

The Committee Manager
Standing Committee on Natural Resource Management
Parliament House
Macquarie Street
Sydney NSW 2000

PO Box 1330
Albury 2640

14th July 2003

Dear Sir,

Re: Submission to the Standing Committee on Natural Resource Management

I wish to bring to the Committees attention issues that I believe relate to two (2) of the six (6) terms of reference under which the committee has been asked to conduct this inquiry.

Both relate to legislation as indicated in the Valuation of Land Act 1916.

Based on the terms of reference:

- (b) *Options for the removal of such disincentives and any consequences in doing so; and***
- (d) *Ways of increasing the uptake of such land use management practices.***

The Valuation of Land Act 1916 requires the Valuer General of NSW to provide *Land Values* to Local Government so as Council Rates can be levied on landholders in each Local Government Area.

In making these valuations particularly on rural lands, the valuer has to take into account a number of factors that may affect the carrying capacity or potential yield that that land is capable of providing. In doing so, the degree that the land has been cleared of vegetation is taken into account. The act speaks of such clearing of vegetation as *improvements to the land*, whilst works of conservation are not so defined.

The *Definitions* of the Valuation of Land Act 1916 states:

Land improvements means:

- (a) The clearing of land by the removal or thinning out of timber, scrub or other vegetable growths.
- (b) The picking up and removal of stone,
- (c) The improvement of soil fertility or the structure of soil,
- (d) The restoration or improvement of land surface by excavation, filling, grading or levelling, not being works of irrigation or conservation,
- (D1) without limiting paragraph (d), any excavation, filling, grading or levelling of land for the purpose of the erection of a building, structure or work, not being for the purpose of irrigation or conservation,
- (e) The reclamation of land by draining or filling together with any retaining walls or other works appurtenant to the reclamation, and
- (f) Underground drains

End Quote.

After clearing land as defined in (a) above the landholder may be able to claim relief (in part) for the payment of Council Rates for that area of land that has been cleared of vegetation.

The process of providing this relief is made by an *allowance* that is deducted from the Land Value, providing the Council with a Net Land Value to assess the landholder's liability for Council Rates.

These *allowances* are defined in Section 14L of the Valuation of Land Act 1916 as being:

- (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:
 - (i) For the purpose of supplying water to the land, or
 - (ii) For the purpose of draining the land, protecting the land from inundation or making some other provision for the more beneficial use of the land

End Quote.

This piece of legislation was introduced some 26 years ago (1977) and has to my knowledge never been reviewed to assess whether it reflects the change in land management towards clearing less land for agriculture and instead revegetating rural lands under such programs like *Landcare*.

We need to reassess whether it is now appropriate under the Valuation of land Act 1916 to provide landholders relief in paying council rates for their actions to clear land of native vegetation. Further the definition of *conservation* under this legislation also needs review in current day terms.

An example is where a revegetation program exists such as fencing out stock and planting native vegetation around the banks of streams, landholders should be encouraged to offer their land for such works by providing them an incentive through an *allowance* under the Valuation of Land Act 1916. The idea is to reduce the rating liability over that land "fenced out" as it becomes less productive for agriculture yet increasingly important to the community as a whole for catchment management. State and/or Commonwealth Funding could offset this loss of revenue to Local Government.

Therefore in summary:

The Valuation of Land Act 1916 effects all land in New South Wales, as it is the basis of establishing the amount of Local Government Rates that a property owner pays each year.

This legislation contains definitions & allowances that may be out of date and therefore may act as a *disincentive to the ecological and sustainable land and water use in New South Wales*.

A **review** of this legislation may in fact enable it to provide an incentive as a way of *increasing the up take of such land use management practices* that we now see as appropriate in 2003.

Paul Knight *FAPI*
Registered Valuer.