



Speech by

RONAN LEE

MEMBER FOR INDOOROOPILLY

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NATURAL RESOURCES AND OTHER LEGISLATION AMENDMENT BILL

Mr LEE (Indooroopilly—ALP) (5.47 p.m.): It is a great pleasure to rise in support of the Natural Resources and Other Legislation Amendment Bill 2001. It is good to hear that the opposition is supporting the bill, which proposes to amend six acts: the City of Brisbane Act 1924, the Land Act 1994, the Land Tax Act 1915, the Land Title Act 1994, the Local Government Act 1993 and the Valuation of Land Act 1944.

The main changes that would occur with the introduction of this bill would be the removal of the Department of Natural Resources and Mines from the decision making process of rating categorisation. Local government is believed to be in a better position to take on this role and, indeed, will become the sole decision maker in this regard. In particular, clauses 4 and 5 of the bill amend section 3 and section 82 of the City of Brisbane Act 1924; clauses 23 and 24 of the bill amend section 3 and section 978 of the Local Government Act 1993; and clause 44 of the bill omits section 75 of the Valuation of Land Act 1944.

Another change occurring with this bill is the extension of the 40 per cent discounted valuation for subdivided land beyond the first financial year after subdivision. However, this discount will not apply in a number of circumstances. Among those is if the subdivided parcel is no longer owned by the original owner or if it has been developed.

The bill also requires the advertisement of annual valuations. This includes the advertisement of valuations for rental purposes, which is mentioned in clause 39, which amends section 41 of the Valuation of Land Act 1944. Clause 35 of the bill amends section 20 of that act, which reinstates the chief executive's power to fix the date for annual valuations.

Under the changes proposed in the Natural Resources and Other Legislation Amendment Bill, the Department of Natural Resources and Mines obviously will no longer have the power to identify land for differential rating categorisation. This power was originally placed in the Valuation of Land Act in the 1980s when differential rating was brought in as an option for local governments. Since then, a survey of local governments has indicated that only eight out of 124 were interested in having the department continue this service. This function is now adequately covered in the City of Brisbane Act 1924 and the Local Government Act 1993 and local governments are, in fact, better placed to carry out this task. Both of these acts also take out any reference to the Department of Natural Resources and Mines carrying out identification for rating categorisation. These are minor amendments that remove any role for the Department of Natural Resources in the categorisation of land for rating purposes.

However, I would like to take this opportunity to speak about the system of valuations in Queensland. Valuations provide the basis for Queensland's rating and taxing activities and their impact on property values and the associated level of rates and taxes paid can have a huge impact on businesses and individuals. Currently, the basis for valuation in Queensland is unimproved value. However, in recent times there has been considerable change in approaches to valuation with an overseas trend towards the use of capital value.

I think it is fair to say that there are few issues in the community that cause people to get so hot under the collar as their property valuations. At this point, I feel it is important to point out that, although unimproved values are used as the basis for rates calculations, actual rating levels and the calculation of rates is, of course, the responsibility of each local government. It is not unusual for rates to rise or fall, even though there has been no change in unimproved land value. However, because of the potential

for valuations to impact upon financial matters, such as rates and taxes, there has been a degree of concern expressed about recent valuation levels. Recent indications suggest that there will be substantial increases in valuations in Brisbane and the Gold Coast for the valuation of 2002. The Property Council of Australia has also expressed concern about this, owing to the associated increases in rates and land taxes. Market analysis also suggests substantial increases in valuations in many of the rural grazing areas of the state.

To address these issues, the Department of Natural Resources and Mines has initiated a reform process through the Valuation Reform Unit. Through this unit, the department will undertake a fundamental review of the role and operations of valuations. The valuation review will consider the role of government in statutory valuations and assess the current valuation methodology, paying particular regard to its relevance to local government rates, state land rentals and land tax.

Valuations always spark a high level of debate in the community because of the financial implications for business and individuals. With this in mind, a critical component of the proposed review will be the need to engage stakeholders. It is envisaged that this review process will lead to the preparation of a discussion paper to ensure broad public consultation on associated issues and options. That paper should be available early in 2002.

Another major component of the review process will be to identify and assess any links between valuation approaches and their capacity to contribute to natural resource management and conservation outcomes. Valuations play an important role in underpinning the state's economic infrastructure. The Beattie government is committed to finding the best method for calculating valuations and the review process aims to deliver a range of outcomes ensuring a fair evaluation system for all Queenslanders with appropriate links to the broader role of the Department of Natural Resources and Mines, particularly in terms of natural resource management. As I said earlier, under the changes proposed in the Natural Resources and Other Legislation Amendment Bill, the Department of Natural Resources and Mines will no longer have the power to identify land differential rating categorisation. The proposed changes are supported by stakeholders and will streamline systems for rating, valuation and taxation purposes.

At this point I would like to give some credit to a number of officers from the Department of Natural Resources. I will not name them individually, but they have played quite a significant role in my local community in helping assist with concerns that some residents in my electorate had about their property revaluations. I would add that many of the residents in my electorate are not concerned just about the basic value of their unimproved property; they are also looking for an explanation as to why their property valuation has increased. Obviously, they feel that that has a flow-on effect to their rates. I would like to commend the minister for the fine performance of his departmental staff. I am very pleased to support the bill.
