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TOP VALUERS SAY QLD VALUATION BILL 'UNWORKABLE'

The heads of Queensland's major independent valuation firms have described the State Government's proposed new laws governing land valuations ([Shop Talk 12/02/10](#)) as "unworkable." In an unprecedented move, the firms this week issued a media statement condemning the proposed new valuation methodology which will lead to massive increases in land values across the board in Queensland. "As experienced practitioners we fail to see how this legislation can be properly implemented without the Government's valuers being privy to information which is not available to them. Under such circumstances *the propensity for errors is well beyond that which is acceptable*," the heads of valuation said. The *Valuation of Lands and Other Legislation Amendment Bill 2010* will radically change the method by which land is valued in Queensland and make it unique among the States in turning land tax into a business tax. The Bill proposes that unimproved value of land will now include (among other things) the development premium or profit in the development process, any goodwill created by the owner's efforts, the added value of leases and agreements for lease and the value of any infrastructure charges that have been paid. (The latter means this will be an ongoing tax on a tax.) One Brisbane law firm has described this as "a radical change to Queensland's rating and land tax system." There are other objectionable features of the Bill, including its retrospectivity and the attempt to effectively make it impossible for a landowner, who genuinely believes the valuers have made a mistake, to correct that mistake through the objections process. This Bill will impact on all rateable land properties in Brisbane – retail, commercial, rural, tourism and residential investment – and will hit thousands of small investors. The ramifications will be felt by just about everyone – through rents, council rates, shrinking superannuation assets, higher consumer prices and the loss of jobs from development projects that will be shelved if the Bill proceeds. To proceed with this Bill, in the face of the warnings given by independent bodies, would be irresponsible.

APRIL AN ABSURD MONTH FOR RETAILING IN PERTH

April will be an absurd month for retailers and consumers in Perth. The vast majority of shopping centres in metropolitan Perth (outside the Perth CBD) will be forced to close on seven days (out of 30 days) in April, including three days over Easter and two days over the Anzac weekend. That's nearly one-quarter of the month where household expenditure will be diverted to the many other economic activities that are not forced to close down on any day in April. Contrast that to cities such as Canberra and Hobart, where shopping centres are not forced to close on any day although most will voluntarily close on Good Friday and will open late on Anzac Day. Contrast also Melbourne and Sydney where centres will be forced to close on only two days in April. West Australians pay a high price for being held to ransom by the independent supermarket lobby.

SCCA SUBMISSION ON DRAFT QUEENSLAND LAND TAX BILL 2010

In a development unrelated to the valuation issue, the Queensland Government has released a draft [Land Tax Bill 2010](#) for public comment. According to the [Explanatory Note](#), the Bill is supposedly a rewrite of the Land Tax Act 1915 in plain English and using contemporary drafting practices. It says: "The intention is that there be no policy changes in the draft Bill." We have lodged a submission arguing that the insertion of a new general anti-avoidance provision (Part 7) is, instead, a significant change in policy and will, if enacted, substantially change Queensland land tax law. The insertion of such a wide-ranging provision will inevitably put at risk arrangements which companies put in place for legitimate purposes other than tax avoidance, such as risk mitigation and the protection of assets. It will inevitably lead to increased legal disputation and therefore increase the cost of doing business.