



Victorian Bushfire Appeal Fund position on secondary homes

For many months the Victorian Bushfire Appeal Fund independent Advisory Panel has tried to develop a support package for owners of secondary homes, such as holiday homes and rental properties, which were destroyed or damaged in the 2009 Victorian bushfires.

Under Commonwealth charitable tax law, charitable funds cannot be used to provide relief to people to rebuild weekend homes, holiday homes and rental properties, where this is not a sole asset.

Under long-standing Commonwealth charities and tax laws, the support the Appeal Fund can provide for loss of secondary homes is limited. This is because generally the potential recipients were not made homeless by the fires and in most circumstances are not without other independent financial means. Therefore, this group is not considered to be in a state of distress that should be relieved by charitable assistance from a disaster relief fund.

The Appeal Fund Panel made several representations to the Commonwealth Government seeking changes in a number of areas of charity tax law, including support for secondary home owners. While the Panel was successful in having some changes made, such as being able to provide support to primary producers, it has not changed the laws applying to secondary home owners.

The Commonwealth's broad rationale is that it considers it to be the role of the insurance market to enable owners of secondary homes to rebuild after the fires.

VBAF has virtually no ability to provide assistance to secondary home owners, except in the most extreme exceptional circumstances. In these cases, individuals who have suffered severe financial hardship as a result of the bushfires would be assessed on needs-based criteria in consultation with the Australian Taxation Office. However, VBAF believes only very few cases could be considered.

VBAF is disappointed in the decision by the Commonwealth. It believes that without this change to enable it to assist secondary home owners, its ability to support the rebuilding of a number of communities may be compromised. Many of the secondary homes in affected communities may not be rebuilt without assistance from the Fund, and as a result the long-term economic and social recovery of towns like Marysville may be significantly, if not, permanently undermined.

However, the Panel respects the Commonwealth's position and acknowledges the other changes the Commonwealth was willing to make in other areas to charity tax law to help the Fund distribute the donated money to people and communities in need.