

## LAND VALUATION AMENDMENT BILL 2023

**Submission No:** 48  
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## **Land Valuation Amendment Bill 2023**

This submission outlines our reasons for objecting to the Land Valuation Amendment Bill 2023 (**Bill**).

### **Objectives of the Bill**

*“The objectives of the Land Valuation Amendment Bill 2023 (the Bill) are to improve the administration and operation of the statutory land valuation framework by amending the Land Valuation Act to ensure:*

- *it is responsive to changes in the property market and operational environment and transparent in its operation;*
- *valuations are consistent and defensible, and the supporting processes such as objections and appeals are effective and efficient;*
- *a clear and consistent framework for determining when land is valued separately or combined based on land use and occupation.”*

### **Effect of the Bill**

The Bill does not achieve these objectives. In fact, the application of the Bill will mean:

- The valuation process under the Land Valuation Act will be materially less transparent, less consistent and less defensible.
- Appeals processes will be less efficient, less effective and more costly.
- Landowners’ rights to natural justice will be materially diminished.
- Land Tax and Rates will likely be higher which will consequently have the following effects:
  - o Investment in property in Queensland will be less attractive; and
  - o Residential, Commercial and Industrial Rents will increase.
- Any increases in Taxes and Rates will ultimately be borne by Queenslanders.

While the objective of the Bill is not to assist in housing affordability, it would be remiss not to acknowledge that these proposed changes seem counter-intuitive and counter-productive to addressing the current housing supply shortage and housing affordability problem. **Raising property taxes and increasing uncertainty to the property market will result in less supply and higher rents.**

### **Power to make Statutory Guidelines**

The proposed power allowing the Valuer-General to make binding 'statutory guidelines' about the administration of the LVA or the valuation of land is concerning.

Giving the Valuer-General the power to make binding guidelines regarding the valuation methodology to be applied will have the effect of:

- Reducing certainty;
- Materially diminishing Landowners’ rights to natural justice;
- Limiting a landowners' ability to object to a valuation made under the LVA or appeal against a decision on objection; and
- Potentially overturning accepted valuation practices and court precedents.

Where a binding guideline is applied, landowners' objection and appeal rights seem to be limited to establishing whether that guideline has been applied correctly. Valuations will therefore be higher than if sound and established valuation principles were applied. Land Tax and Rates will consequently be higher, leading to less investment and higher rents for all Queenslanders, residential, commercial and industrial.

There seems to be a disregard for consultation before the Valuer-General makes any binding guidelines. This is concerning.

The proposed power allowing the Valuer-General to make binding guidelines is contrary to the objectives of the Bill.

### **Objection Process**

The Bill proposes changes to the objection process, including:

- the removal of the requirement that the Valuer-General offer an objection conference where an objection is to a land valuation of greater than \$5 million;
- more onerous disclosure obligations; and
- potential reliance on reports or information that may otherwise be excluded.

These proposed amendments will likely result in fewer objections being resolved that will now be appealed by landowners.

The removal of conferences, the additional disclosure obligations, additional objection costs and potentially additional appeal costs will result in increased cost for landowners. Appeal costs do not only affect landowners, but also the Land Court's time and resources.

### **Conclusion**

It is difficult, if not impossible, to rationally conclude how the proposed amendments will achieve the stated objectives. To reiterate, instead, application of the Bill will mean:

- The valuation process under the Land Valuation Act will be materially less transparent, less consistent and less defensible.
- Appeals processes will be less efficient, less effective and more costly.
- Landowners' rights to natural justice will be materially diminished.
- Land Tax and Rates will likely be higher which will consequently have the following effects:
  - o Investment in property in Queensland will be less attractive; and
  - o Residential, Commercial and Industrial Rents will increase.
- Any increases in Taxes and Rates will ultimately be borne by Queenslanders.

Further, concerning, these proposed changes are counter-intuitive and counter-productive to addressing the current housing supply shortage and housing affordability problem. **Raising property taxes and increasing uncertainty to the property market will result in less supply and higher rents.**

Thank you for the opportunity to provide this submission.