

QUESTION ON NOTICE

No. 589

asked on Thursday 21 April 2005

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

QUESTION:

As he has written to me advising of the 2005 Annual Valuations for Shires that have been revalued in my electorate and as the Government has acknowledged that the threshold for Land Tax should be increased as a result of the increased unimproved capital values and the Government has called on local governments to adjust their rating policies in view of the increases in valuations, will he do the same and reduce the rental percentages his department charges on leasehold land or will he be doubling his department's leasehold rental income due to valuation increases?

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.