

FIRST PRINT

LAND TAX MANAGEMENT (AMENDMENT) BILL 1992

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The object of this Bill is to make the following amendments to the Land Tax Management Act 1956 ("LTM Act") with effect from and including the 1993 land tax year (each amendment is described in greater detail below):

- (a) to provide that the land values on which land tax is calculated are to be ascertained by the Chief Commissioner on an annual basis;
- (b) to extend the current land tax exemption conferred on some non-profit sports clubs to all non-profit sports and games clubs;
- (c) to extend the current land tax reduction for part of land used as a retirement village or nursing home to the situation where part of a building is used for that purpose (with effect from the commencement of the original reduction provision);
- (d) to widen the exemption applicable to parcels of residential land over 2,100 square metres that cannot be subdivided;
- (e) to backdate to 31 December 1988 the commencement of provisions dealing with the land tax liability of lessees and licensees from the Crown;
- (f) to enable the Chief Commissioner to alter for land tax purposes an unfair or unreasonable strata unit entitlement (in place of an existing provision authorising the Chief Commissioner to apply to the Strata Titles Board for such a reallocation);
- (g) to enact consequential savings and transitional provisions and make a miscellaneous statute law revision amendment.

Land values to be ascertained annually by Chief Commissioner

Currently the land values on which land tax is calculated are the Valuer-General's valuations under the Valuation of Land Act 1916 ("VOL Act"). For land tax purposes, those values are multiplied by an "equalisation factor" calculated by the Valuer-General to ensure that those values reflect current values. However, land values for 1991 and 1992 have been frozen at 1990 levels.

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Under the amendments, the Chief Commissioner will ascertain land values on an annual basis (as at 1 July each year) for the purpose of determining land tax liability as at the end of that year. The system of equalisation factors will be discontinued.

The following are the important aspects of the new provisions:

- The method of determining a land value will be the same as under the VOL Act.
- Existing valuation concessions (such as apply to coal mines and dwelling houses on valuable parcels) and allowances for profitable expenditure and apportionment of value for mixed development land will remain.
- There will be 3 new valuation concessions (see below).
- There will be new administrative arrangements to facilitate the new valuation scheme (such as a right to object and appeal against a land value, and a wider power of delegation for the Chief Commissioner).
- Certain provisions of the VOL Act will be carried over (such as the power to enter premises for valuation purposes and protection from liability).

Many of the amendments in Schedule 1 have had to be made to accommodate the new scheme and its new terminology. The opportunity has been taken to simplify the language and structure of some of these provisions. A break-down of the amendments made by Schedule 1 is set out below.

Additional valuation concessions

The amendments provide 3 additional valuation concessions as follows:

Section 59 extends the special valuation provisions of the Heritage Act 1977 (which currently apply to land subject to a permanent conservation order under that Act) to land subject to an interim conservation order under that Act. The land will be valued so as to reflect the effect of such an order on the land.

Section 60 requires land that is subject to heritage provisions under an environmental planning instrument to be valued on the basis of certain assumptions that are designed to recognise the restrictions on development imposed by heritage provisions.

Section 61 requires land on which there are premises subject to a "fair rent" restriction under the protected tenancy provisions of the Landlord and Tenant (Amendment) Act 1948 to be valued taking into account the effect of that Act on the rent that may be obtained for the premises.

Exemption for sports and games clubs

Currently a land tax exemption is conferred on some non-profit sports clubs. The exemption is limited to athletic and exercise sports such as tennis, football and cricket. The amendment will extend the exemption to all non-profit sports and games clubs (for example, clubs for the playing of chess or bridge or for the pursuit of sports such as motor racing). [See Schedule 2 (1) (a)]

Building partly used as retirement village or nursing home

Currently there is a land tax exemption for land used as a nursing home or retirement village. Alternatively, if only part of the land is used for that purpose, there is a pro rata reduction in land value based on the proportion of the land that is used for that purpose. However the current provision does not enable that pro rata reduction to apply when the partial land use is of part of a building. The amendment will enable the partial use of a building to be taken into account in determining the pro rata reduction. The amendment is backdated to the commencement of the original provision (31 December 1990). [See Schedule 2 (3) and (9)]

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Land over 2,100 square metres that can't be subdivided

Existing land tax exemptions for owner-occupied residential land (s. 10 (1) (r)) and new rental accommodation (s. 10H) generally do not apply if the land is over 2,100 square metres in area. The exemption is however available in certain cases if the land's area is less than 2 hectares and its subdivision is prevented by a planning instrument (s. 10 (1) (u)). Land over 2 hectares has the first \$160,000 of value disregarded and a further pro rata reduction in value for area over 2 hectares (s. 10 (5)). There is also provision for the Hardship Board to waive land tax if subdivision of owner-occupied residential land is prevented by circumstances beyond the owner's control (s. 50 (1D)). There is also an existing reduction that applies to owner occupied flats on land up to 2,100 square metres.

The amendments will alter these provisions so that the existing exemptions and reductions will be available without restriction as to area when subdivision is prevented *or likely to be prevented* by a planning instrument, the Local Government Act 1919 or other circumstances beyond the owner's control.

Liability of lessees/licensees of land owned by the Crown

Since 1988 there have been a series of amendments to provisions of the LTM Act concerned with the liability of lessees and licensees of land owned by the Crown. The latest amendments in 1991 (particularly the new section 21C) successfully clarified the land tax position in this area. The amendment made by this Bill will backdate the enactment of section 21C and its consequential amendments to 31 December 1988 (the date on which the series of amendments commenced) in respect of land owned by the Crown. [See Schedule 2 (5) and (9)]

Alteration of strata unit entitlement

An existing provision of the LTM Act (section 65A) allows the Chief Commissioner to apply to the Strata Titles Board for the reallocation of a strata (or leasehold strata) unit entitlement if the original allocation was unreasonably made and land tax has been avoided.

That provision is to be replaced with a provision that will enable the Chief Commissioner to alter for land tax purposes a unit entitlement that the Chief Commissioner thinks is unfair or unreasonable. Such an alteration can operate retrospectively but not before the 1989 tax year (which is the first year in which the existing provision applied). A further amendment confers a right of objection in respect of an alteration of unit entitlement under the new provision. [See Schedule 2 (6) and (8)]

Consequential amendments to other Acts

The Bill also makes consequential amendments to the following Acts:

Valuation of Land Act 1916

Strata Titles Act 1973

Strata Titles (Leasehold) Act 1986

Land and Environment Court Act 1979

Schedule 1—break-down of amendments

Items (1), (2) and (3) are consequential on the discontinuation of equalisation factors (and the consequential redundancy of the concept of "adjusted value").

Item (4) re-enacts section 9A of the LTM Act to fit that section in with the new valuation provisions. The concept "unutilised value allowance" replaces the existing concept of "attributable part". Item (18) makes a consequential amendment.

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Item (5) removes the redundant concept of "adjusted value" from various provisions and replaces it with "land value".

Item (6) makes an amendment to reflect the fact that apportionment factors for the purposes of section 9C of the LTM Act will now be determined under the LTM Act instead of the VOL Act.

Item (7) makes it clear that the Chief Commissioner's power to amend assessments extends to amendments necessary to give effect to a correction to the relevant land value.

Item (8) extends the current provision dealing with the evidentiary value of particulars shown on assessments to include land values shown on assessments.

Items (9)–(17) amend provisions concerned with objections and appeals against assessments (which currently do not apply to land valuations) so that an objection and appeal can be made against a land value. This replaces the existing right of objection under the VOL Act.

Item 19 substitutes Part 7 of the LTM Act. The new Part is divided into 5 Divisions, as follows:

Division 1 (ss. 54–62A) requires land values for land tax purposes to be ascertained by the Chief Commissioner (s. 55). Relevant provisions of the VOL Act are applied (ss. 56, 57). Existing section 54 (1A) of the LTM Act, which is a special provision applying to the valuation of land in a colliery holding, is re-enacted with appropriate changes and simplifications (s. 58). Sections 59–61 enact the additional valuation concessions described above applicable to land subject to heritage and rent-control restrictions. Section 62 provides for the deduction of an allowance for profitable expenditure determined under Division 2.

Division 2 (ss. 62B–62H) re-enacts existing sections 54A and 54B of the LTM Act, and sections 58 and 58A of the VOL Act.

Division 3 (ss. 62I–62N) re-enacts existing section 9A of the LTM Act (dealing with the postponement of land tax on land that is the site of a single dwelling house and which is zoned to allow more valuable development).

Division 4 (ss. 62O–62T) re-enacts section 58A of the VOL Act, which deals with the apportionment of land value on mixed use sites and is relevant to the reduction of land value for flats on mixed use sites under section 9C of the LTM Act.

Division 5 (ss. 62U–62ZA) contains miscellaneous provisions, including provisions for the setting up of a Register of Land Values, delegations by the Chief Commissioner, powers of entry for valuation purposes and protection from liability.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on 31 December 1992.

Clause 3 gives effect to the Schedules of amendments to the Land Tax Management Act 1956 (Schedules 1 and 2).

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Clause 4 gives effect to the Schedule of consequential amendments to other Acts (Schedule 3).

Schedules 1 and 2 make the amendments to the Land Tax Management Act 1956 described above.

Schedule 3 makes amendments to other Acts that are consequential on the amendments made by Schedule 1 (the valuation of land amendments).

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TABLE OF PROVISIONS

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1956 CONCERNING LAND VALUE

SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX MANAGEMENT
ACT 1956

SCHEDULE 3—CONSEQUENTIAL AMENDMENTS TO OTHER ACTS

LAND TAX MANAGEMENT (AMENDMENT) BILL 1992

NEW SOUTH WALES



No. , 1992

A BILL FOR

An Act to amend the Land Tax Management Act 1956 to make further provision with respect to the valuation of land for land tax purposes and with respect to exemptions and concessions; to amend various Acts consequentially; and for other purposes.

Land Tax Management (Amendment) 1992

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Land Tax Management (Amendment) Act 1992.

5 Commencement

2. This Act commences on 31 December 1992.

Amendment of Land Tax Management Act 1956 No. 26

3. The Land Tax Management Act 1956 is amended as set out in Schedules 1 and 2.

10 Consequential amendments to other Acts

4. Each Act specified in Schedule 3 is amended as set out in that Schedule.

**SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE**

15

(Sec. 3)

(1) Section 3 (**Definitions**):

From section 3 (1), omit the definitions of "Adjusted value", "Deductible allowance", "Equalisation factor" and "Land tax", insert instead in alphabetical order:

20

"**Register**" means the Register of Land Values kept under section 62U.

"**Tax year**" or "**Land tax year**" means a period of 12 months starting on 1 January for which land tax is leviable and payable.

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**SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
*continued***

- (2) Section 7:
- Omit the section, insert instead: 5
- Land tax on land value**
7. (1) Land tax at such rates as may be fixed by any Act is to be levied and paid on the land value of all land situated in New South Wales which is owned by taxpayers (other than land which is exempt from taxation under this Act). 10
- (2) The land value of land, in relation to a land tax year, is the value entered in the Register as the land value of the land as at 1 July in the previous year.
- (3) The fact that there is no value entered in the Register on 31 December in a year as the land value of the land as at 1 July in that year does not prevent land tax being levied and charged and becoming payable for the following tax year once that land value is entered in the Register. 15
- (3) Section 9:
- Omit the section, insert instead: 20
- Taxable value**
9. (1) Land tax is payable by the owner of land on the taxable value of all the land owned by that owner which is not exempt from taxation under this Act.
- (2) The taxable value of that land is the total sum of the land value of each parcel of that land. 25
- (4) Section 9A:
- Omit the section, insert instead:
- Postponement of part of land tax attributable to unutilised value** 30
- 9A. (1) If there is an unutilised value allowance entered in the Register in respect of the land value of land, a person liable to pay land tax on the land in respect of that land value is entitled to a postponement of part of that land tax, as provided by this section. 35

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SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

- 5 (2) The entitlement to postponement is an entitlement to postpone payment of the amount by which the land tax assessed would have been reduced had the land value of the land been reduced by that unutilised value allowance.
- 10 (3) When the land is sold or otherwise disposed of or when the land ceases to be used or occupied solely as the site of a single dwelling-house:
- 15 (a) the person entitled to the postponement of land tax must within 1 month inform the Chief Commissioner of the date upon which the land was sold or otherwise disposed of or ceased to be so used or occupied; and
- 20 (b) the person ceases to be entitled to a postponement of land tax under this section; and
- (c) the amounts of land tax postponed under this section in any assessments made in respect of the year in which land tax ceased to be postponed under this section and the 4 preceding years become due and payable 30 days after service of notice by the Chief Commissioner.
- 25 (4) All amounts of land tax postponed under this section (other than those which are or which may become due and payable under subsection (3)) are to be written off by the Chief Commissioner.
- (5) Unutilised value allowances are ascertained under Division 3 of Part 7.
- 30 (6) In this section “single dwelling-house” has the same meaning as in section 160C of the Local Government Act 1919.
- (5) Sections 9C, 10 (1I), (2), (2A) and (4), 10J, 10R, 21C, 22, 34, 49: Omit “adjusted value” wherever occurring, insert instead “land value”.
- 35 (6) Section 9C (**Reduction in land value of flats**):
- (a) From section 9C (2), omit section 9C (2) (a), insert instead:
- (a) if there is an apportionment factor entered in the Register in respect of that land value—the proportion determined in accordance with the following calculation:

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SCHEDULE 1—AMENDMENTS TO THE LAND TAX
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- $$(1 - \text{that apportionment factor}) \times \frac{\text{floor area of the flat}}{\text{total floor area of all flats on the land}}$$
- (b) After section 9C (2), insert:
- (2A) Apportionment factors are ascertained under Division 4 of Part 7.
- (7) Section 16 (**Amendment of assessments**):
- After section 16 (4), insert:
- (5) This section extends to the amendment of an assessment to give effect to the alteration under section 62V of any particulars in the Register.
- (8) Section 18 (**Evidence**):
- In section 18 (1) (b), after “particulars of the assessment”, insert “(including any land value, allowance or apportionment factor relevant to the assessment)”.
- (9) Section 35 (**Objections**):
- After section 35 (1), insert:
- (1A) The right to object to an assessment includes the right to object to any land value on which the assessment is based, on any one or more of the following grounds:
- (a) that the land value was too high or too low;
- (b) that lands which should have been valued together were valued separately;
- (c) that lands which should have been valued separately were valued together.
- (1B) For the purposes of the application of this section to an objection to an allowance or apportionment factor, a reference in this section to “value” includes a reference to the amount of the allowance or apportionment factor.
- (10) Section 36 (**No objection on certain matters**):
- Omit the section.
- (11) Section 37 (**Decision on objection**):
- (a) From section 37 (1), omit “, subject to section 38,”.
- (b) From section 37 (2), omit “(except under section 38)”.

