IPTI Xtracts
Property Tax and Assessment News from Around the World

AUSTRALIA – July 2019

Contents

SA Government at odds with Property Council over land tax loophole

After a furious backlash from supporters and donors, South Australia's Liberal Government could rethink aspects of its controversial land tax measures flagged in last month's budget.

Key points:

- SA land tax rates will go down and the minimum threshold will increase next July
- A loophole allowing investors to split properties to reduce their tax will be closed
- The Property Council says its modelling shows it will have a much larger impact than the Government says

The Government has announced plans to crack down on a legal loophole which allows owners of multiple homes to pay less tax.

Currently, people with properties of the same value pay different amounts of tax depending on their ownership arrangements — a situation Premier Steven Marshall said was "indefensible".

The Government wants to impose a crackdown on the practice known as "land tax aggregation" in which property ownership is split between different businesses or trusts.

It estimates doing so would raise an extra $40 million per year starting in 2020.

But not everyone is backing the idea — including some of the party's own MPs, as well as a powerful lobby group: the state's Property Council.

How does land tax work?

Land tax is charged on the value of the properties a person owns, apart from their own homes, farms and some other exemptions.

In South Australia, the tax comes into effect if you own properties worth more than $391,000.

The percentage of tax increases as the value of properties increase, up to 3.7 per cent for properties worth more than $1.3 million.

From July 1, 2020, the minimum threshold is increasing to $450,000 — as promised before last year's state election — in a measure designed as a tax cut.

This will decrease land tax revenue by about $50 million per year, according to state budget papers.

So what's the problem?

To offset that decrease, the Government has proposed a crackdown on land tax aggregation.

He estimates the change will bring in $40 million each year from 2020, negating some of the revenue decrease from lower tax rates.

But the Property Council said its own internal modelling showed that it would actually increase revenue by up to $100 million per year.

"Any suggestion it will be as low as $40 million we think is nonsense — it could be much more than that," the council's SA executive director, Daniel Gannon said.

Until now, investors have legally been allowed to split their properties to reduce their land tax rates, since land tax increases in line with property values.

Getting treated as a single property owner — instead of spreading ownership across multiple businesses and trusts — could substantially increase some people's land tax bills.

Mr Gannon, who worked as the Premier's media and communications director until 2014, said it could increase the land tax for a hypothetical couple owning three average-value residential properties from $1,100 to $21,000.

"The property sector will continue to fight for a fair go on behalf of mum and dad but also institutional property investors," Mr Gannon said.

"The last thing we want to see is a destructive change like this take place, particularly in an established market."

Will more people win or lose?

The Premier said it was "indefensible" that two people owning $7 million in properties could face different land tax bills according to their ownership arrangements.

He said his Government wanted "genuine reform".

"We want lower land tax but we've got to fix up some of these issues with regards to the way that it is applied," Mr Marshall said.

"There will be some people who will be adversely affected, but overall there will be far more beneficiaries of the system that we will be providing — lower land tax for businesses, for households, for investors in South Australia."

The Opposition has not said if it will support the measure.

What happens next?

The Premier met with the Property Council and Business SA on his first day back from holidays on Monday.

The issue was discussed at a Liberal partyroom meeting at Parliament House on Monday night.

A number of Government backbenchers are understood to have serious reservations.

Liberal MP Sam Duluk denied there was "anger floating around".

"Not so much anger, maybe concern, but more than anything, a chance to have a chat," he said.

Mr Marshall said Treasury would get "independent analysis work done" on the Property Council's figures and compare the figures with its own modelling.

Closing the land tax loophole makes perfect sense

The Marshall Government's move to close the land tax loophole in South Australia is a common-sense reform that should be supported by the Parliament, writes The Australia Institute's Noah Schultz-Byard.

If you make money by going to work, you pay tax on that income and that's fair enough: it is the price we pay for living in a country that offers such things as roads, police, education and healthcare to all its citizens.

If you have multiple jobs, your ultimate tax liability is calculated on the combined overall income at the end of each financial year and, again, that's fair enough. Having 10 jobs that each pays you $10,000 a year would be unorthodox, but it doesn't make you any less well off than someone earning $100,000 a year from one job. It stands to reason then that you should end up paying the same rate of tax.

