-occupied sites are exempt.

#### *Example 3 – Full exemption*

A residential park contains 100 park sites. 90 are owner-occupied home sites, and 10 are for long-stay tenants. The park does not contain any area used for excluded purposes.

The entire park is exempt because more than 75 per cent of the sites are owner-occupied ( $\frac{90}{100} = 90$  per cent).

#### *Example 4 – Partial exemption*

A residential park contains 100 park sites. 60 are owner-occupied home sites, and 40 are for long-stay tenants. The park does not contain any area used for excluded purposes.

The park receives a 60 per cent exemption because less than 75 per cent of the sites are owner-occupied ( $\frac{60}{100} = 60$  per cent).

#### *Mixed-use parks*

Mixed-use parks contain both short-stay sites and long-stay sites.

The portions of a mixed-use park attributable to short-stay (caravan and camp sites) and long-stay (owner-occupied) sites will be exempt.

#### *Example 5 – Full exemption*

A mixed-use park contains 200 sites.

- 150 are short-stay sites.
  - 120 are caravan and camp sites,
  - 30 are holiday cabins and chalets.
- 50 are long-stay sites.
  - 45 are owner-occupied home sites.
  - 5 are long-stay tenant sites.

The park has no excluded land.

The entire park is exempt because:

- more than 75 per cent of the short-stay sites are caravan and camp sites ( $\frac{120}{150} = 80$  per cent) and
- more than 75 per cent of the long-stay sites are owner-occupied home sites ( $\frac{45}{50} = 90$  per cent).

### *Example 6 – Partial exemption*

A mixed-use park contains 200 sites. The park has no excluded land.

- 120 are short-stay sites.
  - 60 are caravan and camp sites.
  - 60 are holiday cabins and chalets.
- 80 are long-stay sites.
  - 70 are owner-occupied home sites.
  - 10 are long-stay tenant sites.

#### 1. Short-stay portion

Because less than 75 per cent of the short-stay sites are caravan and camp sites, the short-stay part of the park receives a 50 per cent exemption, which is proportional to its percentage of exempt sites ( $\frac{60}{120} = 50$  per cent).

#### 2. Long-stay portion

Because more than 75 per cent of the long-stay sites are owner-occupied home sites ( $\frac{70}{80} = 87.5$  per cent), the long-stay portion of the park receives a full exemption.

#### 3. Total park exemption

The exemption for the short-stay and long-stay portions is applied to their proportion of the park.

- Short-stay sites make up 60 per cent of the park sites ( $\frac{120}{200} = 60$  per cent).
  - 60 per cent of the sites x 50 per cent exempt = 30 per cent of the total is exempt.
- Long-stay sites make up 40 per cent of the park sites ( $\frac{80}{200} = 40$  per cent).
  - 40 per cent of the sites x 100 per cent exempt = 40 per cent of the total is exempt.

The total park exemption is calculated by adding the 30 per cent exemption for the short-stay portion and the 40 per cent exemption for the long-stay portion.

The mixed use park is 70 per cent exempt.

### *Parks with excluded land*

As excluded land is not included in the exemption, the proportion of a park's area which is excluded land is removed from the exemption that would otherwise apply.

### *Example 7 – Full exemption with excluded land*

A residential park has a total area of 8,000m<sup>2</sup>. It contains 120 park sites.

- 100 are owner-occupied home sites.
- 20 are long-stay tenant sites.

The entire park would be exempt because more than 75 per cent of the sites are owner-occupied ( $\frac{100}{120} = 83$  per cent).

However, 800m<sup>2</sup> of the park is used as shops, cafes and restaurants. As these are types of excluded land, that portion of the park area is removed from the exemption:

- $\frac{800}{8,000} = 10$  per cent excluded land
- 100 per cent – 10 per cent = 90 per cent

The residential park is 90 per cent exempt.

### *Example 8 – Partially exempt mixed-use park (with excluded land)*

A mixed-use park has a total area of 20,000m<sup>2</sup>, with 2,000m<sup>2</sup> being excluded land comprised of commercial tenancies and undeveloped land not used by the park tenants.

The park contains 150 park sites.

- 90 are short-stay sites.
  - 80 are caravan and camp sites.
  - 10 are holiday cabins and chalets.
- 60 are long-stay sites.
  - 15 are owner-occupied home sites.
  - 45 are long-stay tenant sites.

#### 1. Short-stay portion

Because more than 75 per cent of the short-stay sites are caravan and camp sites ( $\frac{80}{90} = 88$  per cent), the short-stay portion of the park receives a full exemption.

#### 2. Long-stay portion

Because less than 75 per cent of the long-stay sites are owner-occupied home sites, the long-stay part of the park receives a 25 per cent exemption, which is proportional to its percentage of exempt sites ( $\frac{15}{60} = 25$  per cent).

#### 3. Park exemption

The exemption for the short-stay and long-stay portions is applied to their proportion of the park.

- Short-stay sites make up 60 per cent of the park sites ( $\frac{90}{150} = 60$  per cent).
  - 60 per cent of the sites x 100 per cent exempt = 60 per cent of the total is exempt.
- Long-stay sites make up 40 per cent of the park sites ( $\frac{60}{150} = 40$  per cent).
  - 40 per cent of the sites x 25 per cent exempt = 10 per cent of the total is exempt.

The total park exemption is calculated by adding the 60 per cent exemption for the short-stay portion and the 10 per cent exemption for the long-stay portion.

The mixed use park is 70 per cent exempt.

#### 4. Excluded land

The area of the park not to be included when calculating the exemption is  $\frac{2,000}{20,000} = 10$  per cent.

Because 10 per cent of the park is excluded land, 90 per cent is not excluded.

#### 5. Total park exemption

90 per cent of the park is 70 per cent exempt.

90 per cent x 70 per cent = 63 per cent exemption for the mixed use park with excluded land.

## Commissioner's practice

1. The Commissioner will generally consider the following to be land not used for the purposes of operating a dwelling park or residential park:
  - 1.1 undeveloped land not used by park tenants
  - 1.2 land used for storing personal property of the park owner or
  - 1.3 commercial uses (shops or cafes) which are not solely for park tenants.Land used for these purposes is excluded land and not included in the exemption.
2. The Commissioner will generally consider the following to be land used for the purposes of operating a dwelling park or residential park:
  - 2.1 a gym usable by only park tenants
  - 2.2 mini golf course, trampoline, playground or other recreational area only accessible to park tenants
  - 2.3 undeveloped land containing nature trails which are usable by all park tenants or
  - 2.4 commercial activities which service park tenants, such as a reception building in a caravan park that sells general goods or confectionary to park tenants, if they are for the purposes of operating the park and do not provide services to the broader community.Land used for these purposes is included in the exemption.

## Date of effect

This Commissioner's practice takes effect from 22 February 2023.

Chris McMahon  
COMMISSIONER OF STATE REVENUE

22 February 2023

## Document history

Commissioner's Practice	Issued	Dates of effect	
		From	To
LT 16.0	16 September 2005	16 September 2005	30 June 2010
LT 16.1	10 August 2010	1 July 2010	21 February 2023
LT 16.2	22 February 2023	22 February 2023	Current