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SCHEDULE 1—AMENDMENTS TO THE LAND TAX
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- 5 (12) Section 38 (**Certain objections to be referred to Valuer-General**):
Omit the section.
- (13) Section 38A (**Appeal etc. against decision on objection**):
- (a) From section 38A (1) and (4), omit “to the Supreme Court” wherever occurring.
- 10 (b) At the end of section 38A (1), insert “The appeal is to the Supreme Court (except to the extent that it concerns land value) or to the Land and Environment Court to the extent that it concerns land value.”.
- (14) Section 38B (**Nature of appeal**):
- 15 (a) From section 38B (1), omit “to the Supreme Court”.
- (b) Omit section 38B (3), insert instead:
- (3) Parts 4 and 7 apply to the Court’s assessment of land tax in the same way as those parts apply to the assessment of land tax by the Chief Commissioner.
- 20 (15) Section 38BA (**Onus on objector**):
- Omit “on the balance of probabilities that the land tax in question was incorrectly assessed”, insert instead “the grounds of the objection on the balance of probabilities”.
- (16) Section 38BB (**Payment of land tax assessed by Court**):
- 25 From section 38BB (1), omit “by the Supreme Court”, insert instead “by a Court”.
- (17) Section 38BC (**Liability not affected by objection etc.**):
- From section 38BC (1), omit “to the Supreme Court”.
- (18) Section 40 (**Additional land tax in case of default**):
- 30 From section 40 (2), omit “section 9A (2) (c)”, insert instead “section 9A (3) (c)”.

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SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

- (19) Part 7: 5
- Omit the Part, insert instead:
- PART 7—VALUATION OF LAND**
- Division 1—How land is valued**
- Interpretation**
54. (1) Expressions used in this Part have the same meanings as in the Valuation of Land Act 1916. 10
- (2) In this Part, “**land**” includes strata within the meaning of the Valuation of Land Act 1916.
- Chief Commissioner to ascertain land values**
55. (1) The Chief Commissioner may, at any time and in such manner as the Chief Commissioner thinks appropriate, ascertain the land value of any land as at 1 July in 1992 or in any subsequent year. 15
- (2) A land value ascertained by the Chief Commissioner is to be entered by the Chief Commissioner in the Register and is to be shown in any assessment to which it is applicable. 20
- (3) A land value need not be ascertained before the start of the land tax year to which it is applicable.
- (4) The power to ascertain a land value as at 1 July in a year includes the power to reascertain that land value as at that date, and references in this Part to the ascertainment of land value are taken to include references to the reascertainment of land value. 25
- Application of Valuation of Land Act 1916**
56. (1) The following sections of the Valuation of Land Act 1916 apply to the determination of land value for the purposes of this Act in the same way as they apply to a determination of that value by the Valuer-General: 30
- 6A (Land value)
- 7B (Land value of strata)
- 7E (Valuation of land in the Western Division) 35
- 7F (2) (Protected archaeological areas, wildlife districts, wildlife refuges and game reserves)

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SCHEDULE 1—AMENDMENTS TO THE LAND TAX
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5 7H (Community schemes, neighbourhood schemes and
certain strata schemes)

26 (Where lands are to be included in one valuation)

27 (1) and (2) (Where lands are to be separately valued)

27A (Separate valuations of strata)

28 (Land in two or more districts)

10 28A (Stratum in two or more districts)

(2) In sections 26, 27 and 27A of that Act, a reference to
the Valuer-General is to be read as a reference to the Chief
Commissioner.

Assumptions to be made at time of valuation

15 57. (1) For the purpose of determining a land value or
rental value of land, it is to be assumed that the physical
condition of the land and of any other land, and the manner
in which any other land may be used, were the same on the
date as at which the value is being determined as they are
20 when the determination is made.

(2) Additionally, in the case of stratum, it is to be assumed
that the physical condition of the stratum, and the manner in
which any lands outside the stratum (including the land of
which the stratum forms part), may be used were the same on
25 the date as at which the value is being determined as they are
when the determination is made.

Valuing land in a colliery holding

30 58. Land within a colliery holding (as defined in the
Mining Act 1992) is to have its land value determined as if
no coal were contained in the land and as if the land did not
form part of a coal mine.

Valuing land subject to interim conservation order

35 59. If land is subject to an interim conservation order
under the Heritage Act 1977, Division 6 (Rating and taxing)
of Part 6 of that Act applies to a valuation of that land for
taxing purposes under this Act as if the order were a
permanent conservation order.

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SCHEDULE 1—AMENDMENTS TO THE LAND TAX
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Valuing land subject to heritage restrictions under EPI

60. (1) Land that is “**heritage restricted**” as at the date as at which its land value is to be determined is to have that land value determined on the basis of the following assumptions: 5

(a) that the land may be used only for the purpose, if any, for which it was used when the value is determined; 10

(b) that all improvements on that land when the value is determined may be continued and maintained in order that the use of that land as referred to in paragraph (a) may be continued;

(c) that no improvements, other than those referred to in paragraph (b), may be made to or on that land. 15

(2) Land is “**heritage restricted**” as at a particular date if the Chief Commissioner has determined that it would be reasonable to make the assumptions referred to in subsection (1) in respect of the land as at that date because of any provision of a planning instrument concerned with the heritage significance or heritage value of the land or any building, work or other thing on or in the land. 20

(3) The Chief Commissioner is not required to make a determination as to whether land is heritage restricted except on the application of the owner of the land (made in the form required by the Chief Commissioner and accompanied by such supporting information as the Chief Commissioner may request). 25

(4) The Chief Commissioner is not to determine that land is heritage restricted as at a particular date if the land is the subject of an interim conservation order or permanent conservation order under the Heritage Act 1977 as at that date. 30

Valuing rent-controlled land 35

61. (1) Land that the Chief Commissioner has determined is “**rent-protected**” is to have its land value determined taking into account any restriction imposed by the Landlord and Tenant (Amendment) Act 1948 on the rent at which any premises or part of premises on the land may be let. 40

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5 (2) Land is “rent-protected” if there is a fair rent applicable to any premises or part of premises on the land under the Landlord and Tenant (Amendment) Act 1948.

(3) The Chief Commissioner is not required to make a determination as to whether land is rent-protected unless both the following requirements are satisfied:

10 (a) the owner of the land has applied to the Chief Commissioner for the determination (in the form required by the Chief Commissioner and accompanied by such supporting information as the Chief Commissioner may request);

15 (b) the Rent Controller under the Landlord and Tenant (Amendment) Act 1948 has certified to the Chief Commissioner that the land is rent-protected within the meaning of this section.

20 (4) The Rent Controller is empowered to certify accordingly but such a certificate has no effect other than for the purposes of this section.

Deduction of allowance for profitable expenditure

25 62. In determining the land value of land, there is to be deducted the amount of any allowance ascertained under Division 2 (Allowances for profitable expenditure).

More than one concession or deduction can apply

62A. If more than one provision of this Division is applicable to the determination of land value in a particular case, the applicable provisions apply cumulatively.

30 **Division 2—Allowances for profitable expenditure**

Expenditure for which allowance is to be made

35 62B. (1) For the purpose of ascertaining the land value of any land, the Chief Commissioner is to ascertain a reasonable allowance for profitable expenditure by the owner, occupier or lessee in respect of:

(a) any effective land improvements on or appertaining to the land; and

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- (b) any visible and effective improvements which, although not on the land, have been constructed for its drainage, for its protection from inundation, or otherwise for its more beneficial use; and 5
- (c) any improvement comprising a joint water supply scheme (whether or not on the land) the construction or use of which is authorised under Division 4 or 4A of Part 2 of the Water Act 1912, and which supplies water to the land. 10
- (2) In the case of a stratum, the Chief Commissioner is also to ascertain a reasonable allowance for profitable expenditure by the owner or occupier on any visible and effective improvements which although not in the stratum have been constructed exclusively for the benefit of the stratum or the improvements therein. 15
- (3) An allowance ascertained by the Chief Commissioner under this Division is to be entered by the Chief Commissioner in the Register in respect of a land value to which it relates and is to be shown in any assessment to which it is applicable. 20
- No allowance in certain cases**
- 62C. (1) No allowance is to be ascertained under this Division if: 25
- (a) the owner of the land was not the owner of the land when the profitable expenditure was incurred; or
- (b) the profitable expenditure was incurred by an occupier or lessee of the land and the occupancy or lease has been transferred or surrendered or has expired since that expenditure was incurred; or 30
- (c) in the case of land zoned or otherwise designated for use for any purpose (other than rural or non-urban purposes) under a planning instrument—any building or structure has been erected or any works have been carried out on the land; or 35
- (d) the profitable expenditure was incurred more than 15 years before the date as at which the land value is being determined. 40

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SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

5 (2) Subsection (1) (c) does not apply to an allowance in respect of a stratum.

Allowance not to exceed cost of improvements

62D. The amount of an allowance under this Division is not to exceed the cost of the improvements determined as at the date as at which the land value is being determined.

No allowance for expenditure by the Crown etc.

62E. If land has been leased by the Crown or a statutory body, no allowance is to be ascertained under this Division if the expenditure was incurred by the Crown or body except to the extent to which the Crown or body has been reimbursed in respect of the expenditure by the lessee (otherwise than by payment of rent, rates or taxes).

Time at which allowance is to be calculated

62F. The allowance to be ascertained in respect of a particular land value is to be calculated as at the date as at which that land value is ascertained but is to be calculated on the assumption that the improvements in existence when it is being calculated were in existence as at that date.

Apportionment of joint expenditure on water supply scheme

62G. In calculating the allowance for expenditure on a joint water supply scheme which a number of occupiers are authorised under Division 4 or 4A of Part 2 of the Water Act 1912 to construct and use, the expenditure by any one of those occupiers in respect of the scheme is the amount that bears the same proportion to the total profitable expenditure on that scheme as the amount contributed to those works by the occupier bears to the total cost of the works.

Allowance can be objected against

35 62H. (1) An objection may be made to an allowance under this Division as if it were a land value.

(2) The right to object in respect of the land value of land includes the right to object on the ground that an allowance under this Division in respect of the land value has not been made.

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**SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
*continued***

Division 3—Unutilised value allowances**Purpose and interpretation of Division** 5

62I. (1) This Division applies for the purposes of section 9A (Postponement of part of land tax attributable to unutilised value).

(2) Expressions used in this Division have the same meanings as in section 160C of the Local Government Act 1919, except to the extent that such a meaning would be inconsistent with the meaning given by this Act. 10

Land that is eligible to have unutilised value ascertained

62J. (1) Land is eligible to have an unutilised value allowance ascertained for its land value as at 1 July in a year if it satisfies the description in either of the following paragraphs as at midnight on 30 June in that year: 15

(a) a parcel of land on which there is a single dwelling-house used or occupied as such which is, under an environmental planning instrument, zoned or otherwise designated for use for the purposes of industry, commerce or the erection of residential flat buildings; 20

(b) a parcel of land (which may comprise one or more lots or portions in a current plan) on which there is a single dwelling-house used or occupied as such which is, under an environmental planning instrument, zoned or otherwise designated, so as to permit its subdivision for residential purposes. 25

(2) However, land is not eligible if it is rural land. 30

Unutilised value allowance to be ascertained on application of owner

62K. (1) The owner of land may apply to the Chief Commissioner for an unutilised value allowance to be ascertained for the land value of the land. The application must be in the form required by the Chief Commissioner and be accompanied by such supporting information as the Chief Commissioner may request. 35

Land Tax Management (Amendment) 1992

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

5 (2) The Chief Commissioner must then ascertain the allowance if the land is eligible to have that allowance ascertained.

10 (3) An allowance ascertained by the Chief Commissioner under this Division is to be entered by the Chief Commissioner in the Register in respect of the land value to which it relates and is to be shown in any assessment to which it is applicable.

How unutilised value allowance is ascertained

15 62L. (1) The unutilised value allowance for a land value is the amount calculated by deducting from the land value of the land the value that the land would have if it could be used only as the site of a single dwelling-house.

20 (2) However, no account is to be taken of any portion of the land which is in excess of that which is reasonably necessary to be occupied or used in conjunction with the single dwelling-house.

Unutilised value allowance to be reascertained in certain cases

25 62M. If the land value of land in respect of which an unutilised value allowance was ascertained is altered (whether as the result of being reascertained or on objection or appeal or for the correction of a clerical error or misdescription), the Chief Commissioner must reascertain an unutilised value allowance for that land value.

Unutilised value allowance can be objected to

30 62N. (1) An objection may be made to an allowance ascertained under this Division as if it were a land value.

35 (2) The right to object in respect of the land value of land includes the right to object on the ground that an allowance under this Division has not been ascertained for that land value.

Division 4—Apportionment factors for mixed development land**Division applies for purposes of section 9C**

40 62O. This Division applies for the purposes of section 9C (Reduction in land value for flats).

Land Tax Management (Amendment) 1992

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

**Owner may apply for apportionment factor for mixed
development land** 5

62P. (1) The Chief Commissioner may ascertain an apportionment factor for the land value of mixed development land.

(2) The owner of mixed development land may apply to the Chief Commissioner for an apportionment factor to be ascertained for the land value of the land. The application must be in the form required by the Chief Commissioner and be accompanied by such supporting information as the Chief Commissioner may request. 10

(3) If the owner makes such an application, the Chief Commissioner is required to ascertain the apportionment factor but only if an apportionment factor has been determined for the land and included in a valuation list under section 58B of the Valuation of Land Act 1916. 15

(4) An apportionment factor ascertained by the Chief Commissioner under this Division is to be entered by the Chief Commissioner in the Register in respect of the land value to which it relates and is to be shown in any assessment to which it is applicable. 20

How apportionment factor is determined 25

62Q. (1) The apportionment factor is the proportion (expressed as a percentage) which the rental value of the part of that land which is non-residential land bears to the rental value of the mixed development land as a whole.

(2) Rental values are to be ascertained as at the date as at which the land value is ascertained. 30

Apportionment factors can be objected against

62R. (1) An objection may be made to an apportionment factor ascertained under this Division as if it were a land value. 35

(2) The right to object in respect of the land value of land includes the right to object on the ground that an apportionment factor has not been ascertained under this Division for that land value.

Land Tax Management (Amendment) 1992

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

Apportionment factor to be reascertained in certain cases

5 62S. If the land value of land in respect of which an
apportionment factor has been ascertained is altered (whether
as the result of being reascertained or on objection or appeal
or for the correction of a clerical error or misdescription), the
10 Chief Commissioner must reascertain an apportionment
factor for that land value.

Interpretation

15 62T. Expressions used in this Division have the meanings
given by section 58C of the Valuation of Land Act 1916,
except to the extent that such a meaning would be
inconsistent with the meaning given by this Act.

Division 5—Miscellaneous**Register of Land Values**

20 62U. (1) The Chief Commissioner is to keep a Register of
Land Values in such form as the Chief Commissioner thinks
fit.

 (2) An entry in the Register as to a land value, allowance
or apportionment factor ascertained under this Part is
conclusive evidence of the ascertaining of the value,
allowance or factor on the date shown in the entry.

25 (3) A certificate issued by the Chief Commissioner
certifying as to the details of an entry in the Register is
conclusive evidence of the matter certified.

