



Speech by

Shane Knuth

MEMBER FOR DALRYMPLE

Hansard Tuesday, 9 March 2010

VALUATION OF LAND AND OTHER LEGISLATION AMENDMENT BILL

Mr KNUTH (Dalrymple—LNP) (10.08 pm): In speaking to the Valuation of Land and Other Legislation Amendment Bill, to retain the present bill before any amendments are moved would be a catastrophe, and this is highlighted by the numerous concerns by businesses and citizens that will be affected by this bill. If the government had set about designing a course of action to inhibit development, hinder investment, destroy property values and increase the cost of living and entrepreneurial activities in Queensland, this would be the ultimate option.

Many investors acknowledge that there would be a disaster if this bill were passed without significant changes being made to it. On 7 March, Steve Greenwood wrote in the *Courier-Mail*—

Unless we can stop it, sometime soon (maybe this week) new laws will be passed in Queensland which are breathtaking in their scope and audacity.

They will massively increase the cost of living and doing business in Queensland.

In the 2004-05 period, land tax was \$380 million. This year, land tax will escalate to \$1 billion, making it one of the largest taxes in Queensland. The likelihood of astronomical increases in land tax, prepared in secrecy, has caused a tsunami of anxiety throughout the business sector. Constituents who have contacted me have expressed alarm over what will be a potential catastrophe because of this legislation's unexpectedness, absurdity and injustice.

Far from delivering the loudly proclaimed 100,000 jobs for Queenslanders, this legislation will cost jobs as small businesses are hit yet again with another tax, resulting in some closing up shop. Increased rentals will reflect higher land tax on properties, future homebuyers will have to meet the flow-on cost of land tax imposed on developers and superannuation funds that include some form of land investments will see the financial security of retirement diminish or even disappear.

Over the past six years the government has lost several court cases and appeals. The courts found consistently that the government was not valuing land in accordance with its own legislation. The government's remedy for an outrageous lack of legal acumen is to change the law retrospectively, making the radical changes to land tax legal. The definition of 'unimproved value' will be changed to include infrastructure charges, buildings, leases in place and business goodwill—items not previously included in the concept of 'unimproved value'. Definition changes and retrospective legislation are the government's solution to getting out of the hole that it has dug for itself.

Incentives for landowners to improve and value-add to their property will disappear as producers attempt to reduce the items to be calculated in the new unimproved value criteria. The process of appeal will also be made more difficult, reducing the eligibility criteria for the appeal and adding a complexity of detail required, ensuring that the government gets its way at the expense of others. These changes are alarming at best and blatantly dishonest at worst. It is very difficult to escape the conclusion that the government is in a desperate frenzy to grab every dollar.