



Speech by

## **Hon. V. LESTER**

### **MEMBER FOR KEPPEL**

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Hansard 22 August 2000

#### **VALUATION OF LAND AMENDMENT BILL**

**Hon. V. P. LESTER** (Keppel—NPA) (4.16 p.m.): We all know that the issue of valuations is more often than not a very contentious one which has no doubt given many a Natural Resources Minister or Lands Minister heartburn at different times over the years. Much of the problem can arguably be traced to the difficulties in developing a one-size-fits-all method of valuation that will apply as equitably and as fairly to a suburban home in Brisbane as to a wool-growing property at Cunnamulla. However, problems can also occur when the rules are deemed to have been changed with the effect of disadvantaging a particular area, a point to which I know the Minister can testify after his inexplicable and untimely unsuccessful attempt some months ago to incorporate water into land valuations on the Atherton Tablelands. We all know the row that developed there, but at least the Minister had the good grace to back away from it for the moment.

In large part, this Bill will go some way towards further improving the valuation process, and I want to dwell briefly on the major aspects of it. One of the first amendments, that to clause 5, seeks to redefine the terms "single dwelling-house" and "farming". As it stands, section 17 provides that, in determining the unimproved value of land used exclusively as a dwelling-house or for farming, any increase in value which results from subdivision of the land by survey or having a potential industries or subdivisional use is to be disregarded. Accordingly, land that qualifies under the definitions may be given a lower valuation as a concession to benefit land-holders in the determination of rates and taxes.

There are various arguments for and against the offering of concessional valuations. On the one hand, there are those who argue that there should be no concessional valuations because they distort overall valuations in particular areas. While these people argue that concessions lead to cross-subsidisation amongst property holders, the Opposition is of the view that concessions are appropriate. They are appropriate because they allow recognition that householders and primary producers conducting their businesses in an ongoing way do not profit from an increase in real estate activity in the area and/or increases in land valuations.

Because of local government's practice of using valuations as the basis for setting local government rates, ordinary householders and primary producers can be severely disadvantaged in the absence of concessional valuations. This argument is especially relevant to primary producers who, in many areas, are subjected to increasing urbanisation and changing land use in their area. For instance, a poultry farmer in the Redlands area gains no advantage to his day-to-day business from a rezoning of land use in his area and would, in fact, be disadvantaged if rates were applied based on urban land values.

Some proponents argue that, if concessions are to be made, the body charged with making valuations should do so on an entirely objective basis and that any concession should be made at an administrative level. In fact, in the 1996 review of the State's valuation system, the Department of Natural Resources outlined the view, which I understand received some support from submissions, that concessions should not be granted by way of adjusting the valuations, but rather a pure valuation be made with concessions applied at the administrative level. That leads to the argument as to who should apply for the concession: local government or the Valuer-General? I would appreciate hearing the Minister's comments on this issue and whether in fact the issue was canvassed in the development of the Bill.

In reference to clause 5, the Opposition does have some concern that the definition proposed for single dwelling-houses and farming is inappropriately restrictive in one area. While I appreciate the difficulties in defining these terms, the Opposition will propose an amendment to clause 5 aimed at providing a fairer application of those definitions. I will not go into detail now; the merits of this proposal will be discussed in a more detailed manner during the Committee stage. The amendment is not contentious and I urge the Minister to give his favourable consideration to its adoption in the Bill.

The Bill also proposes a series of amendments to clause 17 to remove all references to general valuation and the introduction of annual valuations unless otherwise directed by the Minister. The Opposition supports the intent of these amendments in seeking to provide greater consistency across the State in the length of time between valuations. In the past, the period between valuations has been up to eight years in some cases. However, it is important to recognise that in some areas, for example, where real estate activity has been static, annual valuations may not be necessary and may in fact pose a costly encumbrance. Indeed, the Bill has sought to overcome this problem by allowing the Minister to extend the period between valuations by direction. While I support the intention of that provision, I do have concerns regarding the lack of an upper time limit for the period between valuations and I share the concerns of the Scrutiny of Legislation Committee. I cannot put it any better than the Committee, so I will simply quote the relevant statement from the Alert Digest No. 5—

"The Committee considers that making valuations at appropriate intervals is essential if the rights of persons such as local government ratepayers are to be adequately protected. Rates which are fixed by reference to outdated valuations will disadvantage persons whose land has not appreciated in value as much as other land in the area."

The Committee recommended that the Minister consider amending the Bill to specify a maximum period for extensions by regulations and to specify that a regulation may be made only where there has been no apparent movement in valuations in the relevant area. In his response, I note that the Minister accepted this constructive criticism and has undertaken to amend the Bill. I look forward to studying the adequacy of that amendment.