Alteration of the Register

30 62V. (1) The Chief Commissioner is to make such
alterations to the Register as may be necessary for the
following purposes:

- to give effect to any reascertainment of a land value,
allowance or apportionment factor;
 - to give effect to any decision on an objection or appeal
under this Act;
 - to correct any clerical error or misdescription.
- 35

Land Tax Management (Amendment) 1992

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

(2) When any particulars entered in the Register are altered, the particulars as so altered become the particulars entered in the Register for the purposes of this Act, in substitution for the particulars that were altered. 5

(3) If such an alteration results in the alteration of a land value, allowance or apportionment factor, any adjustment that is thereby due is to be made, and amounts paid in excess are to be refunded and amounts under-paid are recoverable as arrears. 10

Delegation

62W. (1) The Chief Commissioner may delegate any of the Chief Commissioner's powers, authorities, duties or functions under this Part and Part 5 (Objections and appeals) (except this power of delegation) to any of the following persons: 15

- a person engaged in the administration of this Act;
- the Valuer-General; 20
- a person registered as a practising real estate valuer under the Valuers Registration Act 1975.

(2) A delegate may subdelegate to another person any power, authority, duty or function delegated under this section if the delegate is authorised by the terms of the delegation to do so. 25

Chief Commissioner may enter into agreements etc.

62X. The Chief Commissioner may enter into an agreement or other arrangement with any person (including the Valuer-General) for the performance of valuation services or the obtaining of information in connection with the matters which the Chief Commissioner is required to ascertain for the purposes of this Part. 30

Power to enter premises, request information etc.

62Y. (1) The following persons are authorised persons for the purposes of this section: 35

- the Chief Commissioner;

Land Tax Management (Amendment) 1992

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

- 5 • a Judge or assessor of the Land and Environment
 Court;
- a person authorised in writing by the Chief
 Commissioner to conduct a valuation of land for the
 purposes of this Act.
- 10 (2) An authorised person may, with the written authority of
 the Chief Commissioner, enter on any land or stratum for the
 purposes of this Part and an owner, occupier or manager of
 the land or stratum must answer any questions put to him or
 her by the authorised person and generally provide all
15 necessary information to enable a correct valuation to be
 made.
- (3) In particular, the authorised person may:
- (a) require the owner, occupier or manager of the land or
 stratum to produce any documents in the possession of
 or under the control of the owner, occupier or manager
20 which relate to, or which the authorised person
 believes on reasonable grounds relate to, the
 description, nature, use or value of the land or stratum;
 and
- (b) take copies of, or extracts or notes from, any
25 documents so produced.
- (4) An authority under this section is to contain the
 following information:
- (a) the fact that the authority is issued under this Act by
 the Chief Commissioner;
- 30 (b) the name of the authorised person;
- (c) the text of subsection (2).
- (5) The powers conferred on an authorised person by this
 section may be exercised only:
- 35 (a) at a reasonable time; and
- (b) after giving reasonable notice; and
- (c) by using no more force than is reasonably necessary.
- (6) If damage is caused by the exercise of powers
 conferred by this section, the Chief Commissioner is to pay

Land Tax Management (Amendment) 1992

**SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
*continued***

reasonable compensation for the damage unless the exercise of the powers was obstructed by the occupier of the land. 5

(7) This section does not authorise entry to any part of premises used for residential purposes except with the consent of the occupier of that part.

(8) A person must not:

(a) fail without reasonable excuse to answer any relevant questions or to provide any information when duly required to do so under this section; or 10

(b) in response to a question asked or requirement made under this section, give an answer or provide information knowing it to be false or misleading in a material particular. 15

Maximum penalty: 1 penalty unit.

Protection from liability

62Z. Nothing done or omitted to be done by the Chief Commissioner or by any other person acting under the direction or authority of the Chief Commissioner subjects the Chief Commissioner or person personally to any action, liability, claim or demand if it was done or omitted in good faith for the purposes of executing this Part. 20

Valuers Registration Act 1975 not affected 25

62ZA. Nothing in this Part affects the Valuers Registration Act 1975.

**SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956**

(Sec. 3) 30

(1) Section 10 (**Land exempted from tax**):

(a) Omit section 10 (1) (h), insert instead:

(h) land owned by, or in trust for, any club or body of persons, and used primarily and principally for the purposes of any game or sport and not used for the pecuniary profit of the members of that club or body; 35

Land Tax Management (Amendment) 1992

SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956—*continued*

(b) Omit section 10 (1) (u) and (5).

5 (2) Section 10Q (**Exemption—boarding-houses for low-income persons**):

From section 10Q (3), omit “to which this section applies”.

(3) Section 10R (**Retirement villages and nursing homes—exemption/reduction**):

After section 10R (3), insert:

10 (3A) If part only of a building is used and occupied as referred to in subsection (2), a proportion (“**the allowable proportion**”) of the area of the land occupied by the building is to be included as part of the area of the land so used and occupied for the purpose of determining the value of “B” in the calculation under subsection (3).

(3B) The allowable proportion under subsection (3A) is:

- 15 (a) except when paragraph (b) applies—the proportion specified in an application under subsection (3C) in respect of the land; or
- 20 (b) if the Chief Commissioner is not satisfied as to the fairness and reasonableness of the proportion referred to in paragraph (a)—the proportion that the floor area of that part of the building that is used and occupied as referred to in subsection (2) bears to the total floor area of the building.

25 (3C) Subsection (3A) does not apply unless application has been made to the Chief Commissioner by the owner of the land specifying the proportion that in the owner’s opinion is a fair and reasonable proportion of the area of land occupied by the building to be attributed to use and occupation as referred to in subsection (2). The application must be in a form approved by the Chief Commissioner and be accompanied by such supporting information as the Chief Commissioner may request.

30

Land Tax Management (Amendment) 1992

 SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX
 MANAGEMENT ACT 1956—*continued*

(4) Section 10U:

After section 10T, insert:

Special exemption—residential land over 2,100 square metres 5

10U. (1) The fact that land exceeded 2,100 square metres in area at midnight on 31 December in a year is to be disregarded for the purposes of the following provisions if the Chief Commissioner determines that the land was “subdivision restricted” at that time: 10

- section 10 (1) (r) (principal place of residence exemption);
- section 10H (new rental accommodation exemption);
- section 9C (reduction for flats on mixed use land). 15

(2) Land is “subdivision restricted” when subdivision of the land for the purposes of the separate occupation of the allotments to be created by the subdivision is prevented or likely to be prevented because of any one or more of the following: 20

- (a) any provision of a planning instrument; or
- (b) any provision made by or under the Local Government Act 1919; or
- (c) any other circumstance which is beyond the owner’s control. 25

(3) The Chief Commissioner is not required to make a determination as to whether land is subdivision restricted unless the owner applies to the Chief Commissioner for the determination. The application must be in the form required by the Chief Commissioner and be accompanied by such supporting information as the Chief Commissioner may request. 30

(5) Section 21C (**Liability of lessees of land owned by the Crown etc.**):

After section 21C (6), insert: 35

(7) This section is taken to have applied on and from 31 December 1988 to land owned by the Crown other than land owned by a public authority.

Land Tax Management (Amendment) 1992

SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956—*continued*

(6) Section 35 (**Objections**):

At the end of section 35, insert:

5 (4) A taxpayer who is dissatisfied with an alteration of
proportional unit entitlement by the Chief Commissioner
under section 65A may object to the alteration if an
assessment of land tax has been made on the basis of the
10 altered entitlement, on the ground that the altered entitlement
is not fair and reasonable.

(7) Section 50 (**Remissions of land tax in cases of hardship**):

Omit section 50 (1D).

(8) Section 65A:

Omit the section, insert instead:

15 **Alteration of strata unit entitlements**

65A. (1) If the Chief Commissioner is of the opinion that
the “**proportional unit entitlement**” of a lot the subject of a
strata scheme is unfair or unreasonable, the Chief
Commissioner may alter that entitlement as the Chief
20 Commissioner thinks necessary to ensure that it is fair and
reasonable.

(2) The “**proportional unit entitlement**” of a lot is the
proportion that the unit entitlement of the lot bears to the
aggregate unit entitlement of all the lots that are the subject
25 of the scheme.

(3) The Chief Commissioner alters a proportional unit
entitlement by giving written notice of the alteration to the
owner of the lot concerned, and the alteration takes effect
when that notice is given. Such a notice may be given as part
30 of a notice of assessment.

(4) The alteration may be made by altering the unit
entitlement of the lot or the aggregate unit entitlement of all
the lots that are the subject of the scheme, or by altering both
those entitlements.

35 (5) If the proportional unit entitlement of a lot is altered
under this section, the Chief Commissioner may for the
purpose of levying land tax apply that altered entitlement:

Land Tax Management (Amendment) 1992

SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956—*continued*

- (a) in respect of the tax year in which the alteration is made (and any subsequent year to which it is applicable); and 5
- (b) in respect of any tax year before the tax year in which the alteration is made (but not before the 1989 tax year).
- (6) For that purpose, the Chief Commissioner may make an assessment of land tax or amend any assessment under section 16. Despite section 16 (2), an amendment of an assessment authorised by this section may be made at any time. 10
- (7) An alteration of unit entitlement under this section applies only for land tax purposes. 15
- (8) In this section, “strata scheme” means a strata scheme under the Strata Titles Act 1973 or a leasehold strata scheme under the Strata Titles (Leasehold) Act 1986, and expressions used in this section have the same meanings as in those Acts. 20
- (9) Schedule 2 (Savings and transitional provisions):
- After clause 17, insert:
- Land Tax Management (Amendment) Act 1992*
- Operation of amendments**
18. The amendments made by the Land Tax Management (Amendment) Act 1992 do not (except as specifically provided) apply in respect of a tax year before the tax year that commences on 1 January 1992 and do not affect any existing liability for land tax. 25
- Lessees of Crown land** 30
19. (1) For the purposes of the application of section 21C to land owned by the Crown in respect of the tax years commencing on 1 January 1989, 1990, 1991 and 1992, the amendments made by Schedule 1 (13)–(16) of the Land Tax Management (Amendment) Act 1991 are taken to have commenced on 31 December 1988. 35
- (2) Clause 17 has effect subject to subclause (1) of this clause.

Land Tax Management (Amendment) 1992

 SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX
 MANAGEMENT ACT 1956—*continued*
Retirement villages/nursing homes

5 20. The amendments made to section 10R by the Land Tax
 Management (Amendment) Act 1992 operate on and from 31
 December 1990.

Amounts postponed under section 9A

10 21. A reference in section 9A to an amount of land tax
 postponed under that section includes a reference to an
 amount of land tax postponed under that section before its
 substitution by the Land Tax Management (Amendment) Act
 1992.

Ascertainment of land value before commencement

15 22. The fact that a land value was ascertained under the
 provisions of Part 7 as substituted by the Land Tax
 Management (Amendment) Act 1992 after the date of assent
 to that Act but before the commencement of that Act does
 not affect the validity of such a land value and it is taken to
 have been validly ascertained.

20 **SCHEDULE 3—CONSEQUENTIAL AMENDMENTS TO
 OTHER ACTS**

(Sec. 4)

Land and Environment Court Act 1979 No. 204

25 Section 19 (Class 3—land tenure, valuation, rating and
 compensation matters):

After section 19 (b), insert:

(b1) appeals in respect of an objection under Part 7 of the Land Tax
 Management Act 1956 to the extent that the objection relates
 to the land value of land;

30 **Strata Titles Act 1973 No. 68**

(1) Section 89 (Definitions):

(a) After paragraph (a) of the definition of “appropriate valuing
 Act”, insert:

35 (b) where the Chief Commissioner of Land Tax is the
 valuing authority—the Land Tax Management Act
 1956;

Land Tax Management (Amendment) 1992

SCHEDULE 3—CONSEQUENTIAL AMENDMENTS TO OTHER ACTS—*continued*

- (b) Omit paragraph (f) of the definition of “appropriate valuing Act”.
- (c) Omit paragraph (d) of the definition of “valuing authority”, insert instead:
 - (d) land tax, the Chief Commissioner of Land Tax.
- (2) Section 95 (**Land tax**):
 - From section 95 (6) and (7), omit “adjusted value” wherever occurring, insert instead “land value”.

Strata Titles (Leasehold) Act 1986 No. 219

- (1) Section 121 (**Definitions**):
 - (a) Omit paragraph (e) of the definition of “appropriate valuing Act”, insert instead:
 - (e) where the Chief Commissioner of Land Tax is the valuing authority—the Land Tax Management Act 1956;
 - (b) Omit paragraph (b) of the definition of “valuing authority”, insert instead:
 - (b) the Chief Commissioner of Land Tax, for the purposes of land tax.
- (2) Section 127 (**Land tax**):
 - From section 127 (6) and (7), omit “adjusted value” wherever occurring, insert instead “land value”.

Valuation of Land Act 1916 No. 2

- (1) Section 47 (**Rating or taxing authorities**):
 - Omit “Commissioner of Land Tax.”.
 - (2) Part 6A (**Equalisation factors**):
 - Omit the Part.
-

LAND TAX MANAGEMENT (AMENDMENT) BILL 1992

SECOND READING SPEECH

LEGISLATIVE COUNCIL

MR PRESIDENT,

I MOVE

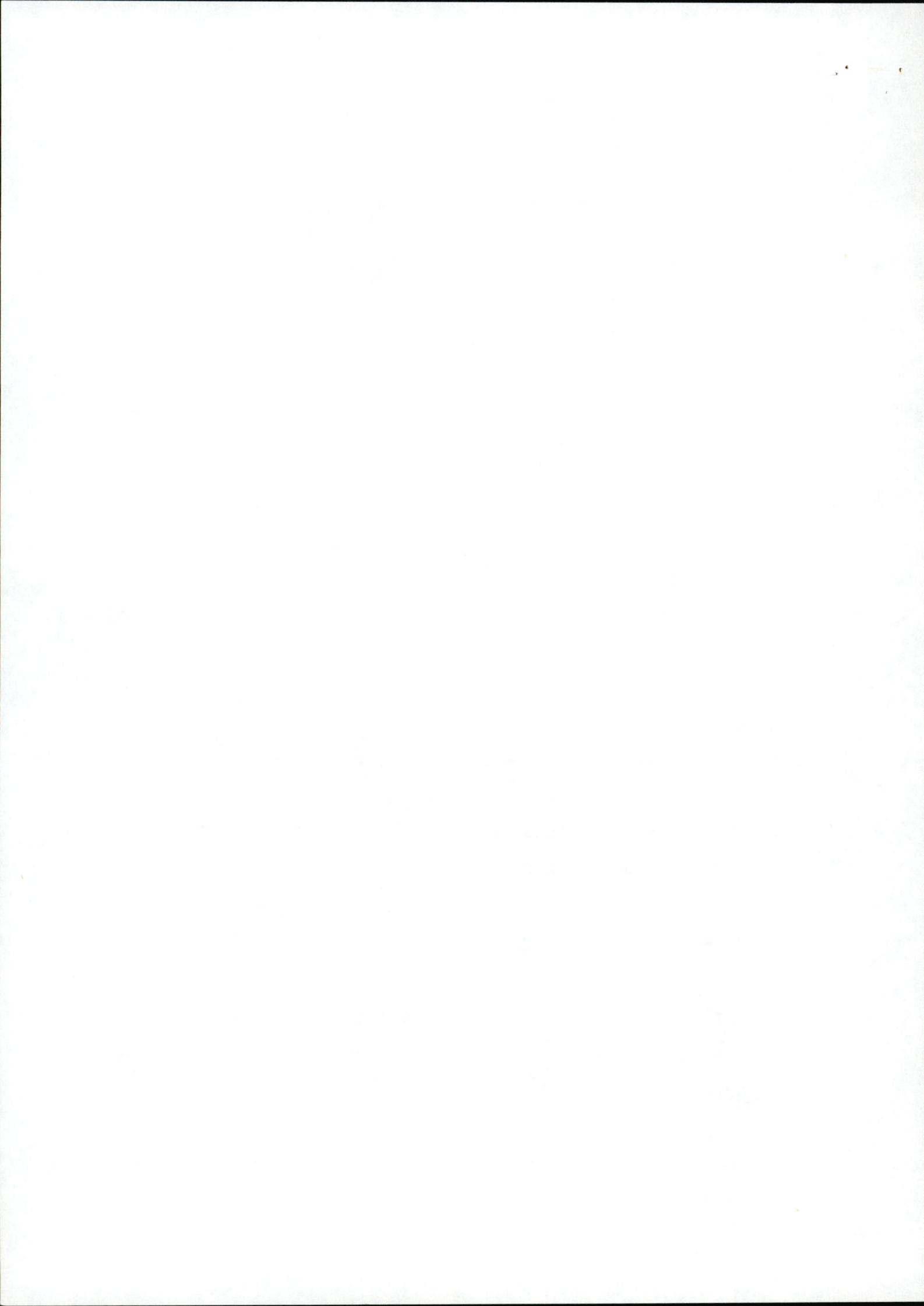
THAT THIS BILL BE NOW READ A SECOND TIME.

