

## LGAQ ANNUAL CONFERENCE MOTION – 2015

<b>Submitting council / organisation</b> Scenic Rim Regional Council	
<b>Date of council / organisation resolution</b> 22 September 2015	<b>LGAQ Policy Executive district</b>
<b>Number and title of motion</b>	<b>Removal or amendment of legislative provisions for discounting of subdivided land not yet developed</b>
Motion	That the Local Government Association of Queensland request that the Queensland Government remove or amend Chapter 2, Park 2, Subdivision 3 of the <i>Land Valuation Act 2010</i> .
Background	<p>Chapter 2, Park 2, Subdivision 3 of the <i>Land Valuation Act 2010</i> requires local governments to discount the value of subdivided land not yet developed by 40%. Local governments are also not able to charge a minimum general rate on such parcels of land.</p> <p>The financial effect of providing a 40% subsidy and not being able to charge a minimum rate on subdivided land not yet developed is substantial on the local government sector particularly in areas of growth and development where general rates play an important role in funding population growth-related infrastructure needs and service costs. This is particularly relevant since the Queensland Government moved to cap infrastructure charges and both Federal and State Governments tying funding to local governments adopting fair value infrastructure charges, which resulted in further reductions.</p> <p>There would appear to be a strong argument that sufficient concessions to developers are being granted by other mechanisms.</p> <p>In the Scenic Rim region Council estimates there to be over 100 individual properties at any one time that would receive the discount. An estimate of the effect on ongoing general rate revenue is approximately \$105,000 per annum. Over a ten year timeframe this represents around \$1.2 million with rate increases factored in.</p> <p>It is also suggested that local governments have enough power under current legislative provisions in order to be able to structure incentives via rating or other mechanisms, such as infrastructure charges discounts, to be able to offer incentives that will result in increased development. The view of Council is that the provisions under Chapter 2, Park 2, Subdivision 3 of the <i>Land Valuation Act 2010</i> are not necessary when individual councils have the power to create development incentives in a way that best suits their individual requirements.</p>
What is the desired outcome sought? What are the impacts (positive or negative) on local government?	<p>Council is seeking removal or amendment of Chapter 2, Park 2, Subdivision 3 of the <i>Land Valuation Act 2010</i>. Removal is Council's preferred position but otherwise amending the legislation so that councils can charge a minimum general rate would also be viewed positively.</p> <p>The impacts on local government are likely to be positive as ongoing revenue from general rates would increase as a result.</p>
LGAQ comment	