

QUESTION ON NOTICE

No. 588

asked on Thursday 21 April 2005

MR KNUTH ASKED THE MINISTER FOR NATURAL RESOURCES AND MINES (MR ROBERTSON)—

QUESTION:

With reference to the Premier's recent warning to Councils that they should not reap the rewards of increased land valuations—

Will he heed the Premier's advice and observe the same principles in relation to leasehold land rentals?

ANSWER:

Local government rates are strongly associated with the services provided by the local government, with the rate in the dollar set at a level required to deliver these essential services.

State leases issued under the *Land Act 1994*, involves land owned by the community, leased to individuals and various organisations. The Government has an obligation to ensure that the community receives a fair return for the use of this valuable resource. Rentals are charged at a percentage of the lands unimproved value in accordance with percentage rates set out in the *Land Regulation 1995*.

This system of calculating rental was reviewed by the then Coalition Government in 1996 and has been maintained. At that time the review was used to further reduce rural grazing rents from a percentage range of 1.1% to 2.0% to a single percentage rate of 0.8%. This has resulted in a situation where the rental last year for 5,739 major rural leases across Queensland averaged \$29.85 per week.

Lessees who experience financial hardship perhaps due to drought are afforded an opportunity under the *Land Act 1994* to apply for deferral of payment of rental.

My Department recently commenced a process to review the *Land Regulation 1995* as the *Statutory Instruments Act 1992* requires a review of regulations at ten yearly intervals. As part of this review the prescribed rental percentages will be carefully considered and will involve consultation with stakeholders.