THE MAIN PURPOSE OF THE BILL IS TO IMPLEMENT THE RECOMMENDATIONS OF THE WHITE PAPER ON LAND TAX.

GOVERNMENT'S COMMITMENT TO REFORM

IN INTRODUCING THIS BILL, I SHOULD LIKE TO RESTATE THE GOVERNMENT'S COMMITMENT TO ONGOING ANALYSIS AND REFORM OF STATE TAXATION.

THE GOVERNMENT IS ALSO COMMITTED TO BROAD COMMUNITY CONSULTATION IN THAT PROCESS OF REFORM.



THESE COMMITMENTS ARE CLEARLY EVIDENCED BY THIS BILL AND THE PROCESSES WHICH PRECEDED IT.

THE PROCESSES LEADING TO THIS BILL INCLUDED A 1990 INQUIRY AND REPORT ON LAND TAX BY THE GOVERNMENT TREASURY ADVISORY COMMITTEE, CHAIRED BY MY COLLEAGUE, THE MEMBER FOR PITTWATER.

THAT INQUIRY WAS ESTABLISHED FOLLOWING REVELATIONS OF AN UNPRECEDENTED INCREASE IN LAND VALUATIONS RESULTING FROM THE 1988 PROPERTY BOOM.

THIS FIRST STEP IN OVERHAULING THE LAND TAX SYSTEM WAS FOLLOWED BY A REVIEW OF THE NEW SOUTH WALES LAND TAX BASE AND VALUATION SYSTEM, CULMINATING IN THE PUBLICATION OF THE WHITE PAPER ON LAND TAX IN FEBRUARY THIS YEAR.

AS WITH THE LONGLEY REVIEW, EXTENSIVE PUBLIC CONSULTATION WAS UNDERTAKEN BEFORE GOVERNMENT DECISIONS ON CHANGES TO THE LAND TAX SYSTEM WERE MADE.

EVENTS LEADING TO WHITE PAPER

BEFORE I EXPLAIN THE AMENDMENTS CONTAINED IN THE BILL I SHOULD LIKE TO BRIEFLY REVIEW THE EVENTS WHICH ULTIMATELY LED TO THE PREPARATION OF THE WHITE PAPER.

PRIOR TO 1986, ALL LAND IN NEW SOUTH WALES WAS REVALUED ON A CYCLICAL BASIS, AT INTERVALS OF BETWEEN 3 AND 6 YEARS.

THIS MEANT THAT THE EFFECTIVE RATE OF TAX PAID BY LAND OWNERS VARIED ACCORDING TO HOW OLD THE VALUATION OF THEIR PROPERTY WAS, AND AT WHAT STAGE IN THE PROPERTY CYCLE THE LAST VALUATION OF THEIR LAND OCCURRED.

IT ALSO MEANT THAT WHEN THE CYCLICAL VALUATION OCCURRED, AT INTERVALS OF BETWEEN 3 AND 6 YEARS, AN OWNERS LAND TAX LIABILITY WOULD INCREASE DRAMATICALLY, THEN REMAIN STATIC OR FALL AS THE TAX THRESHOLD WAS INCREASED, UNTIL THE NEXT REVALUATION OCCURRED.

IN ORDER TO SMOOTH OUT THE LARGE INCREASES IN LAND TAX LIABILITY, AND TO ENSURE THAT ALL LANDOWNERS WERE TAXED ON A SIMILAR BASIS, THE PREVIOUS LABOR GOVERNMENT INTRODUCED THE EQUALISATION FACTOR SYSTEM IN 1986.

UNDER THIS SYSTEM, FACTORS DETERMINED BY THE VALUER-GENERAL WERE APPLIED TO ALL VALUES TO BRING THEM TO A COMMON BASE DATE, 18 MONTHS PRIOR TO THE COMMENCEMENT OF THE RELEVANT TAX YEAR.

THIS SYSTEM WAS SATISFACTORY IN TIMES WHEN THERE WAS RELATIVE STABILITY IN LAND VALUES.

HOWEVER, THE SYSTEM FAILED DURING THE LAND PRICE SPIRAL OF THE LATE 1980s BECAUSE OF THE LACK OF UNIFORMITY IN CHANGES IN VALUES WITHIN LOCAL GOVERNMENT AREAS.

DURING THE LATE 1980s PROPERTY PRICES IN NEW SOUTH WALES INCREASED AT AN ALMOST UNPRECEDENTED RATE.

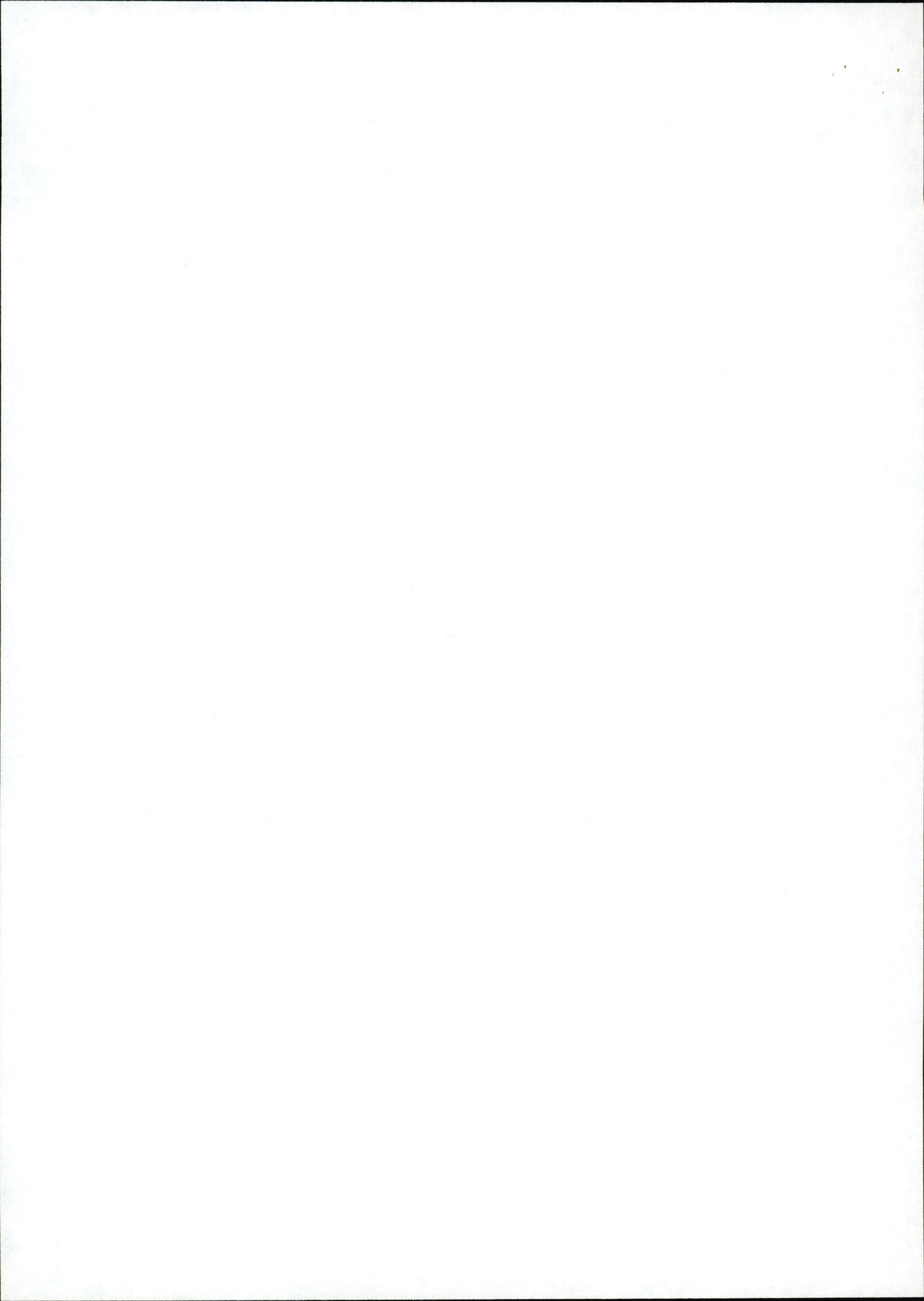
AS A RESULT, SUBSTANTIAL NUMBERS OF TAXPAYERS WERE FACED WITH SUDDEN LARGE INCREASES IN TAX LIABILITY BOTH IN PERCENTAGE AND ABSOLUTE TERMS.

IN THE SHORT-TERM, THESE INCREASES IN TAX LIABILITY CREATED CAPACITY TO PAY PROBLEMS FOR TAXPAYERS OR THEIR TENANTS.

THESE PROBLEMS WERE EXACERBATED BY THE BEGINNING OF THE WORST RECESSION IN AUSTRALIA SINCE THE GREAT DEPRESSION, WITH THE ACCOMPANYING PROBLEMS FOR LAND OWNERS OF DOWNWARD PRESSURE ON VALUES AND RENTS, AND RAPIDLY INCREASING VACANCY RATES.

AT THE SAME TIME THE 18 MONTH LAG BETWEEN THE BASE DATE FOR LAND VALUES AND THE RELEVANT TAX YEAR MEANT THAT LAND VALUES WERE FALLING WHILE LAND TAX WAS RISING.

I SHOULD ADD THAT IN MOST YEARS VALUES ARE EITHER RISING OR RELATIVELY STABLE, WHICH MEANS THAT TAXPAYERS ARE TAXED ON VALUES WHICH ARE LESS THAN, OR AT WORST, NO MORE THAN CURRENT VALUES.



THE RESULTING SUBSTANTIAL INCREASE IN LAND TAX REVENUE PEAKED DURING A PERIOD WHEN COMMONWEALTH FUNDING TO THE STATE WAS CUT, AND STAMP DUTY FROM REAL ESTATE AND SHARE TRANSACTIONS WAS COLLAPSING, ALSO AS A RESULT OF THE RECESSION.

HENCE THE STATE WAS NOT IN A STRONG FISCAL POSITION TO GRANT CONCESSIONS IN LAND TAX TO OFFSET THE EFFECTS OF THE RECESSION.

MAJOR CONCESSIONS IN 1990

HOWEVER, FOLLOWING WIDESPREAD PUBLIC CONCERN REGARDING THE LARGE INCREASES IN LAND TAX LIABILITY, THE GOVERNMENT IN APRIL 1990 ANNOUNCED THREE LAND TAX INITIATIVES, WHICH ULTIMATELY COST \$263 MILLION PER ANNUM IN REVENUE FOREGONE:

- * AN 18.5 PER CENT INCREASE IN THE TAX FREE THRESHOLD FROM \$135,000 TO \$160,000;
- * A 25 PER CENT REDUCTION IN THE TAX RATE FROM 2 PER CENT OF SITE VALUE TO 1.5 PER CENT; AND
- * A REVIEW OF LAND TAX BY THE GOVERNMENT TREASURY ADVISORY COMMITTEE.

THESE CHANGES TO THE LAND TAX RATE STRUCTURE REFLECTED THE TRADITIONAL APPROACH OF USING BOTH THE TAX RATE AND THE TAX FREE THRESHOLD AS MECHANISMS TO MANAGE THE IMPACT OF LARGE CHANGES IN VALUES.

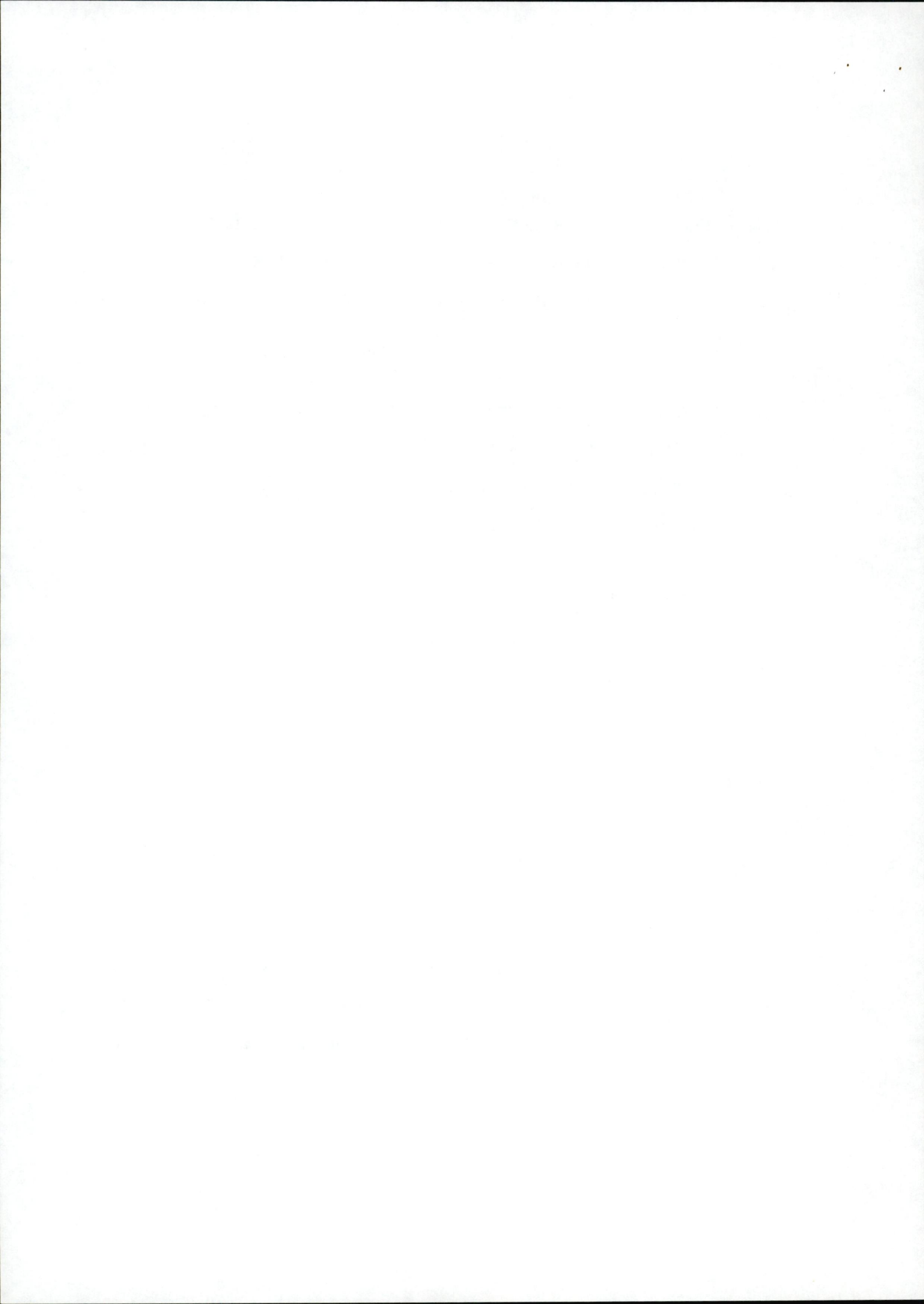
IN THE POST-WAR PERIOD THE IMPACT OF INCREASING LAND VALUES ON TAXPAYER'S ABILITY TO PAY HAS BEEN OFFSET BY REDUCTIONS IN THE HIGHEST MARGINAL LAND TAX RATE FROM 3.3 PER CENT TO 1.5 PER CENT AND A 1,500 PER CENT INCREASE IN THE TAX FREE THRESHOLD.

