

# QLD Land Valuation Act 2010

The *Land Valuation Act 2010* (the Act) was passed by Parliament on 16 September 2010 and was given Royal Assent by the Governor of Queensland on 20 September 2010.

The Act will replace the *Valuation of Land Act 1944*, after a transitory period.

The *Valuation of Land Act 1944* will continue to apply to valuations effective before 30 June 2011. The new objection and appeals provision contained in the *Land Valuation Act 2010* will apply to the annual valuations issued in March 2011 and all subsequent valuations.

Statutory land valuations are prepared by the Department of Environment and Resource Management's State Valuation Service. These valuations are one of the mechanisms used by local governments for calculating rates, by the department to calculate State land rents, and by the Office of State Revenue for land tax calculation purposes.

## Changes

In essence the *Land Valuation Act 2010*:

- introduces a site value methodology for assessing non-rural land
- improves the objection and appeal process
- provides for the establishment of an independent Valuer-General to provide transparency in the assessment and issuing of valuations
- introduces an annual valuation cycle
- removes the interim formula for valuing large prescribed regional shopping centres and commits the responsible Minister to review the valuation concessions carried forward from the repealed *Valuation of Land Act 1944* in 2012.

The reforms will bring Queensland in line with other Australian jurisdictions (such as New South Wales and Victoria) and the hope is it will simplify the valuation process.

## New Valuation Methodology

Land in Queensland is currently valued on the basis of "unimproved value". Under the *Land Valuation Act 2010* only rural land will continue to be valued under this basis and all other land will be valued on the basis of site value.

Site value is similar to the market value of the land in its present state. It includes the value of any improvements made to the land including filling, clearing, levelling and drainage works.

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Site value does not include structural improvements on the land such as houses, sheds and other buildings nor excavations necessary for structural improvements on the land (e.g. for building foundations, footings or underground car parks).

The Government anticipates the move to site value will have very little effect on valuation of most land in Queensland. Where land has been subject to substantial site works there will be potentially significant increase to the land value.

### Mitigation Measures

To smooth the transition to the new site value methodology, two measures have been introduced – an offset allowance, which mitigates the impact of large increases over time and a site improvements deduction measure, which is available to landowners who have undertaken site improvements at their own expense for up to 12 years prior to the 2011 valuation.

The site improvement deduction will also be available to landowners in the future where they undertake site improvements and can then claim to have the value of the site improvements deducted from the site value.

### Objecting to Valuation Notices

The new objection process will start when the next statutory land valuations are issued in all local government areas by 31 March 2011. Full details of the process will be provided to landowners with their Valuation Notice.

Queensland landowners who believe their valuation is incorrect, and have evidence to support their claim, may request a review of the valuation by DERM to an Annual or Maintenance Valuation.

Under the new process, which commences in March 2011, landowners will have 60 days from the date of issue to lodge an objection.

The new objection process will start when the next statutory land valuations are issued in all local government areas by 31 March 2011. Full details of the process will be provided to landowners with their Valuation Notice. If you would like assistance with this matter Attwood Marshall can assist with any objections and the estimation of fees would be from \$2,500 to \$5,000.

*If you have any questions or require any further information please feel free to contact your Client Manager and they will be happy to assist you.*

Information taken from:

FAQ's – Land Valuation Act 2010, Department of Environment & Resource Management Queensland, viewed 08 February 2011, <<http://www.derm.qld.gov.au/property/valuations/valuationact2010/faq-act.html>>.

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