For some reason, though, when it comes to those who are fortunate enough to make money simply by owning capital investments such as land and property, many seem to believe that they should be allowed to break those properties up across complex and opaque ownership structures that minimise their tax liability by having each property taxed individually, rather than as a collective portfolio.

This is the loophole the Marshall Government is, quite rightly, trying to close.

In recently released research, The Australia Institute looked at the ACT Government's bold 20-year plan to increase land tax rates across the territory, while simultaneously abolishing stamp duty. That report found, while politically controversial, the changes have proven to be publicly popular and that land tax is an efficient and productive way for governments to raise revenue.

Taxing land is effective for a range of reasons, primarily because it's very hard to pick up a quarter acre block in Unley Park and hide it in the Cayman Islands. That enforced transparency may explain why property investors are so keen to maintain other strategies that reduce their land tax liability, such as through the creation of complex ownership structures that disaggregate their portfolios.

If these changes are not passed by the Parliament, it will be an unfortunate win for vested interest and pressure-group politics…

People and organisations that use tax loopholes have an obvious financial reason to contend that they should be left open and it is their right to make those arguments. It is also important for others to fact check their assertions.

A primary concern from the property lobby is that closing the loophole will increase taxes for their members. They say that an investor with three properties worth a combined $1.56 million could see their land tax bill increase from $1050 to $20,431 a year.

Far from showing a problem with the government's proposed changes, that example actually shows how flawed the current system is, with the rate of tax being paid now at just 0.067 per cent. Having a tax that can be gamed so effectively, to the point that some investors are essentially avoiding it entirely, is both unproductive and unfair.

Another apparent concern is that investors will now abandon South Australia in droves and start snapping up land across the border in Victoria or New South Wales. The problem with that argument is that, as the Marshall Government points out, its changes are based on similar aggregation models that already exist in those jurisdictions.

Furthermore, the previous two state Budgets have included tax cuts for property investors that mean, even when the revenue clawed back from closing this loophole is taken into account, property investors will be paying less tax overall than they were previously. This government is actively choosing to take less money from some of the wealthiest South Australians, meaning they will have less to spend on public transport and hospitals, but still, many investors are unhappy.

While some government backbenchers and potentially influential crossbenchers are apparently concerned by the PR push from the property lobby, Australia Institute research has shown that regular South Australians are less inclined to support tax cuts and special favours for investors.

When asked recently what they thought was the best way for the State Government to make up a $517 million loss in GST revenue, two out of three voters backed increasing taxes on wealthier South Australians and property investors.

Similarly, in research undertaken in early 2019, nearly two-thirds of South Australian voters (63 per cent) said they believed that keeping funding for public services, like health and education, is a more effective way to create jobs and encourage investment in our state than a tax cut for property investors.

Closing the land tax loophole in South Australia is a simple and reasonable move that will, in part, help to make up for the significant loss of revenue that has resulted from previous decisions taken by this and other governments.

If these changes are not passed by the Parliament, it will be an unfortunate win for vested interest and pressure-group politics that will have a lasting effect on this government's ability to enact meaningful reform in the future.

South Aust looks to soften land tax blow

The South Australian government will listen to key interest groups in a bid to minimise the impact of controversial land tax changes in the state budget.

The government is looking to close a loophole in current laws which allow people with multiple properties to use complex ownership structures to minimise what they owe.

Premier Steven Marshall says the government is determined to proceed with the new measure but will also lower the overall land tax burden by cutting rates.

"We want genuine reform, we want lower land tax but we've got to fix up some of these issues with the regard to the way it's being applied." Mr Marshall told reporters on Tuesday.

"I fully understand that this reform is difficult. There will be some people who adversely affected.

"But overall there will be far more beneficiaries of the system that we're providing."

The Property Council has come out strongly against the reforms, arguing some people with multiple properties will be hit with huge increases in their land tax bill.

Crossbench party SA-BEST has also organised a forum this weekend to consider the changes.

The party's treasury spokesman Fran Pangallo said the government had got it wrong with its current proposal.

"At the end of the day, any increased costs faced by property owners - whether they own commercial or residential properties - will be passed on to the businesses and tenants that rent those sites," he said.