LONGLEY INQUIRY

AS A RESULT OF THE LONGLEY INQUIRY THE GOVERNMENT INTRODUCED A LARGE NUMBER OF REFORMS DIRECTED TOWARD ELIMINATING INCONSISTENCIES IN THE ADMINISTRATION OF LAND TAX AND EXTENDING THE RANGE OF LAND TAX EXEMPTIONS.

FOLLOWING RECENT REFORMS, AVERAGE LAND TAX RATES IN NEW SOUTH WALES ARE NOW BELOW THE RATES OF MOST OF THE OTHER STATES.

DESPITE THESE REFORMS, THE LAND TAX SYSTEM REMAINS THE SUBJECT OF CRITICISM, REFLECTING CONTINUING LAND OWNER CONCERN OVER LARGE INCREASES IN TAX LIABILITY AND UNREALISTIC VALUATIONS.



WHITE PAPER REVIEW

IN LINE WITH THE DECISION ANNOUNCED IN THE 1990-91 BUDGET, THE WHITE PAPER REPORT CONSTITUTED A REVIEW OF THE STRUCTURE OF THE LAND TAX SYSTEM.

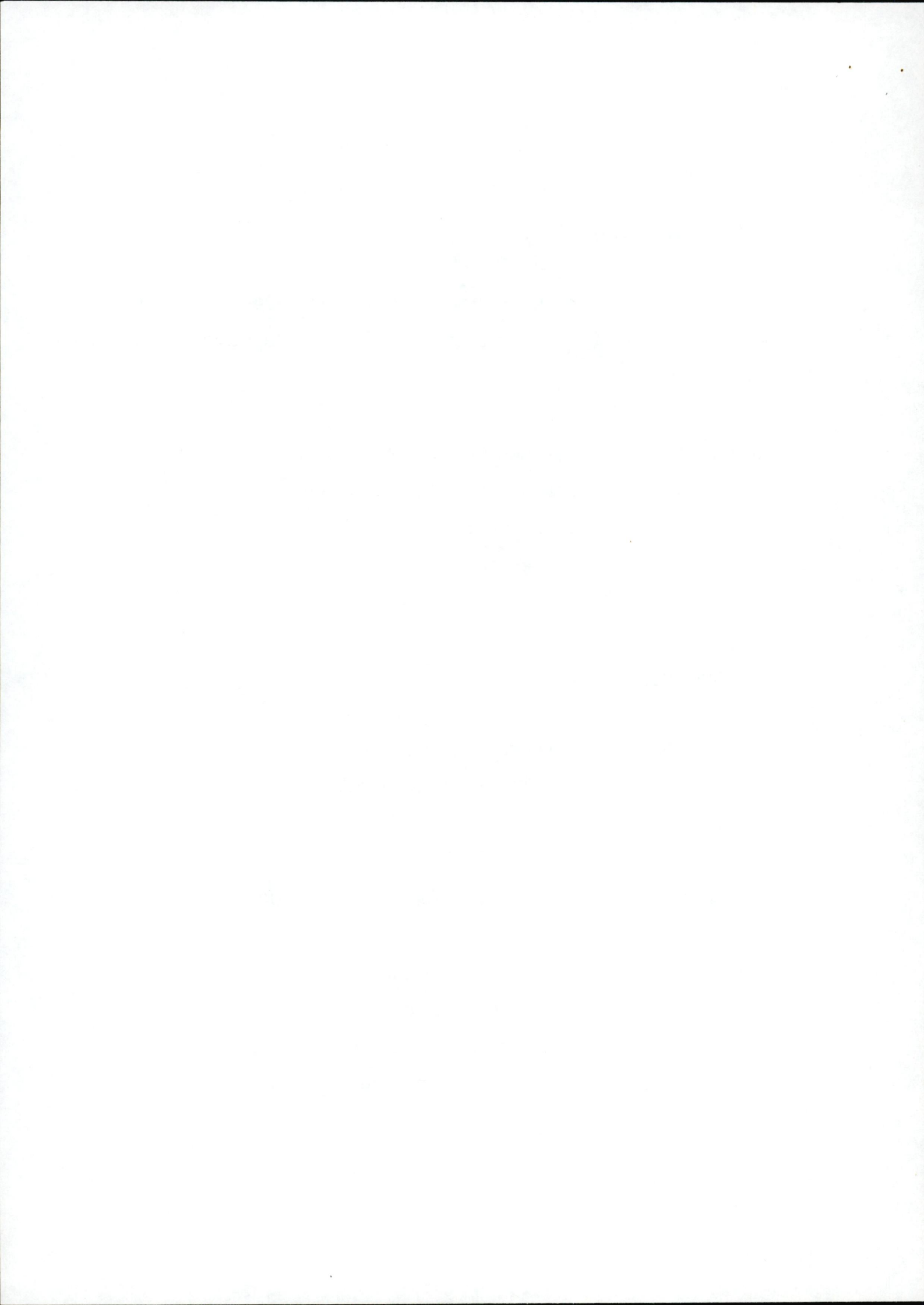
THE OBJECTIVE WAS TO AMELIORATE CAPACITY TO PAY PROBLEMS BY IMPROVING THE TIMELINESS OF OFFICIAL LAND VALUATIONS AND REDUCING THE VOLATILITY OF TAX ASSESSMENTS WHILE HAVING DUE REGARD TO THE EQUITY, EFFICIENCY AND ADMINISTRATIVE COSTS OF THE LAND TAX SYSTEM.

PROPOSED AMENDMENTS

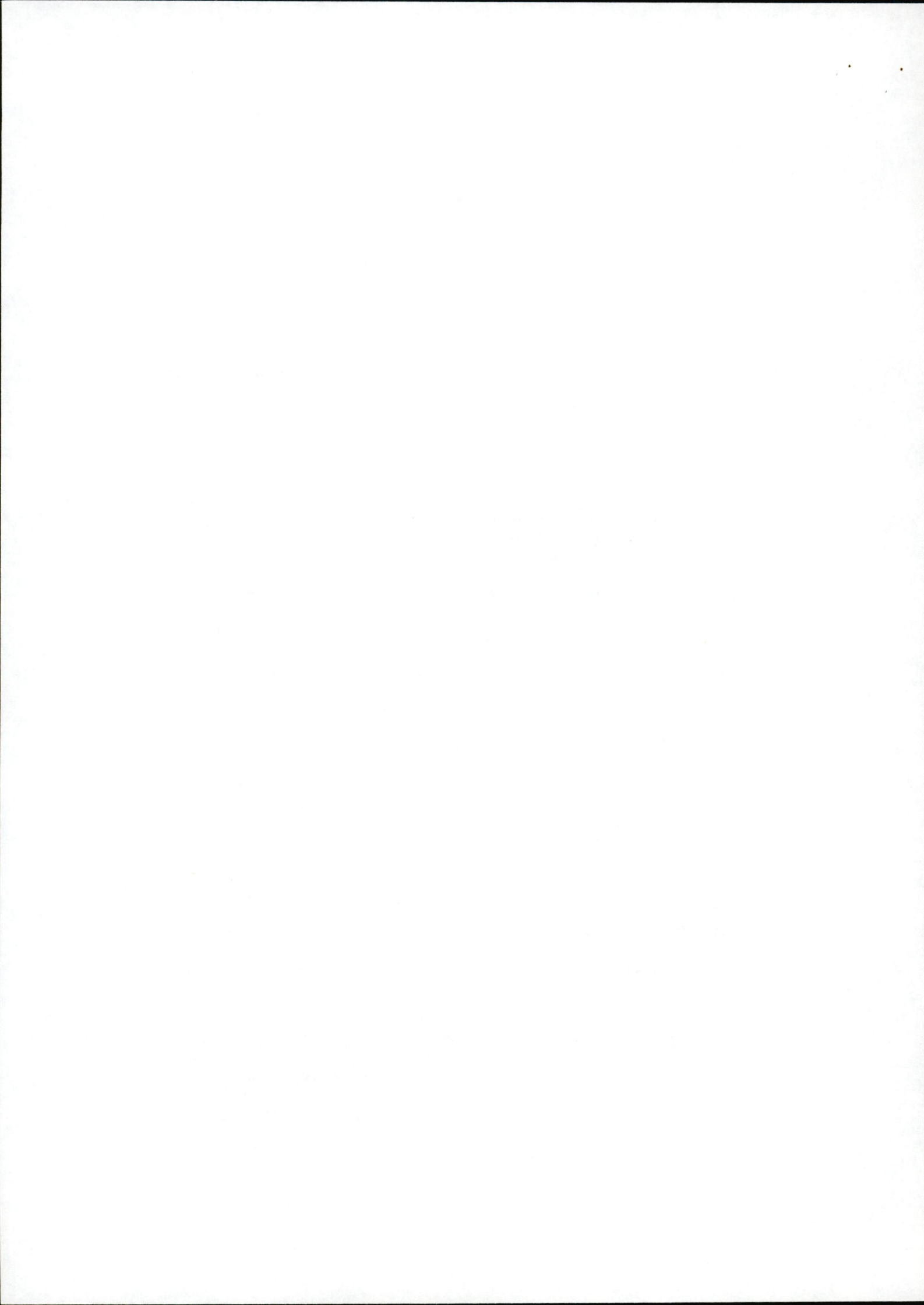
THE BILL BEFORE THE HOUSE WILL IMPLEMENT THE RECOMMENDATIONS OF THE WHITE PAPER. THE KEY ASPECTS OF THE CHANGES INTRODUCED BY THE BILL ARE:

- * ABOLITION OF THE EQUALISATION FACTOR SYSTEM;

- * PROVISION FOR THE USE OF ANNUAL VALUATIONS FOR ALL TAXABLE PROPERTIES, WITH VALUES DETERMINED AS AT A BASE DATE 6 MONTHS PRIOR TO THE COMMENCEMENT OF EACH LAND TAX YEAR, WHICH IS A REDUCTION FROM THE CURRENT 18 MONTHS LAG;



- * ENABLING THE CHIEF COMMISSIONER OF LAND TAX TO CONTRACT WITH EITHER THE VALUER-GENERAL OR PRIVATE VALUERS FOR THE PURPOSE OF OBTAINING ANNUAL VALUATIONS;
- * ALLOWING TAXPAYERS FULL RIGHTS OF OBJECTION AND APPEAL AGAINST ANNUAL VALUATIONS;
- * PROVIDING FOR THE CHIEF COMMISSIONER TO REFER VALUATION OBJECTIONS TO EITHER THE VALUER-GENERAL OR PRIVATE VALUERS;
- * PROVISION FOR LAND TAX VALUATIONS TO REFLECT THE LEGAL IMPACT OF INTERIM ORDERS MADE UNDER THE NEW SOUTH WALES HERITAGE ACT, ON THE SAME BASIS AS PERMANENT ORDERS;
- * PROVISION FOR LAND TAX VALUATIONS TO REFLECT THE LEGAL IMPACT OF HERITAGE CLASSIFICATIONS UNDER LOCAL ENVIRONMENT PLANS;
- * PROVISION FOR LAND TAX VALUATIONS TO REFLECT THE IMPACT OF PROTECTED TENANCIES UNDER THE LANDLORD AND TENANT (AMENDMENT) ACT 1956 ON THE RENT THAT MAY BE CHARGED;
- * EXTENSION OF THE EXEMPTION FOR OWNER-OCCUPIED PROPERTIES EXCEEDING 2,100 SQUARE METRES TO THE WHOLE OF THE LAND WHERE THE CHIEF COMMISSIONER IS SATISFIED THAT PLANNING PROVISIONS PREVENT SUBDIVISION.



IMPACT ON LEVEL OF LAND TAX

AS A RESULT OF THESE CHANGES, COUPLED WITH THE DOWNTURN IN LAND VALUES, THERE WILL BE AN AVERAGE 30 PER CENT REDUCTION IN LAND TAX ASSESSMENTS IN 1993.

TOTAL LAND TAX REVENUE ON A TAX YEAR BASIS IS EXPECTED TO FALL FROM \$759 MILLION IN 1992 TO \$528M IN 1993.

IN MANY OF THE EASTERN AND NORTHERN SUBURBS WHICH SUFFERED THE BRUNT OF EXCESSIVE VALUES AS A RESULT OF THE EQUALISATION FACTOR SYSTEM, THE REDUCTION IN TAX WILL BE EVEN HIGHER, PARTICULARLY FOR SMALL LANDOWNERS WHOSE TOTAL PROPERTY HOLDINGS ARE CLOSE TO THE TAX FREE THRESHOLD.

EXAMPLES WHERE AVERAGE TAXABLE VALUES WILL FALL BY MORE THAN 30%, AND IN SOME CASES BY MORE THAN 50 PER CENT, INCLUDE:

- * RESIDENTIAL PROPERTIES IN RANDWICK, KU-RING-GAI, SOUTH SYDNEY, WOOLLAHRA AND MOSMAN;
- * BUSINESS PROPERTIES IN SYDNEY, WOOLLAHRA, SOUTH SYDNEY, WAVERLEY, RANDWICK AND WILLOUGHBY;
- * INDUSTRIAL PROPERTIES IN WILLOUGHBY, RANDWICK, SYDNEY, SOUTH SYDNEY AND BOTANY.

IN INDIVIDUAL CASES WHERE PROPERTIES HAVE BEEN GROSSLY OVERVALUED BY THE USE OF EQUALISATION FACTORS, VALUES COULD FALL BY MORE THAN 60 PER CENT.

