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Changes to the Valuation of Land Act

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Mr MORRIS (Mornington) — It is in fact a pleasure to rise to speak on the Valuation of Land Amendment Bill 2009. When we first started discussing this matter — and I have actually lost track of whether it was earlier this year or late last year, but it is of about that order — I was not envisaging that the legislation resulting from the process would be particularly palatable. But I must say, perhaps with the exception of a few technical issues that have been identified, I think the outcome is actually not too bad.

The bill is the culmination of a relatively lengthy process and, as I said, it is quite different. I should perhaps highlight the differences in the approach of the Minister for Environment and Climate Change in this regard compared to the approaches of the Minister for Planning and the Minister for Local Government in terms of their abilities to consult and to produce an outcome which is acceptable to the wider community, because I think with this bill we have a largely good outcome that is acceptable to the majority of people. There are some issues with it, but it is a very big improvement on the original process.

As I said, the original proposal, which has now been somewhat derailed, was a takeover of yet another local government function by the state. The argument was run that we are the only state that remains largely decentralised and that perhaps we are paying more than others for our valuations. The figures I saw indicate a somewhat different story; they largely indicate that our cost per assessment was considerably lower than many of the others.

These sorts of valuations have historically been done by local authorities, whether they be local governments, roads and ports authorities or whatever. Even though there is local government heritage involved in this issue, I think it is important to recognise that municipal valuers have always been responsible to the valuer-general, at least for as long as I can remember. They have not had to report to the municipal clerk or the municipal engineer, whoever that is. They have always been responsible to the valuer-general for the exercise of their duties. To pick up the point made by the member for Burwood, conflict of interest is one of the reasons for doing that. There is obviously not much expertise amongst municipal clerks about the valuation process, and it ensured the independence and integrity of that process.

The history of decentralisation has largely been that individual assessments have been necessary. It was put to us that in the modern era there is lots of technology, we have lots of capacity to ordinate the process and, perhaps in substantial areas of the state,

there is a certain sameness and a certain common value of land. It is possible to do a sum based on the area of a home, for example, and come up with a valuation, but once you get away from established and mundane areas and out to an industrial or commercial property, or perhaps more importantly into rural areas, it is a very different picture.

I remember talking to, I think, the valuer-general of the day sometime in the early 1990s, when I was also having a vigorous discussion with the grants commission about the allocation of grants to the then Shire of Mornington. The point was made at the time that during a period when there had been no sales of property for 10 years in an area of land that is now in the electorate of the member for Lowan there was no data and no way to ordinate the process and local knowledge was paramount. That is probably the history of it. One of the important things that is achieved with the bill we are talking about tonight is that if a council chooses to retain the local process, it has the ability to do it. It is not a takeover in that sense; the ability remains to localise it.

The core purpose of the bill identified in clause 1 is to give further powers to the valuer-general. There are other largely consequential changes. I do not mean 'consequential' in the sense we often use the word in terms of changes to other acts, although there are some of those, because largely they are outcomes of a change of emphasis. Part 2 contains amendments to the Valuation of Land Act and part 3 contains amendments to a series of other acts. The thrust of the bill in the form in which it has been introduced is to give councils the option, if they so choose, to transfer their responsibilities for rating authority valuations to the valuer-general. The fact it is not now mandatory is an important thing.

The bill inserts a number of definitions. I will not go through them all, but I think there are two of interest as concepts: the definitions of 'valuation authority' and 'valuation record'. A valuation authority establishes a concept not dissimilar to a responsible authority in terms of planning legislation, where the default position for the valuation authority is the council and the option is to nominate the valuer-general to undertake the task. The valuer-general then becomes the valuation authority. The second new concept is the definition of 'valuation record', which is 'the record of general and supplementary valuations'. That gives rise to what will be a centralised database, which is established under proposed new section 7C.

The privacy aspects of the change in new section 7D are significant. I think the member for Brighton has already made this point, but it is an important one. I am sure everyone involved will pick it up, but I will say it because it affects the public: people do not seem to worry about information being held within a council, but when the information is transmitted — in the briefing we talked about the possibility of information with identifiers attached being transmitted to the valuer-general's office — it is important that identifiers be removed from the information before it becomes available for wider dissemination. As I have said, I have absolute confidence that that will happen, but it is something that needs to be underlined as far as the public is concerned.

The bill provides opportunities for other rating authorities to participate and to make use of information. We already have some water authorities making use of information. That is a practice that will continue. It will be in a slightly different form. There is also the opportunity for potential new authorities and authorities like the growth areas authority to use information in implementing a growth areas infrastructure contribution tax. Perhaps that is something that will happen later down the track.

Other provisions that are retained are the opportunity for the rating authority — whether it be the valuer-general or municipal council — to charge fees to offset to some extent the cost of actually doing the valuation. I know from the many budgets I did with the Shire of Mornington that that was an important part of the budget. It is probably not quite as important now, but it is still a significant matter for local councils.

As I said earlier, the member for Shepparton mentioned some technical issues — the generally true and correct issues — that arose after the briefing. No doubt they can be discussed once the bill is away from this place.

To conclude, this is yet another change to the traditional role of local government. It is not bad, but it is a change. It is moving local government in the direction of being a service delivery authority, and I am not sure we want that to be the case.
