



## Treasurer and Minister for Trade

TOQ-05584

20 MAR 2014

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Dear Mr Laurie

### PETITION RECEIVED BY THE QUEENSLAND LEGISLATIVE ASSEMBLY: 2201-13

Thank you for your letter of 13 February 2014 and accompanying petition tabled on 11 February 2014 by the Honourable Jo-Ann Miller MP, Member for Bundamba, requesting the draft public ruling issued by the Australian Taxation Office (ATO) *GSTR 2013/D2 Goods and services tax: supplies made by an operator of a 'moveable home estate'* be withdrawn.

I note the Honourable Campbell Newman MP, Premier released a media statement on 27 November 2013 which supported the withdrawal of the draft public ruling. A copy of this press release is enclosed.

Following a process of public consultation, the Commissioner of Taxation issued a press release on 19 December 2013 withdrawing the draft public ruling. A copy of this press release is also enclosed.

The Commissioner advised the ATO considered the legal arguments and practical implications of the draft ruling and concluded that no change is required to the existing GST treatment of moveable homes in moveable home estates on the grounds that such estates are considered to be sufficiently similar to a caravan park. Consequently, it is unlikely the Australian Government will consider amendments to the definition of commercial residential premises in section 195-1 of the GST Act are required.

I trust this information is of assistance.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Tim Nicholls".

Tim Nicholls  
Treasurer and Minister for Trade

Encl.



## Media release

Premier

The Honourable Campbell Newman

### Premier calls for ATO to rule out GST rent slug

Premier Campbell Newman has called on the Federal Government to rule out a proposal by the Australian Taxation Office to slug families extra tax living in permanent caravans.

Mr Newman said he would fight for the 30,000 Queenslanders who live in permanent caravans and demountable homes across the state's accommodation parks who will soon be hit with, in some cases a 10 per cent increase to their rents.

"I'll be making it clear to the Federal Government that adding GST to the rent paid by families on their permanent caravans in parks is just not on," Mr Newman said.

"This draft plan earmarked by the A.T.O. is quite frankly unfair and the Queensland Government is calling on Joe Hockey to reject the plan immediately to give these people certainty.

"The GST paid by these residents would ultimately filter back to the State budget, but in this case, I'll be saying we don't want it.

"Families living in these dwellings shouldn't be hit with this burden while others living in an apartment or a house are exempt from paying GST on their rent – it's just not fair."

The ATO ruling would see the rent paid to caravan parks or accommodation providers by a permanent tenant increase by up to 10 per cent.

Mr Newman said in many cases residents would feel trapped because to remove their home from a park, should they disagree with the increase, is too expensive costing around \$20,000 to \$50,000.

"The plan to add GST to removable homes could slug anywhere from \$15 to \$30 dollars per week and put simply, this is around \$1000 per year that they simply can't afford," he said.

The draft ATO ruling would apply to mixed-use parks which have both long term residents and temporary sites for caravans or tents.

**[ENDS] 27 November 2013**

**Media Contact:** Premier's Office 3719 7000



**Australian Government**  
**Australian Taxation Office**

# **MEDIA RELEASE**

**19 December 2013**

**Media release 2013/41**

## **No extra GST to be added to moveable homes**

The ATO has considered comments on its draft ruling and decided not to change the GST treatment of moveable home estates.

The draft ruling will now be withdrawn and moveable home estates will continue to be treated as commercial residential premises with the same GST rules for long-term accommodation.

“Over the past seven weeks, we have been considering a range of submissions from the community and stakeholders as part of our consultation process,” Tax Commissioner Chris Jordan said.

“We have carefully considered the legal arguments and practical implications and decided that we don’t need to change the existing GST treatment of these estates.

“Our preliminary view had been that moveable home estates were not sufficiently similar to caravan parks to be commercial residential premises.

“With the benefit of submissions, it is evident that while moveable home estates have changed, they are still similar enough to caravan parks to receive the concessional treatment. In particular, both involve letting of sites separately to the building, and provide communal facilities to residents.

“Our draft ruling process encourages the community and stakeholders to put forward their views on our interpretation of tax issues. We received many comments from industry groups, residents and tax professionals during the consultation process. We thank the community for their involvement.”

**ENDS**

**Canberra**

**For further enquiries from members of the media: 02 6216 1901 or 0401 147 127**