IN ADDITION, MORE THAN 3,000 SMALL TAXPAYERS WILL CEASE TO BE LIABLE FOR TAX ALTOGETHER BECAUSE THEIR LAND HOLDINGS WILL FALL BELOW THE THRESHOLD OF \$160,000 AT WHICH TAX BECOMES PAYABLE.

USE OF PRIVATE VALUERS

THE WHITE PAPER RECOMMENDATION THAT PRIVATE VALUERS BE ALLOWED TO TENDER FOR THE ANNUAL VALUATION OF SPECIFIED LOCAL GOVERNMENT AREAS COULD NOT BE IMPLEMENTED FOR THE 1993 TAX YEAR BECAUSE OF THE TIME CONSTRAINTS.

ITS IMPLEMENTATION HAS THEREFORE BEEN DEFERRED UNTIL 1994, EVEN THOUGH THIS BILL PROVIDES FOR IT.

THE SUCCESS OF PRIVATE VALUERS IN TENDERING WILL, OF COURSE, VERY MUCH DEPEND ON THEIR ABILITY TO COMPETE WITH THE VALUER-GENERAL.

COST OF APPEALS

IN REGARD TO MEASURES TO REDUCE THE COSTS OF APPEALS, THE GOVERNMENT HAS DIRECTED THE VALUER-GENERAL TO SEEK TO MEDIATE VALUATION DISPUTES IN THE LAND AND ENVIRONMENT COURT WHENEVER POSSIBLE.

MEDIATION WAS FIRST INTRODUCED TO THE LAND AND ENVIRONMENT COURT IN MAY 1991, AND HAS PROVED TO BE A SUCCESS IN TERMS OF SAVING COURT SITTING TIME AS WELL AS COSTS FOR THE PARTIES CONCERNED, AT LEAST IN THE MAJORITY OF CASES.

THERE ARE SOME OTHER AMENDMENTS TO THE LAND TAX MANAGEMENT ACT DESIGNED TO OVERCOME MINOR ANOMALIES WHICH HAVE BEEN IDENTIFIED.

STRATA UNIT ENTITLEMENTS

THE BILL AMENDS SECTION 65A TO ALLOW THE CHIEF COMMISSIONER TO REDETERMINE THE ALLOCATION OF INDIVIDUAL STRATA ENTITLEMENTS FOR LAND TAX PURPOSES IF SATISFIED THAT THE VALUE DETERMINED IN ACCORDANCE WITH THE RELEVANT UNIT ENTITLEMENT IS NOT FAIR AND REASONABLE.

EXEMPTION FOR SPORTS AND GAMES

THE BILL EXTENDS A CURRENT EXEMPTION FOR LAND OWNED AND USED BY NON-PROFIT CLUBS FOR "ATHLETIC" SPORTS, TO ALL SPORTS AND GAMES, SUCH AS PONY CLUBS, MOTOR BIKE RACING AND CAR RACING.

CONCESSION FOR NURSING HOMES & RETIREMENT VILLAGES

THE BILL PROVIDES AN ADDITIONAL CONCESSION WHERE A BUILDING IS USED PARTIALLY AS A NURSING HOME OR RETIREMENT HOME.

THE CURRENT PROVISIONS ALLOW A COMPLETE EXEMPTION WHERE LAND IS USED SOLELY FOR A RETIREMENT VILLAGE OR NURSING HOME, OR BOTH.

WHERE ONLY PART OF LAND IS USED FOR THESE PURPOSES, A PARTIAL REDUCTION IN THE TAXABLE VALUE OF THE LAND IS ALLOWED.

HOWEVER, NO CONCESSION APPLIES WHERE PART OF A BUILDING IS USED FOR A NON-EXEMPT PURPOSES.

THE BILL WILL ALLOW A PROPORTIONATE REDUCTION IN THE TAXABLE VALUE OF LAND IN SUCH CASES.

CROWN LAND - CLARIFICATION

THE BILL CLARIFIES PROVISIONS RELATING TO THE TAXING OF LESSEES OF CROWN LAND.

AS A RESULT OF A SERIES OF AMENDMENTS TO THE ACT SINCE 1985, LESSEES OF CROWN LAND ARE LIABLE FOR LAND TAX WHERE THEY ENTERED INTO A NEW LEASE OR RENEWED AN EXISTING LEASE ON OR AFTER 1 JANUARY 1987.

THESE PROVISIONS WERE CONSOLIDATED IN A NEW SECTION 21C OF THE LAND TAX MANAGEMENT ACT, WHICH WAS INTRODUCED FROM 1 JANUARY 1992.

WHILE THE NEW SECTION SUCCESSFULLY CLARIFIED THE LAND TAX POSITION FOR THE 1992 AND FUTURE TAX YEARS, IT IS NOW PROPOSED TO BACKDATE THE APPLICATION OF THE NEW SECTION TO CROWN LAND IN ORDER TO CLARIFY THE POSITION FOR THE 1989, 1990 AND 1991 TAX YEARS.

THIS WILL NOT CHANGE THE LIABILITY OF LESSEES, BUT WILL MAKE IT CLEAR THAT THE CROWN IS NOT LIABLE FOR LAND TAX.

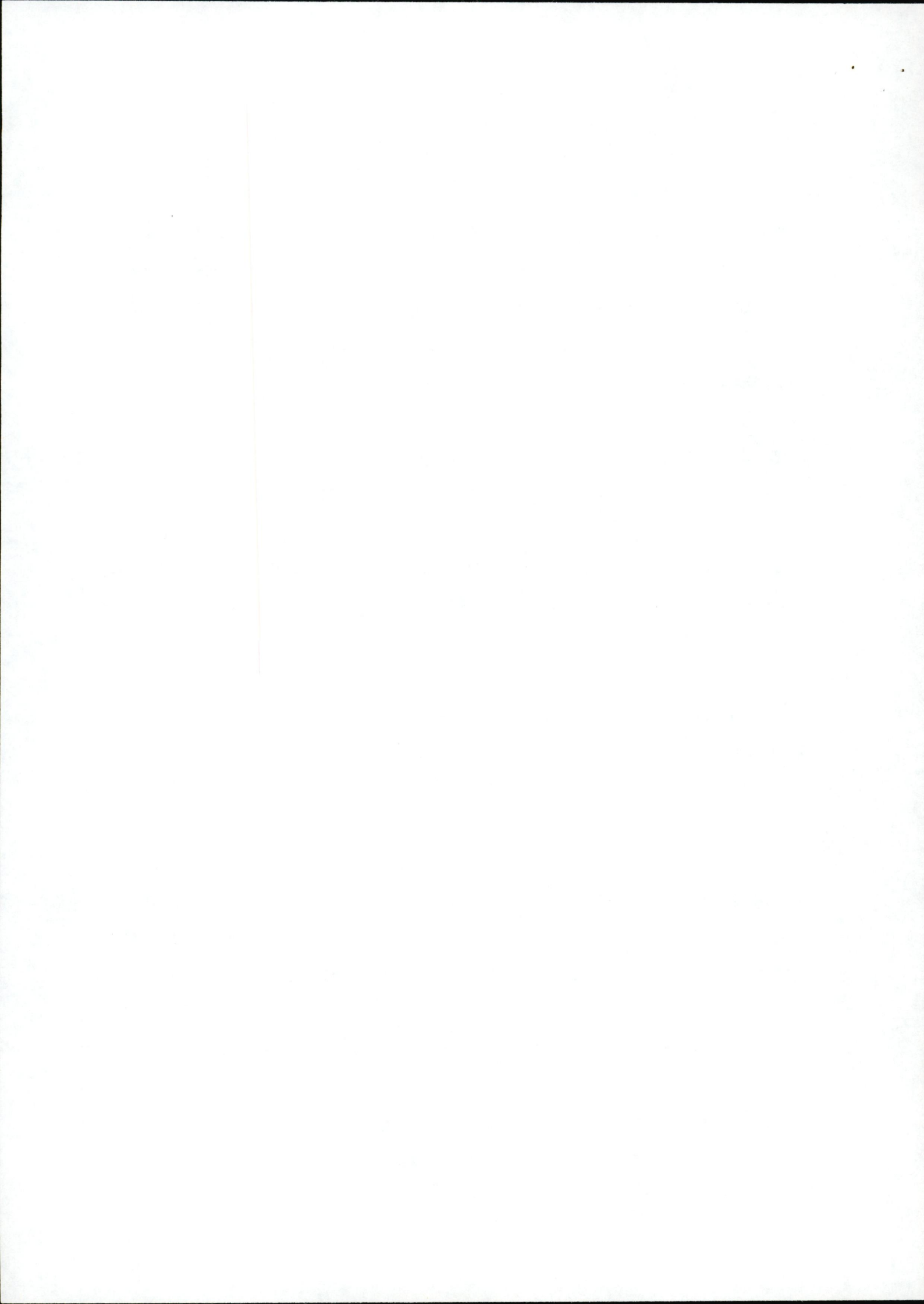
IT WILL ALSO RESULT IN EXEMPTIONS FOR LICENCES AND SHORT TERM LEASES OF LESS THAN 12 MONTHS DURATION BEING BACKDATED TO THE 1989 TAX YEAR.

I SHOULD ADD THAT IT WILL NOT AFFECT LESSEES OF LAND OWNED BY A LOCAL OR COUNTY COUNCIL OR A PUBLIC AUTHORITY.

COMMITMENT TO FURTHER REFORM

THE GOVERNMENT HAS HELD DISCUSSIONS WITH THE MEMBER FOR BLIGH REGARDING THE LAND TAX CONCESSIONS CONTAINED IN HER PRIVATE MEMBER'S BILL WHICH IS CURRENTLY BEFORE THE HOUSE.

THE PROPOSALS IN THAT BILL INCLUDE ABOLITION OF LAND TAX ON LOW INCOME RESIDENTIAL HOUSING, AN INCREASE IN THE GENERAL EXEMPTION THRESHOLD, CURRENTLY \$160,000, TO \$320,000, AND THE ABOLITION OF THE GROUPING PROVISIONS TO APPLY THE THRESHOLD TO EACH INDIVIDUAL PARCEL OF LAND.



AS NOTED BY THE PREMIER AND TREASURER IN THE BUDGET SPEECH THE GOVERNMENT CANNOT AFFORD FURTHER SIGNIFICANT TAX CONCESSIONS IN 1992/93, AND THOSE WHICH ARE CONTAINED IN THE MEMBER FOR BLIGH'S BILL SIMPLY CANNOT BE AFFORDED AT THIS TIME.

HOWEVER, THE GOVERNMENT IS COMMITTED TO A STAGED EXPANSION OF LAND TAX CONCESSIONS IN FUTURE YEARS, AS BUDGETARY CONDITIONS ALLOW.

IN KEEPING WITH THAT COMMITMENT, THE CURRENT EXEMPTION FOR LOW COST BOARDING HOUSES WILL BE EXTENDED TO ALL FORMS OF LOW COST RENTAL ACCOMMODATION, WITH EFFECT FROM THE 1994 LAND TAX YEAR FOR LAND HELD AT 31 DECEMBER 1993.

THE DEVELOPMENT OF AN APPROPRIATE LEGISLATIVE FRAMEWORK WILL OCCUR WITH FULL CONSULTATION WITH AFFECTED GROUPS.

THE OTHER TWO REFORM MEASURES PROPOSED BY THE MEMBER FOR BLIGH IN HER PRIVATE MEMBER'S BILL, PLUS ADDITIONAL MEASURES, WILL BE EVALUATED IN THE COMING MONTHS AND THE GOVERNMENT WILL IMPLEMENT THEM IF NOT IN THE NEXT FINANCIAL YEAR, THEN WITHIN THE TERM OF THE FIFTIETH PARLIAMENT IF THE BUDGETARY SITUATION PERMITS.

I THANK THE MEMBER FOR BLIGH FOR HER COOPERATION IN DEALING WITH THIS SENSITIVE ISSUE.

IN SUMMARY, I BELIEVE THAT THE IMPLEMENTATION OF THE WHITE PAPER RECOMMENDATIONS WILL MEET THE CONCERNS OF LAND TAXPAYERS AND THEIR TENANTS, AND WILL RESULT IN A MORE EQUITABLE SYSTEM FOR ALL CONCERNED.

I COMMEND THE BILL TO THE HOUSE.

LAND TAX MANAGEMENT (AMENDMENT) ACT 1992
No. 84

NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
2. Commencement
3. Amendment of Land Tax Management Act 1956 No. 26
4. Consequential amendments to other Acts

SCHEDULE 1—AMENDMENTS TO THE LAND TAX MANAGEMENT ACT
1956 CONCERNING LAND VALUE

SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX MANAGEMENT
ACT 1956

SCHEDULE 3—CONSEQUENTIAL AMENDMENTS TO OTHER ACTS

LAND TAX MANAGEMENT (AMENDMENT) ACT 1992
No. 84

NEW SOUTH WALES



Act No. 84, 1992

An Act to amend the Land Tax Management Act 1956 to make further provision with respect to the valuation of land for land tax purposes and with respect to exemptions and concessions; to amend various Acts consequentially; and for other purposes. [Assented to 27 November 1992]

Land Tax Management (Amendment) Act 1992 No. 84

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Land Tax Management (Amendment) Act 1992.

Commencement

2. This Act commences on 31 December 1992.

Amendment of Land Tax Management Act 1956 No. 26

3. The Land Tax Management Act 1956 is amended as set out in Schedules 1 and 2.

Consequential amendments to other Acts

4. Each Act specified in Schedule 3 is amended as set out in that Schedule.

**SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE**

(Sec. 3)

(1) Section 3 (Definitions):

From section 3 (1), omit the definitions of "Adjusted value", "Deductible allowance", "Equalisation factor" and "Land tax", insert instead in alphabetical order:

"Register" means the Register of Land Values kept under section 62U.

"Tax year" or **"Land tax year"** means a period of 12 months starting on 1 January for which land tax is leviable and payable.

(2) Section 7:

Omit the section, insert instead:

Land tax on land value

7. (1) Land tax at such rates as may be fixed by any Act is to be levied and paid on the land value of all land situated in New South Wales which is owned by taxpayers (other than land which is exempt from taxation under this Act).

Land Tax Management (Amendment) Act 1992 No. 84

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

(2) The land value of land, in relation to a land tax year, is the value entered in the Register as the land value of the land as at 1 July in the previous year.

(3) The fact that there is no value entered in the Register on 31 December in a year as the land value of the land as at 1 July in that year does not prevent land tax being levied and charged and becoming payable for the following tax year once that land value is entered in the Register.

(3) Section 9:

Omit the section, insert instead:

Taxable value

9. (1) Land tax is payable by the owner of land on the taxable value of all the land owned by that owner which is not exempt from taxation under this Act.

(2) The taxable value of that land is the total sum of the land value of each parcel of that land.

(4) Section 9A:

Omit the section, insert instead:

Postponement of part of land tax attributable to unutilised value

9A. (1) If there is an unutilised value allowance entered in the Register in respect of the land value of land, a person liable to pay land tax on the land in respect of that land value is entitled to a postponement of part of that land tax, as provided by this section.

(2) The entitlement to postponement is an entitlement to postpone payment of the amount by which the land tax assessed would have been reduced had the land value of the land been reduced by that unutilised value allowance.