But Mr Marshall said while the proposed changes to ownership rules would raise about $40 million, cuts to land tax rates would result in an overall fall in the government land tax take in 2020/21.

He also promised to sit down with the property sector and other groups to "see what they've got to say" before bringing legislation to parliament by the end of the year.

The changes are due to come into force on July 1 next year.

Christians Who Said Taxes Violated “God’s Will” Ordered to Pay $2.3 Million

A couple of years ago, a Tasmanian family known for making honey, owning a bed and breakfast, and living in a home on the island state’s Meander Valley said they didn’t have to pay taxes on any of their properties because the land belonged to God, not the government.

The Beerepoot family made their last rates payment for their three properties in July 2010.

Meander Valley Mayor Craig Perkins told the ABC that, in news that will come as a disappointment to homeowners across the country, there was no religious exemption from paying council rates.

“Under law, people who are owning properties, the title owners are required to pay rates, under legislation, and people’s Christian religious beliefs make no difference,” he said.

“If we exempted them on this occasion, everybody would start saying they have a religious belief and don’t have to pay rates.”

The Mayor was right. The Beerepoots had no business avoiding taxes just because a voice in their heads told them their debts were forgiven. It’s not like God’s going to be there to put out fires, collect the garbage, fill the potholes, or provide police protection if needed.

As one Facebook commenter noted, by their logic, anyone could walk into their store and take the honey without paying since it was made by bees.

Today, after years of legal wrangling, the Beerepoots were ordered to pay more than $2 million to the Australian Taxation Office.

The judge made clear that nothing in the Bible justified their negligence.

In his judgment, Associate Justice Stephen Holt said he took issue with the absence of a specific reference in the Bible that supports their argument.

“If you can’t find me a passage in scripture or gospel that says ‘thou shall not pay tax’ then can you see I have difficulty finding a starting point?” Justice Holt asked.

“I believe the submissions to be honestly and genuinely held beliefs rather than an attempt to avoid tax liabilities.

“But in my view, the Bible effectively said that civil matters and the law of God operate in two different spheres.”

He’s right: Give to Caesar what is Caesar’s, and to God what is God’s. Maybe if the family actual read their holy book instead of just using it as a shield for their own irresponsibility, they would realize it.

It’s a strange end to a ridiculous story, but the Beerepoots brought this upon themselves. They shouldn’t be upset. By their logic, God just won the case since God wins everything! So they have nothing to be upset about. His Will has been done.

Property council hits out at SA land tax

Proposed changes to land tax in South Australia could have a devastating impact on property owners and the economy, the state's Property Council says.

The council has launched a public advertising campaign centred on a "fair go" for landowners, and has invited those affected by the change to contribute.

Property Council SA executive director Daniel Gannon said investors had been left frustrated by the measure, which was announced by Treasurer Rob Lucas in the June state budget.

"These changes will trigger a land tax tidal wave across the South Australian property sector, which will hurt 'mum and dad' and institutional investors alike," he said on Monday.

"All we want is a fair go with tax settings in South Australia, which is why we're taking up the fight to the state government's recently announced changes to land tax aggregation."

But Mr Lucas said the reform was designed to close an unfair tax loophole that allows property investors to pay less tax.

Under the current system, Mr Lucas said, some owners were setting up complex ownership structures designed to minimise the tax they must pay.

"We don't think that's fair and we will be introducing a model that works well interstate," he said.

Canberra has the answers – just not where you might expect them

The ACT’s Labor–Greens government has put in place progressive, bold policies – and is winning

Political commentary from progressives has been grim, and it has only gotten worse since May. We are told that Australians are not ready for a progressive agenda, and Labor lost the federal election because it talked too much about its many policies to increase equality. The new orthodoxy is that Australians are supposedly “naturally conservative” despite the worldwide moral and intellectual collapse engulfing conservative politics.

Commentators already spend too much time on the horse race and not enough on the marketplace of ideas. Unrelenting bleakness undermines ambition for progressive reform, and risks replacing talk of policy with narrow electoral strategising.

Progressivism depends on a certain faith in people and our polity. We do not need collapse or catastrophe before our ideas are palatable to the public. The democratic exercise of power is not inherently corrupting or degrading. Politics can be done well.

