



Speech by

Hon. KEN HAYWARD

MEMBER FOR KALLANGUR

Hansard 4 December 2001

NATURAL RESOURCES AND OTHER LEGISLATION AMENDMENT BILL

Hon. K. W. HAYWARD (Kallangur—ALP) (5.43 p.m.): I am pleased to see that the opposition is supporting this bill today. The proposed amendments are about making the system of valuation, rating and land tax on land held by subdividers more efficient. The explanatory notes make the point that apart from the actual cost of printing the legislation, there are no direct costs for government, and any changes in rating and taxing collections are offset by the improvement in the efficiency and the reinstatement of equity in valuation, rating and taxing administration.

The bill removes the tedious administrative process and replaces it with a simple application of a 40 per cent discount in rating and taxing in most cases for land held in subdivision. This concession for holding a number of lots is one that has been long entrenched in valuation practice. It has always been recognised by section 34 of the Valuation of Land Act, which provides for amalgamation for valuation purposes.

In 1997 the fixed 40 per cent discount was changed with the introduction of a sunset clause, which is 30 June of the second rating year of the land subdivision. A complementary change to the Land Tax Act was implemented in 1998 with a 40 per cent discount applied to the value of each lot of subdivided land for one land tax period. Since 1999 individual lots have been amalgamated for valuation purposes, but this has proved to be a cumbersome administrative process. These amendments have been suggested to generally allow the separate record for each lot and the separate valuations for each lot to continue for rating and land tax, while maintaining the practice of allowing a 40 per cent discount on land held in subdivision by the original owner and not developed.

As the minister said in his second reading speech, it recognises that lands being held in subdivision for sale should not be subject to the full rate based on the individual value of each lot. In other words, it gives an incentive to subdividers developing land for sale, which is a matter of policy that has been entrenched in the act for many years.

I am informed that the Local Government Association of Queensland has sought the amendment to section 25 of the Valuation of Land Act and agrees with the amendments. I am informed that the Urban Development Institute of Queensland also agrees with the amendments and is working with the Office of State Revenue to develop guidelines on land not being held for sale and determining what constitutes a balance lot for land tax purposes.

There may be some concern that these amendments amount to increased taxes. I am sure the minister will reassure the members of this House that that is not the case. Currently, balance lots receive the benefit in the valuation of both a broad acre rate as well as the 40 per cent discount for the duration of the one-year discount period. The removal of the discount for balance lots does not constitute the removal of a concession. Rather, it improves the ability of developers to double-dip by claiming both a 40 per cent discount on undivided land held for subdivision and the discount for balance lots. Rather than removing a concession, applying only the 40 per cent discount on undeveloped land simply stops developers double-dipping.

The other amendments to the Valuation of Land Act, the City of Brisbane Act, the Local Government Act, the Land Act and the Lands Title Act are all relatively minor updates and corrections to references. I commend the bill to the House.