(3) When the land is sold or otherwise disposed of or when the land ceases to be used or occupied solely as the site of a single dwelling-house:

(a) the person entitled to the postponement of land tax must within 1 month inform the Chief Commissioner of the date upon which the land was sold or otherwise disposed of or ceased to be so used or occupied; and

Land Tax Management (Amendment) Act 1992 No. 84

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

- (b) the person ceases to be entitled to a postponement of land tax under this section; and
- (c) the amounts of land tax postponed under this section in any assessments made in respect of the year in which land tax ceased to be postponed under this section and the 4 preceding years become due and payable 30 days after service of notice by the Chief Commissioner.
- (4) All amounts of land tax postponed under this section (other than those which are or which may become due and payable under subsection (3)) are to be written off by the Chief Commissioner.
- (5) Unutilised value allowances are ascertained under Division 3 of Part 7.
- (6) In this section “single dwelling-house” has the same meaning as in section 160C of the Local Government Act 1919.
- (5) Sections 9C, 10 (1D), (2), (2A) and (4), 10J, 10R, 21C, 22, 34, 49: Omit “adjusted value” wherever occurring, insert instead “land value”.
- (6) Section 9C (Reduction in land value of flats):
- (a) From section 9C (2), omit section 9C (2) (a), insert instead:
- (a) if there is an apportionment factor entered in the Register in respect of that land value—the proportion determined in accordance with the following calculation:
- $$(1 - \text{that apportionment factor}) \times \frac{\text{floor area of the flat}}{\text{total floor area of all flats on the land}}$$
- (b) After section 9C (2), insert:
- (2A) Apportionment factors are ascertained under Division 4 of Part 7.

Land Tax Management (Amendment) Act 1992 No. 84

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

- (7) Section 16 (**Amendment of assessments**):
After section 16 (4), insert:
(5) This section extends to the amendment of an assessment to give effect to the alteration under section 62V of any particulars in the Register.
- (8) Section 18 (**Evidence**):
In section 18 (1) (b), after “particulars of the assessment”, insert “(including any land value, allowance or apportionment factor relevant to the assessment)”.
- (9) Section 35 (**Objections**):
After section 35 (1), insert:
(1A) The right to object to an assessment includes the right to object to any land value on which the assessment is based, on any one or more of the following grounds:
(a) that the land value was too high or too low;
(b) that lands which should have been valued together were valued separately;
(c) that lands which should have been valued separately were valued together.
(1B) For the purposes of the application of this section to an objection to an allowance or apportionment factor, a reference in this section to “value” includes a reference to the amount of the allowance or apportionment factor.
- (10) Section 36 (**No objection on certain matters**):
Omit the section.
- (11) Section 37 (**Decision on objection**):
(a) From section 37 (1), omit “, subject to section 38,”.
(b) From section 37 (2), omit “(except under section 38)”.
- (12) Section 38 (**Certain objections to be referred to Valuer-General**):
Omit the section.

Land Tax Management (Amendment) Act 1992 No. 84

**SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
*continued***

- (13) **Section 38A (Appeal etc. against decision on objection):**
 (a) From section 38A (1) and (4), omit “to the Supreme Court” wherever occurring.
 (b) At the end of section 38A (1), insert “The appeal is to the Supreme Court (except to the extent that it concerns land value) or to the Land and Environment Court to the extent that it concerns land value.”.
- (14) **Section 38B (Nature of appeal):**
 (a) From section 38B (1), omit “to the Supreme Court”.
 (b) Omit section 38B (3), insert instead:
 (3) Parts 4 and 7 apply to the Court’s assessment of land tax in the same way as those parts apply to the assessment of land tax by the Chief Commissioner.
- (15) **Section 38BA (Onus on objector):**
 Omit “on the balance of probabilities that the land tax in question was incorrectly assessed”, insert instead “the grounds of the objection on the balance of probabilities”.
- (16) **Section 38BB (Payment of land tax assessed by Court):**
 From section 38BB (1), omit “by the Supreme Court”, insert instead “by a Court”.
- (17) **Section 38BC (Liability not affected by objection etc.):**
 From section 38BC (1), omit “to the Supreme Court”.
- (18) **Section 40 (Additional land tax in case of default):**
 From section 40 (2), omit “section 9A (2) (c)”, insert instead “section 9A (3) (c)”.
- (19) **Part 7:**
 Omit the Part, insert instead:

PART 7—VALUATION OF LAND

Division 1—How land is valued

Interpretation

54. (1) Expressions used in this Part have the same meanings as in the Valuation of Land Act 1916.

Land Tax Management (Amendment) Act 1992 No. 84

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

(2) In this Part, “**land**” includes strata within the meaning of the Valuation of Land Act 1916.

Chief Commissioner to ascertain land values

55. (1) The Chief Commissioner may, at any time and in such manner as the Chief Commissioner thinks appropriate, ascertain the land value of any land as at 1 July in 1992 or in any subsequent year.

(2) A land value ascertained by the Chief Commissioner is to be entered by the Chief Commissioner in the Register and is to be shown in any assessment to which it is applicable.

(3) A land value need not be ascertained before the start of the land tax year to which it is applicable.

(4) The power to ascertain a land value as at 1 July in a year includes the power to reascertain that land value as at that date, and references in this Part to the ascertainment of land value are taken to include references to the reascertainment of land value.

Application of Valuation of Land Act 1916

56. (1) The following sections of the Valuation of Land Act 1916 apply to the determination of land value for the purposes of this Act in the same way as they apply to a determination of that value by the Valuer-General:

6A (Land value)

7B (Land value of strata)

7E (Valuation of land in the Western Division)

7F (2) (Protected archaeological areas, wildlife districts, wildlife refuges and game reserves)

7H (Community schemes, neighbourhood schemes and certain strata schemes)

26 (Where lands are to be included in one valuation)

27 (1) and (2) (Where lands are to be separately valued)

27A (Separate valuations of strata)

28 (Land in two or more districts)

28A (Stratum in two or more districts)

Land Tax Management (Amendment) Act 1992 No. 84

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

(2) In sections 26, 27 and 27A of that Act, a reference to the Valuer-General is to be read as a reference to the Chief Commissioner.

Assumptions to be made at time of valuation

57. (1) For the purpose of determining a land value or rental value of land, it is to be assumed that the physical condition of the land and of any other land, and the manner in which any other land may be used, were the same on the date as at which the value is being determined as they are when the determination is made.

(2) Additionally, in the case of stratum, it is to be assumed that the physical condition of the stratum, and the manner in which any lands outside the stratum (including the land of which the stratum forms part), may be used were the same on the date as at which the value is being determined as they are when the determination is made.

Valuing land in a colliery holding

58. Land within a colliery holding (as defined in the Mining Act 1992) is to have its land value determined as if no coal were contained in the land and as if the land did not form part of a coal mine.

Valuing land subject to interim conservation order

59. If land is subject to an interim conservation order under the Heritage Act 1977, Division 6 (Rating and taxing) of Part 6 of that Act applies to a valuation of that land for taxing purposes under this Act as if the order were a permanent conservation order.

Valuing land subject to heritage restrictions under EPI

60. (1) Land that is “heritage restricted” as at the date as at which its land value is to be determined is to have that land value determined on the basis of the following assumptions:

- (a) that the land may be used only for the purpose, if any, for which it was used when the value is determined;

Land Tax Management (Amendment) Act 1992 No. 84

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

(b) that all improvements on that land when the value is determined may be continued and maintained in order that the use of that land as referred to in paragraph (a) may be continued;

(c) that no improvements, other than those referred to in paragraph (b), may be made to or on that land.

(2) Land is “**heritage restricted**” as at a particular date if the Chief Commissioner has determined that it would be reasonable to make the assumptions referred to in subsection (1) in respect of the land as at that date because of any provision of a planning instrument concerned with the heritage significance or heritage value of the land or any building, work or other thing on or in the land.

(3) The Chief Commissioner is not required to make a determination as to whether land is heritage restricted except on the application of the owner of the land (made in the form required by the Chief Commissioner and accompanied by such supporting information as the Chief Commissioner may request).

(4) The Chief Commissioner is not to determine that land is heritage restricted as at a particular date if the land is the subject of an interim conservation order or permanent conservation order under the Heritage Act 1977 as at that date.

Valuing rent-controlled land

61. (1) Land that the Chief Commissioner has determined is “**rent-protected**” is to have its land value determined taking into account any restriction imposed by the Landlord and Tenant (Amendment) Act 1948 on the rent at which any premises or part of premises on the land may be let.

(2) Land is “**rent-protected**” if there is a fair rent applicable to any premises or part of premises on the land under the Landlord and Tenant (Amendment) Act 1948.

(3) The Chief Commissioner is not required to make a determination as to whether land is rent-protected unless both the following requirements are satisfied:

Land Tax Management (Amendment) Act 1992 No. 84

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

(a) the owner of the land has applied to the Chief Commissioner for the determination (in the form required by the Chief Commissioner and accompanied by such supporting information as the Chief Commissioner may request);

(b) the Rent Controller under the Landlord and Tenant (Amendment) Act 1948 has certified to the Chief Commissioner that the land is rent-protected within the meaning of this section.

(4) The Rent Controller is empowered to certify accordingly but such a certificate has no effect other than for the purposes of this section.

Deduction of allowance for profitable expenditure

62. In determining the land value of land, there is to be deducted the amount of any allowance ascertained under Division 2 (Allowances for profitable expenditure).

More than one concession or deduction can apply

62A. If more than one provision of this Division is applicable to the determination of land value in a particular case, the applicable provisions apply cumulatively.

Division 2—Allowances for profitable expenditure

Expenditure for which allowance is to be made

62B. (1) For the purpose of ascertaining the land value of any land, the Chief Commissioner is to ascertain a reasonable allowance for profitable expenditure by the owner, occupier or lessee in respect of:

(a) any effective land improvements on or appertaining to the land; and

(b) any visible and effective improvements which, although not on the land, have been constructed for its drainage, for its protection from inundation, or otherwise for its more beneficial use; and

(c) any improvement comprising a joint water supply scheme (whether or not on the land) the construction or use of which is authorised under Division 4 or 4A of Part 2 of the Water Act 1912, and which supplies water to the land.

Land Tax Management (Amendment) Act 1992 No. 84

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

(2) In the case of a stratum, the Chief Commissioner is also to ascertain a reasonable allowance for profitable expenditure by the owner or occupier on any visible and effective improvements which although not in the stratum have been constructed exclusively for the benefit of the stratum or the improvements therein.

(3) An allowance ascertained by the Chief Commissioner under this Division is to be entered by the Chief Commissioner in the Register in respect of a land value to which it relates and is to be shown in any assessment to which it is applicable.

No allowance in certain cases

62C. (1) No allowance is to be ascertained under this Division if:

- (a) the owner of the land was not the owner of the land when the profitable expenditure was incurred; or
- (b) the profitable expenditure was incurred by an occupier or lessee of the land and the occupancy or lease has been transferred or surrendered or has expired since that expenditure was incurred; or
- (c) in the case of land zoned or otherwise designated for use for any purpose (other than rural or non-urban purposes) under a planning instrument—any building or structure has been erected or any works have been carried out on the land; or
- (d) the profitable expenditure was incurred more than 15 years before the date as at which the land value is being determined.

(2) Subsection (1) (c) does not apply to an allowance in respect of a stratum.

Allowance not to exceed cost of improvements

62D. The amount of an allowance under this Division is not to exceed the cost of the improvements determined as at the date as at which the land value is being determined.

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

No allowance for expenditure by the Crown etc.

62E. If land has been leased by the Crown or a statutory body, no allowance is to be ascertained under this Division if the expenditure was incurred by the Crown or body except to the extent to which the Crown or body has been reimbursed in respect of the expenditure by the lessee (otherwise than by payment of rent, rates or taxes).

Time at which allowance is to be calculated

62F. The allowance to be ascertained in respect of a particular land value is to be calculated as at the date as at which that land value is ascertained but is to be calculated on the assumption that the improvements in existence when it is being calculated were in existence as at that date.

Apportionment of joint expenditure on water supply scheme

62G. In calculating the allowance for expenditure on a joint water supply scheme which a number of occupiers are authorised under Division 4 or 4A of Part 2 of the Water Act 1912 to construct and use, the expenditure by any one of those occupiers in respect of the scheme is the amount that bears the same proportion to the total profitable expenditure on that scheme as the amount contributed to those works by the occupier bears to the total cost of the works.

Allowance can be objected against

62H. (1) An objection may be made to an allowance under this Division as if it were a land value.

(2) The right to object in respect of the land value of land includes the right to object on the ground that an allowance under this Division in respect of the land value has not been made.

Division 3—Unutilised value allowances

Purpose and interpretation of Division

62I. (1) This Division applies for the purposes of section 9A (Postponement of part of land tax attributable to unutilised value).

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

(2) Expressions used in this Division have the same meanings as in section 160C of the Local Government Act 1919, except to the extent that such a meaning would be inconsistent with the meaning given by this Act.

Land that is eligible to have unutilised value ascertained

62J. (1) Land is eligible to have an unutilised value allowance ascertained for its land value as at 1 July in a year if it satisfies the description in either of the following paragraphs as at midnight on 30 June in that year:

- (a) a parcel of land on which there is a single dwelling-house used or occupied as such which is, under an environmental planning instrument, zoned or otherwise designated for use for the purposes of industry, commerce or the erection of residential flat buildings;
- (b) a parcel of land (which may comprise one or more lots or portions in a current plan) on which there is a single dwelling-house used or occupied as such which is, under an environmental planning instrument, zoned or otherwise designated, so as to permit its subdivision for residential purposes.

(2) However, land is not eligible if it is rural land.

Unutilised value allowance to be ascertained on application of owner

62K. (1) The owner of land may apply to the Chief Commissioner for an unutilised value allowance to be ascertained for the land value of the land. The application must be in the form required by the Chief Commissioner and be accompanied by such supporting information as the Chief Commissioner may request.

(2) The Chief Commissioner must then ascertain the allowance if the land is eligible to have that allowance ascertained.

Land Tax Management (Amendment) Act 1992 No. 84

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

(3) An allowance ascertained by the Chief Commissioner under this Division is to be entered by the Chief Commissioner in the Register in respect of the land value to which it relates and is to be shown in any assessment to which it is applicable.

How unutilised value allowance is ascertained

62L. (1) The unutilised value allowance for a land value is the amount calculated by deducting from the land value of the land the value that the land would have if it could be used only as the site of a single dwelling-house.

(2) However, no account is to be taken of any portion of the land which is in excess of that which is reasonably necessary to be occupied or used in conjunction with the single dwelling-house.

Unutilised value allowance to be reascertained in certain cases

62M. If the land value of land in respect of which an unutilised value allowance was ascertained is altered (whether as the result of being reascertained or on objection or appeal or for the correction of a clerical error or misdescription), the Chief Commissioner must reascertain an unutilised value allowance for that land value.

Unutilised value allowance can be objected to

62N. (1) An objection may be made to an allowance ascertained under this Division as if it were a land value.

(2) The right to object in respect of the land value of land includes the right to object on the ground that an allowance under this Division has not been ascertained for that land value.