But if we are going to do politics better, ensure power is exercised cleanly and convince the public of our ideas, we need to learn from places and moments when politics has been done well.

The Australian Capital Territory is such a place, and now is such a moment. Canberra's Labor–Greens government under successive chief ministers, most recently Andrew Barr, has implemented a suite of progressive, bold policies, and won re-election after doing so.

In the 2012 budget, the then treasurer Barr announced a 20-year plan to swap stamp duties on insurance and property transactions for a land tax. Long a favourite among economists, the swap is expected to lead to more efficient use of land as it makes it easier for people and businesses to move as their needs change. It also captures some of the improved value of land from public works, so the households that benefit from, for example, the new light rail end up paying higher land tax.

That's the policy wonk talking. Politically, the policy was seen as a major weakness.

Four months after the policy was announced, the government faced an election. The then Liberal opposition leader, now senator, Zed Seselja's campaign focused on a twist on the three-word slogan, the five-word formula. "Labor + Greens = triple your rates" appeared on signs, trailers and advertisements. The Labor party's failure to explain its sweeping, dramatic policy agenda was criticised, as was the "strategy" (or lack thereof) of announcing it in the months before an election. Yet the government was returned.

Labor's federal loss in 2019 was attributed to the same style of ambitious, technical policy, but in 2012 ACT Labor gained a seat, continued their minority government with the Greens, and won again in 2016. Now the territory benefits from having the lowest reliance on stamp duty in the nation as a cooling of the housing market forces other states to write down their stamp duty forecasts by billions of dollars.

The 2016 election became a de facto referendum on what became a controversial light rail project, with many political pundits predicting dire political consequences for the ACT government – but they were proven wrong. Two years later, the government is still in power, the light rail has been built on budget and is popular new infrastructure for a growing city.

Good policy can be good politics, and the Labor–Greens government benefits from its policy ambition of seven years ago.

On other policies too, Canberra has taken the lead. Pill-testing at festivals, trialled last year, received a second successful trial earlier in 2019. As multiple festival-goers died from drug-related deaths over the 2018–19 summer in NSW, Victoria and Queensland, the ACT's pill-testing trial proved that the policy is viable.

The ACT's carefully designed political system encourages good policy. Multi-member electorates allow for minor-party representation. The "Robson Rotation" method of printing ballots means that candidates compete against members of their own party as well as other parties, removing the machinations that we see in Senate lists, and allowing for the removal of dead wood without rejecting a party altogether.

Labor has been in minority government for 13 of its 17 years in government, but there has been none of the "chaos" or "deadlock" that crossbenches with the balance of power supposedly produce. On the contrary, one can imagine Labor chief ministers breathing a sigh of relief that their cabinet can include the talented and popular Greens MLA Shane Rattenbury – even if he won at the expense of another Labor backbencher.

Sceptics may point to the exceptional nature of Canberra – as a city-state, with a well-off and well-educated population, that benefits from its proximity to larger states. However, our research shows that ACT policies are popular nationwide – not just in Canberra.

We asked Australians if they supported or opposed 11 progressive ACT policies. For 10 of those policies, there was majority support. Often, there was majority support from voters for all political parties. A stamp duty to land tax swap gained 57% support – more than double the share that opposed it. A 100% renewable energy target was the second most popular policy we polled, with 78% support.

We were frankly surprised that the ACT's justice reinvestment program, which spends money on programs to reduce youth crime and incarceration, was supported by 88% of Australians – making it the ACT's most popular policy nationwide. Clearly most Australians, however popular law-and-order politicking may seem to be, are open to an alternative.

Politics can be done well, and when it is done well it will produce progressive policies that are also welcomed by the public. The ACT proves that these policies are achievable, and our research shows that they are popular. Governments can implement hard, technical and ambitious policies, and be re-elected. When they are, they reap the benefits of their policy bravery.

Are you paying too much land tax?

When your 2020 bill arrives next autumn, check the valuation genuinely reflects prices from the official 2019 assessment date rather than peak of the market.

Paying land tax is an inevitable side effect of successful property investment and arguably a nice problem to have.

Rates and tax-free thresholds vary across states but are always structured in a progressive way.

