



Hutchinson
Legal

Windfall Gains
Tax

Employee
Spyware

Rental Laws
Update

WINTER 2022

Insight

The Times they are a-changin'

Bob Dylan sang this line in his 1964 release. Today it can remind us that the post-COVID period continues to present new opportunities for change and growth.

The challenge ahead is not to react mindlessly but to evaluate the opportunities and to choose the best path forward.

For the Winter edition of our newsletter we focus on recent and forecast changes in legislation and workplace practices. We hope you enjoy!

The new Windfall Gains Tax

From 1 July 2023, a new land tax will be introduced by the Victorian Government. The Windfall Gains Tax ("WGT") is a scheme that aims to tax the increase in land values which occur as a result of Government re-zoning. It would appear that where the Government has caused the increase in value, it believes that it is entitled to receive a significant benefit, to fund infrastructure and community services.

"Re-zoning" refers to the amendment of a planning scheme in a locality that causes the land in it to be in a different zone from the zone that it was previously in. It is worth noting that the WGT only applies to the "taxable value uplift of the land" i.e. the difference in the capital improved value of the land before and after the re-zoning takes effect, less any deductions. If land value has increased, more than \$100,000, as a result of Government rezoning, the WGT will apply.

The WGT will be payable:

- If the taxable value of the land receives an uplift of more than \$100,000 but less than \$500,000, the tax will apply at a marginal rate of 62.5% on the amount of the uplift above \$100,000;
- If the taxable value of the land receives an uplift of \$500,000 or more, a tax rate of 50% will apply to the total amount of the uplift.

The WGT will be administered by the Commissioner of State Revenue ("Commissioner") as a taxation law under the *Taxation Administration Act 1997* ("TAA"), which provides rights of objection to the valuations used in the calculation of WGT. This enables landowners to reject the pre-rezoning or post-rezoning valuations of their land if they believe that the valuations are not representative of the land's correct value.

To read the full article, please go to: <https://www.hutchinsonlegal.com.au/resources/the-new-windfall-gains-tax/>

If you would like to discuss these or any other issues with our Property Law Team, please telephone 9870 9870.

"Never doubt that a small group of thoughtful committed individuals can change the world. In fact, it's the only thing that ever has."

MARGARET MEAD

FAST FACTS

18yrs

Facebook celebrates its 18th birthday this year

1.5°C

The predicted global rise in temperature within the next 2 decades

170yrs

The frequency of occurrence of all eight planets aligning





Employee 'Spyware'

An Ethical and Legal Dilemma

Tracking devices on delivery trucks and security cameras in retail stores have become commonplace when supervising customers and employees. However, in the global transition to working from the home since COVID, new technology is being used by employers to monitor the workspace.

This technology enables employers to watch their employees without them being aware that it is occurring. Webcam access, random screenshot monitoring, keystroke monitoring, geo-locational tracking and audio surveillance are just some of the software options available. The ethics and legality of these options should be weighed before implementation.

Invasive software equipped with live camera feeds and audio monitoring may be in breach of legislation such as Section 11(1) of the Surveillance Devices Act 1999 (Vic) which states that "a person must not knowingly communicate or publish a record or report a private conversation or private activity that has been made as a direct or indirect result of the use of a listening device, an optical surveillance device or a tracking device" unless it is with the express or implied consent of the participants.

To read the full article, please go to: <https://www.hutchinsonlegal.com.au/resources/employee-spyware/>

For all employment-related matters, please contact our Employment Law Team on (03) 9870 9870.



Updates to rental laws

If you are a landlord or a tenant, you may remember that there were some new rental laws that came into effect last year on 29 March 2021 which included the application of basis minimum standards to rental agreements that started after this date.

There have also been some standards that had a delayed start and have been phased in over time.

The most recent change that landlords should be aware of is as follows:

- From 29 March 2022, windows in rooms that are likely to be used as bedrooms or living areas now must be fitted with curtains or blinds that can be opened and closed, adequately block light and provide reasonable privacy.
- This change only applies to new rental agreements (fixed term or periodic) that start on or after 29 March 2022.

Landlords should also be aware that from 29 March 2023, rental properties must have all power outlets and lighting circuits connected to a circuit breaker and a switchboard type residual current device that complies with Australian safety standards. Landlords will also need to make sure that there is an energy efficient fixed heater in good working order installed in the main living area in rented premises. If there is an existing fixed heater that is not energy efficient, the landlord must upgrade it.

If the landlord does not comply with the minimum standards, tenants will have the right to request urgent repairs and/or end the rental agreement if the tenants have not moved in yet.

To read the full article, please go to: <https://www.hutchinsonlegal.com.au/resources/updates-to-rental-laws/>

Please contact us on (03) 9870 9870 to speak to our Property Lawyers who can provide further information about the changes to rental laws.

PER GRANT HUTCHINSON, CON NOTTAS, JASON LAU, SHANI COMBEN, MADELAINE PELSER & ANDREW WHEELER



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Clients should not act solely on the basis of material contained in this newsletter because the contents are of a general nature only and may be liable to misinterpretation in particular circumstances. Changes to legislation can occur quickly. Do not act on any of the contents of this newsletter without first obtaining specific advice from a lawyer.