**Division 4—Apportionment factors for mixed
development land**

Division applies for purposes of section 9C

62O. This Division applies for the purposes of section 9C (Reduction in land value for flats).

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

Owner may apply for apportionment factor for mixed development land

62P. (1) The Chief Commissioner may ascertain an apportionment factor for the land value of mixed development land.

(2) The owner of mixed development land may apply to the Chief Commissioner for an apportionment factor to be ascertained for the land value of the land. The application must be in the form required by the Chief Commissioner and be accompanied by such supporting information as the Chief Commissioner may request.

(3) If the owner makes such an application, the Chief Commissioner is required to ascertain the apportionment factor but only if an apportionment factor has been determined for the land and included in a valuation list under section 58B of the Valuation of Land Act 1916.

(4) An apportionment factor ascertained by the Chief Commissioner under this Division is to be entered by the Chief Commissioner in the Register in respect of the land value to which it relates and is to be shown in any assessment to which it is applicable.

How apportionment factor is determined

62Q. (1) The apportionment factor is the proportion (expressed as a percentage) which the rental value of the part of that land which is non-residential land bears to the rental value of the mixed development land as a whole.

(2) Rental values are to be ascertained as at the date as at which the land value is ascertained.

Apportionment factors can be objected against

62R. (1) An objection may be made to an apportionment factor ascertained under this Division as if it were a land value.

(2) The right to object in respect of the land value of land includes the right to object on the ground that an apportionment factor has not been ascertained under this Division for that land value.

Land Tax Management (Amendment) Act 1992 No. 84

SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

Apportionment factor to be reascertained in certain cases

62S. If the land value of land in respect of which an apportionment factor has been ascertained is altered (whether as the result of being reascertained or on objection or appeal or for the correction of a clerical error or misdescription), the Chief Commissioner must reascertain an apportionment factor for that land value.

Interpretation

62T. Expressions used in this Division have the meanings given by section 58C of the Valuation of Land Act 1916, except to the extent that such a meaning would be inconsistent with the meaning given by this Act.

Division 5—Miscellaneous

Register of Land Values

62U. (1) The Chief Commissioner is to keep a Register of Land Values in such form as the Chief Commissioner thinks fit.

(2) An entry in the Register as to a land value, allowance or apportionment factor ascertained under this Part is conclusive evidence of the ascertaining of the value, allowance or factor on the date shown in the entry.

(3) A certificate issued by the Chief Commissioner certifying as to the details of an entry in the Register is conclusive evidence of the matter certified.

Alteration of the Register

62V. (1) The Chief Commissioner is to make such alterations to the Register as may be necessary for the following purposes:

- to give effect to any reascertainment of a land value, allowance or apportionment factor;
- to give effect to any decision on an objection or appeal under this Act;
- to correct any clerical error or misdescription.

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SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

(2) When any particulars entered in the Register are altered, the particulars as so altered become the particulars entered in the Register for the purposes of this Act, in substitution for the particulars that were altered.

(3) If such an alteration results in the alteration of a land value, allowance or apportionment factor, any adjustment that is thereby due is to be made, and amounts paid in excess are to be refunded and amounts under-paid are recoverable as arrears.

Delegation

62W. (1) The Chief Commissioner may delegate any of the Chief Commissioner's powers, authorities, duties or functions under this Part and Part 5 (Objections and appeals) (except this power of delegation) to any of the following persons:

- a person engaged in the administration of this Act;
- the Valuer-General;
- a person registered as a practising real estate valuer under the Valuers Registration Act 1975.

(2) A delegate may subdelegate to another person any power, authority, duty or function delegated under this section if the delegate is authorised by the terms of the delegation to do so.

Chief Commissioner may enter into agreements etc.

62X. The Chief Commissioner may enter into an agreement or other arrangement with any person (including the Valuer-General) for the performance of valuation services or the obtaining of information in connection with the matters which the Chief Commissioner is required to ascertain for the purposes of this Part.

Power to enter premises, request information etc.

62Y. (1) The following persons are authorised persons for the purposes of this section:

- the Chief Commissioner;
- a Judge or assessor of the Land and Environment Court;

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SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
continued

- a person authorised in writing by the Chief Commissioner to conduct a valuation of land for the purposes of this Act.
- (2) An authorised person may, with the written authority of the Chief Commissioner, enter on any land or stratum for the purposes of this Part and an owner, occupier or manager of the land or stratum must answer any questions put to him or her by the authorised person and generally provide all necessary information to enable a correct valuation to be made.
- (3) In particular, the authorised person may:
- (a) require the owner, occupier or manager of the land or stratum to produce any documents in the possession of or under the control of the owner, occupier or manager which relate to, or which the authorised person believes on reasonable grounds relate to, the description, nature, use or value of the land or stratum; and
 - (b) take copies of, or extracts or notes from, any documents so produced.
- (4) An authority under this section is to contain the following information:
- (a) the fact that the authority is issued under this Act by the Chief Commissioner;
 - (b) the name of the authorised person;
 - (c) the text of subsection (2).
- (5) The powers conferred on an authorised person by this section may be exercised only:
- (a) at a reasonable time; and
 - (b) after giving reasonable notice; and
 - (c) by using no more force than is reasonably necessary.
- (6) If damage is caused by the exercise of powers conferred by this section, the Chief Commissioner is to pay reasonable compensation for the damage unless the exercise of the powers was obstructed by the occupier of the land.

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**SCHEDULE 1—AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956 CONCERNING LAND VALUE—
*continued***

(7) This section does not authorise entry to any part of premises used for residential purposes except with the consent of the occupier of that part.

(8) A person must not:

- (a) fail without reasonable excuse to answer any relevant questions or to provide any information when duly required to do so under this section; or
- (b) in response to a question asked or requirement made under this section, give an answer or provide information knowing it to be false or misleading in a material particular.

Maximum penalty: 1 penalty unit.

Protection from liability

62Z. Nothing done or omitted to be done by the Chief Commissioner or by any other person acting under the direction or authority of the Chief Commissioner subjects the Chief Commissioner or person personally to any action, liability, claim or demand if it was done or omitted in good faith for the purposes of executing this Part.

Valuers Registration Act 1975 not affected

62ZA. Nothing in this Part affects the Valuers Registration Act 1975.

**SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956**

(Sec. 3)

(1) Section 10 (**Land exempted from tax**):

(a) Omit section 10 (1) (h), insert instead:

(h) land owned by, or in trust for, any club or body of persons, and used primarily and principally for the purposes of any game or sport and not used for the pecuniary profit of the members of that club or body;

(b) Omit section 10 (1) (u) and (5).

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SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956—*continued*

- (2) Section 10Q (Exemption—boarding-houses for low-income persons):

From section 10Q (3), omit “to which this section applies”.

- (3) Section 10R (Retirement villages and nursing homes—exemption/reduction):

After section 10R (3), insert:

(3A) If part only of a building is used and occupied as referred to in subsection (2), a proportion (“**the allowable proportion**”) of the area of the land occupied by the building is to be included as part of the area of the land so used and occupied for the purpose of determining the value of “B” in the calculation under subsection (3).

(3B) The allowable proportion under subsection (3A) is:

- (a) except when paragraph (b) applies—the proportion specified in an application under subsection (3C) in respect of the land; or
- (b) if the Chief Commissioner is not satisfied as to the fairness and reasonableness of the proportion referred to in paragraph (a)—the proportion that the floor area of that part of the building that is used and occupied as referred to in subsection (2) bears to the total floor area of the building.

(3C) Subsection (3A) does not apply unless application has been made to the Chief Commissioner by the owner of the land specifying the proportion that in the owner’s opinion is a fair and reasonable proportion of the area of land occupied by the building to be attributed to use and occupation as referred to in subsection (2). The application must be in a form approved by the Chief Commissioner and be accompanied by such supporting information as the Chief Commissioner may request.

**SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956—continued****(4) Section 10U:**

After section 10T, insert:

Special exemption—residential land over 2,100 square metres

10U. (1) The fact that land exceeded 2,100 square metres in area at midnight on 31 December in a year is to be disregarded for the purposes of the following provisions if the Chief Commissioner determines that the land was “**subdivision restricted**” at that time:

- section 10 (1) (r) (principal place of residence exemption);
- section 10H (new rental accommodation exemption);
- section 9C (reduction for flats on mixed use land).

(2) Land is “**subdivision restricted**” when subdivision of the land for the purposes of the separate occupation of the allotments to be created by the subdivision is prevented or likely to be prevented because of any one or more of the following:

- (a) any provision of a planning instrument; or
- (b) any provision made by or under the Local Government Act 1919; or
- (c) any other circumstance which is beyond the owner’s control.

(3) The Chief Commissioner is not required to make a determination as to whether land is subdivision restricted unless the owner applies to the Chief Commissioner for the determination. The application must be in the form required by the Chief Commissioner and be accompanied by such supporting information as the Chief Commissioner may request.

Land Tax Management (Amendment) Act 1992 No. 84

SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956—*continued*

(5) Section 21C (**Liability of lessees of land owned by the Crown etc.**):

After section 21C (6), insert:

(7) This section is taken to have applied on and from 31 December 1988 to land owned by the Crown other than land owned by a public authority.

(6) Section 35 (**Objections**):

At the end of section 35, insert:

(4) A taxpayer who is dissatisfied with an alteration of proportional unit entitlement by the Chief Commissioner under section 65A may object to the alteration if an assessment of land tax has been made on the basis of the altered entitlement, on the ground that the altered entitlement is not fair and reasonable.

(7) Section 50 (**Remissions of land tax in cases of hardship**):

Omit section 50 (1D).

(8) Section 65A:

Omit the section, insert instead:

Alteration of strata unit entitlements

65A. (1) If the Chief Commissioner is of the opinion that the “**proportional unit entitlement**” of a lot the subject of a strata scheme is unfair or unreasonable, the Chief Commissioner may alter that entitlement as the Chief Commissioner thinks necessary to ensure that it is fair and reasonable.

(2) The “**proportional unit entitlement**” of a lot is the proportion that the unit entitlement of the lot bears to the aggregate unit entitlement of all the lots that are the subject of the scheme.

(3) The Chief Commissioner alters a proportional unit entitlement by giving written notice of the alteration to the owner of the lot concerned, and the alteration takes effect when that notice is given. Such a notice may be given as part of a notice of assessment.

Land Tax Management (Amendment) Act 1992 No. 84

SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956—*continued*

(4) The alteration may be made by altering the unit entitlement of the lot or the aggregate unit entitlement of all the lots that are the subject of the scheme, or by altering both those entitlements.

(5) If the proportional unit entitlement of a lot is altered under this section, the Chief Commissioner may for the purpose of levying land tax apply that altered entitlement:

- (a) in respect of the tax year in which the alteration is made (and any subsequent year to which it is applicable); and
- (b) in respect of any tax year before the tax year in which the alteration is made (but not before the 1989 tax year).

(6) For that purpose, the Chief Commissioner may make an assessment of land tax or amend any assessment under section 16. Despite section 16 (2), an amendment of an assessment authorised by this section may be made at any time.

(7) An alteration of unit entitlement under this section applies only for land tax purposes.

(8) In this section, “**strata scheme**” means a strata scheme under the Strata Titles Act 1973 or a leasehold strata scheme under the Strata Titles (Leasehold) Act 1986, and expressions used in this section have the same meanings as in those Acts.

(9) Schedule 2 (**Savings and transitional provisions**):

After clause 17, insert:

Land Tax Management (Amendment) Act 1992

Operation of amendments

18. The amendments made by the Land Tax Management (Amendment) Act 1992 do not (except as specifically provided) apply in respect of a tax year before the tax year that commences on 1 January 1992 and do not affect any existing liability for land tax.

Land Tax Management (Amendment) Act 1992 No. 84

**SCHEDULE 2—OTHER AMENDMENTS TO THE LAND TAX
MANAGEMENT ACT 1956—*continued***

Lessees of Crown land

19. (1) For the purposes of the application of section 21C to land owned by the Crown in respect of the tax years commencing on 1 January 1989, 1990, 1991 and 1992, the amendments made by Schedule 1 (13)–(16) of the Land Tax Management (Amendment) Act 1991 are taken to have commenced on 31 December 1988.

(2) Clause 17 has effect subject to subclause (1) of this clause.

Retirement villages/nursing homes

20. The amendments made to section 10R by the Land Tax Management (Amendment) Act 1992 operate on and from 31 December 1990.

Amounts postponed under section 9A

21. A reference in section 9A to an amount of land tax postponed under that section includes a reference to an amount of land tax postponed under that section before its substitution by the Land Tax Management (Amendment) Act 1992.

Ascertainment of land value before commencement

22. The fact that a land value was ascertained under the provisions of Part 7 as substituted by the Land Tax Management (Amendment) Act 1992 after the date of assent to that Act but before the commencement of that Act does not affect the validity of such a land value and it is taken to have been validly ascertained.

**SCHEDULE 3—CONSEQUENTIAL AMENDMENTS TO
OTHER ACTS**

(Sec. 4)

Land and Environment Court Act 1979 No. 204

Section 19 (Class 3—land tenure, valuation, rating and compensation matters):

After section 19 (b), insert:

- (b1) appeals in respect of an objection under Part 7 of the Land Tax Management Act 1956 to the extent that the objection relates to the land value of land;

Land Tax Management (Amendment) Act 1992 No. 84

SCHEDULE 3—CONSEQUENTIAL AMENDMENTS TO OTHER
ACTS—*continued*

Strata Titles Act 1973 No. 68

(1) Section 89 (**Definitions**):

- (a) After paragraph (a) of the definition of “appropriate valuing Act”, insert:
 - (b) where the Chief Commissioner of Land Tax is the valuing authority—the Land Tax Management Act 1956;
- (b) Omit paragraph (f) of the definition of “appropriate valuing Act”.
- (c) Omit paragraph (d) of the definition of “valuing authority”, insert instead:
 - (d) land tax, the Chief Commissioner of Land Tax.

(2) Section 95 (**Land tax**):

From section 95 (6) and (7), omit “adjusted value” wherever occurring, insert instead “land value”.

Strata Titles (Leasehold) Act 1986 No. 219

(1) Section 121 (**Definitions**):

- (a) Omit paragraph (e) of the definition of “appropriate valuing Act”, insert instead:
 - (e) where the Chief Commissioner of Land Tax is the valuing authority—the Land Tax Management Act 1956;
- (b) Omit paragraph (b) of the definition of “valuing authority”, insert instead:
 - (b) the Chief Commissioner of Land Tax, for the purposes of land tax.

(2) Section 127 (**Land tax**):

From section 127 (6) and (7), omit “adjusted value” wherever occurring, insert instead “land value”.

Land Tax Management (Amendment) Act 1992 No. 84

**SCHEDULE 3—CONSEQUENTIAL AMENDMENTS TO OTHER
ACTS—*continued***

Valuation of Land Act 1916 No. 2

- (1) Section 47 (**Rating or taxing authorities**):
Omit “Commissioner of Land Tax.”.
 - (2) Part 6A (**Equalisation factors**):
Omit the Part.
-

*[Minister's second reading speech made in—
Legislative Assembly on 14 October 1992
Legislative Council on 19 November 1992]*

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