



Speech by

**Andrew Powell**

**MEMBER FOR GLASS HOUSE**

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## **VALUATION OF LAND AND OTHER LEGISLATION AMENDMENT BILL**

**Mr POWELL** (Glass House—LNP) (9.01 pm): I rise to speak on the Valuation of Land and Other Legislation Amendment Bill 2010. The legislation we have before us today is yet another example of the mess this government makes in its haste and its arrogance. What we have is a poorly constructed and poorly consulted on attempt, in the minister's own words, to correct the court's interpretation of the existing valuation of land laws—laws for the purpose of levying taxation revenue as first codified in Queensland in the Valuation of Land Act 1944.

As others have iterated, in the original act a number of methods of valuing property for the purposes of rates and land tax existed. The most prevalent method for commercial properties was the use of comparable sales. However, in recent times the government has sought to value highly developed properties with reference to the use and businesses occurring on the land. The court decision the minister was seeking to correct came in the Pacific Fair case of last year. In that decision the court rejected the state's assertion that the unimproved value of improved land, for the purpose of levying land tax and rates, included the added value of any leases, the goodwill associated with the business conducted on the land and an amount for any development premium or profit and risk associated with its previous development.

Rather than addressing the broader legislative amendment required, as we now hear the government will be doing before September this year, it has cobbled together this abomination and sought to rush it through the House. Thankfully its haste and arrogance has been called to order by the LNP and the wider Queensland community. In a public outcry on par with the state-wide dismay at asset sales, the opposition, industry groups, community groups, retailers and private citizens have vented their spleens at a government too arrogant to give them the courtesy of consulting in the first place. Why does it take such public outcry to get this government to listen? Is it just that it does not care anymore about Queenslanders, it only cares about itself?

In this bill alone, as others have identified, we could see massively detrimental impacts on businesses, on mum-and-dad superannuation investors and on renters more broadly as property owners among others pass on the increased taxation burden. Others have spoken about the impacts on our mum-and-dad investors, on the rental market more broadly and on large business groups so let me just focus on one other element of the business community, our independent supermarkets. I am appalled that members of our communities that own and operate our independent supermarkets have had to invest their own hard-earned money in taking out a full-page advert in yesterday's *Courier-Mail*. I am appalled that they had to go to such lengths to get this government's attention, community members like Rob and Samantha Outridge, owners and operators of the Maleny Supa IGA. Rob and Samantha write—

If the government increases land tax, landlords will have to increase rents. Small business people will be forced to either take it on the chin or put up prices and cut back wages. We employ 100 people and have an annual payroll in excess of \$2 million. When you're in business, running things properly is your own responsibility. It must be great to be the government—if you need more money you just put taxes up!

The supermarket sector occupies some 1,576,000 square metres of retail space, the largest retail tenant by sector. Independent supermarkets occupy almost a third of this: 464,000 square metres of retail space, even though they make up only 20 per cent of the market. Independent supermarkets employ twice

as many people per dollar of turnover as the major chains and are a significant wealth creator in our local communities. Furthermore, the ACCC has found the presence of independent supermarkets reduces prices. A key finding of the ACCC in the grocery prices inquiry was that the level of competition might be increased if large format independent stores increased in number. However, the barriers to that growth were substantial.

With the introduction of this legislation I would say the barriers to growth in the independent supermarket sector have gone from substantial to insurmountable. That says nothing of keeping their heads afloat. As Rob and Samantha say, small business people will be forced to either take it on the chin or put up prices and cut back wages. For a community like Maleny the latter would be disastrous. People throughout the district, throughout the electorate and throughout Queensland will be the ones paying for this hasty and arrogant legislation through the loss of jobs and the hiking up of grocery prices.

At the end of the day, if the government does introduce amendments to correct these disastrous impacts, then there will be muted support from the independent supermarket sector, the opposition and the broader community. But it should not have come to this. I call on the members of the government to get out of their ministerial ivory towers, stop being arrogant and start talking to ordinary Queenslanders. One never knows, they may learn a thing or two about managing a state.