The amendments proposed in clauses 19 and 20 for the issuing of the valuation notices for the state of land rental valuations I believe are common sense and should provide a significant improvement on the current arrangements in terms of streamlining the department's administration and increasing the rights of landholders. The same cannot be guaranteed under the amendment proposed to clause 21 regarding the establishment of objections conferences to resolve objections made by people in relation to their annual valuations. While the Explanatory Notes make reference to the fact that these conferences are to be without prejudice, I am not convinced that this is fully reflected in the proposal contained in the Bill. The use of such conferences presents an opportunity to resolve objections in a timely and cost-effective manner. That is to be applauded.

However, I am concerned that section 43(b) only provides that the Minister may appoint an independent person as the chairman of such a conference. There is no specification of the circumstances under which the Minister should follow this course of action. I am concerned that the potential exists for landholders to be at a serious disadvantage in conference proceedings where no independent chairman is present. Landholders may be unaware of the full extent of their rights and not be able to confer with the chief executive on an equal footing. If the Bill is to completely achieve the objectives as outlined in the Explanatory Notes for without prejudice adjudications, this clause needs strengthening to require that the Minister must appoint such an independent chairman. Accordingly, the Opposition will be moving such an amendment in the interests of protecting the rights of landholders and ensuring the accountability and transparency of the Government. I believe that what we are putting forward is reasonable.

**Mr Welford:** Which clause?

**Mr LESTER:** We are dealing with clause 21 at page 12, line 21 where it states, "Minister may appoint". If the Minister would be kind enough to have a look at that clause and see how he feels about it, we can continue when the time comes, but I think it is reasonable. I would hope and indeed expect that, given the Beattie Government's self-claimed commitment to open and accountable Government, this amendment will be accepted.

The Opposition has no objection to the amendments proposed to clause 29 regarding the Land Court's discretion in terms of accepting late valuation appeals. Obviously, timeliness is a foremost consideration in the adjudication of these appeals, but we must also have full regard to the rights of landholders and the opportunity for them to access their rights to appeal. The amendment should prove particularly useful for people living in rural and regional areas who do not have the luxury of a daily mail service and may be more subject to the problems of weather and so on in notifying the court of their appeal.

Clause 30 removes the right of local governments to object to valuations which, with the removal of general valuations from the Act, makes the right of objection virtually redundant. I am of the view that that is not generally an appropriate use of taxpayer funding—that one Government agency

pursue action against another. However, from time to time it can happen. Although it is usually the case that, in practical terms at least, valuations are carried out in consultation with local governments, I ask the Minister to outline the measures that are in place to ensure that that is the case. What avenues are available to local government if that practice breaks down and an objection is believed to be warranted?

In clause 31 an attempt is made to clarify the fee payable by a rating or taxing authority for a copy of the valuation roll. The clause provides that the prescribed annual fee for the provision of a roll is payable, even if an area is exempted from a valuation in a particular year under clause 17 and even if a copy of the roll has not been provided in a particular year. That provision seems somewhat unfair to the taxing or rating authority, which must pay for something that they may not even receive. Currently, I understand that the minimum cost would be \$3,220 as prescribed by section 7 of the Valuation of Land Regulation 1993. From what I can gather, no other jurisdiction requires payments for the provision of rolls to rating and taxing authorities in this way. Certainly, most have prescribed or cost recovery based fees, but it seems that payment is required only when a roll is actually provided to the authority. Neither the Explanatory Notes nor the second-reading speech state the reason that the provision has been formulated in this way. I ask the Minister to provide the House with some explanation as to why that is the case. The Opposition will reserve judgment on this clause until such time.

With regard to the amendment proposed in clause 32, which allows the chief executive to require certain information to be provided, I wish to raise one issue with the Minister. Currently, the Bill provides for the imposition of a penalty for failure to comply within a stated time period in the requisition. Although it is important that the department is able to source the most accurate and complete data possible, there must be recognition that, in complying with such a requisition, a person could incur some expense, for example, in obtaining copies of plans and so on. I suggest that the Minister consider that the time period be specified to take into account the fact that a landowner may incur such expenses in providing information to the department or that it be specified in the Bill that the time period must be "reasonable". I welcome the Minister's thoughts on this matter.

There are various other miscellaneous issues raised in the Bill, such as the inclusion of "volumetric titles" and clarification of the chief executive's powers in relation to the valuation of land covered by other Acts. Those issues are straightforward and the Opposition has no objection to the relevant amendments.

In conclusion, the Opposition in most part supports the passage of this Bill. However, I ask that the Minister address the issues that I have raised and, indeed, give favourable consideration to the amendments that we propose. I thank the departmental officers who provided a briefing to the Opposition on the Bill, the Minister's office for facilitating that briefing, and the Parliamentary Library for the very good research that it did for me in relation to certain aspects of this legislation.

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