And with the tax only applicable to the unimproved portion of a holding (typically less than 70 per cent of the total value even for houses) little if any tax is paid by those owning a single investment property worth under $1 million.

It is a different story if the owner has built a portfolio of, say, two or three houses that might be worth $3 million in total and comprise $2 million in land value.

The methodology leaves landowners vulnerable when prices are volatile.

In some states, the annual land tax bill in those circumstances would be more than $20,000 a year. And once unimproved values move north of $4 million, the marginal land tax rate can sit between 2¢ and 2.25¢ in the dollar of unimproved value, and annual land tax bills of $50,000 are not uncommon.

Although land tax is a relatively modest portion of total state government receipts (for instance, it represents about 4 per cent of total government revenue in NSW), the amount raised has swelled in Victoria and NSW since the start of the decade off the back of strong property price growth.

In Victoria alone, land tax receipts in 2019-20 are expected to be $3.7 billion, over three times higher than the $1.2 billion raised in 2009-10.

Now it is both unremarkable and unobjectionable that higher land values lead to higher land tax. But there is a likelihood that some investors will be over-taxed in this environment due to the manner properties are valued for the purposes of land tax.

In many states, the government relies on councils to manage the valuation process, adopting the same valuation data used by local government to calculate rates.

In NSW, the valuation process is run by the state's valuer general (an approach to which Victoria is slowly transitioning). Generally, the assessment's land value is an estimate on a prescribed date, typically January 1 or July 1 in the previous year.

Out-of-date valuations

Fresh valuation of properties is undertaken intermittently, generally on a two-to-three-year cycle, although some states flag that desktop-based adjustments are made more often to reflect market movements. Overall, this is a reasonable approach that balances a need for accuracy without being onerously expensive to operate.

But the methodology leaves landowners vulnerable when prices are volatile. For instance, in Sydney and Melbourne, prices are now down 15 and 11 per cent respectively from their 2017 peaks, according to CoreLogic.

But falls aren't uniform within cities. CoreLogic reports that the top quartile of properties in Sydney and Melbourne are down 17 and 16 per cent respectively, and there will be properties that are down over 20 per cent in value from their peak.

An out-of-date council valuation that doesn't capture a 20 per cent price drop on a portfolio comprising $4 million in land holdings subject to a 2¢-in-the-dollar land tax rate could see the investor overcharged $16,000.

Fortunately, there is always a mechanism to challenge the land tax bill. It varies across states but usually involves filling in a comparatively short form.

The key to success is two-fold: one, providing evidence of comparable sales from around the time of the assessment's valuation date that supports a lower valuation; and two, speed. In most instances, objections need to be lodged within 60 days of receipt of the land tax assessment notice.

With assessment notices usually issued in the first quarter of the year, it is now generally too late to challenge a 2019 land tax bill.

But when your 2020 bill arrives next autumn, be sure to check that the valuation genuinely reflects prices from the state's official 2019 assessment date rather than from the peak of the market in 2017.

SA property owners facing 'big sting' as council rates, land tax and water bills increase

Increased taxes on properties are making South Australia even less attractive to investors according to the Property Council of Australia, amid the collapse of several home building companies in the past year.

Key points:

- The SA Valuer-General is doing its first big property revaluation in 20 years
- The Property Council says changes to land tax calculations make the state less attractive to investors
- Eight home builders have collapsed in the past year

A review of property valuations by the Valuer-General is expected to increase SA Water and Emergency Services Levy bills as well as land tax on individuals properties.

They are all calculated based on property values.

Many councils throughout the state are also putting up their rates above previous expectations to cover a 40 per cent increase in the solid waste levy announced in last week's State Budget.

Local Government Minister Stephan Knoll confirmed this morning that some people would see a 40 per cent increase to the valuation of their property under the Valuer-General's first big push to revalue properties in 20 years.

The Valuer-General is conducting a trial in the Unley, Walkerville and Adelaide Plains councils to re-evaluate all properties rather than incrementally increasing them in line with sales.

"There are a small number of people that will see a significant change," Mr Knoll told ABC Radio Adelaide.

"That is the consequence of this revaluation initiative and that does flow through to the cost of living.

"Certainly it is an issue and one we're very cognisant on, but given the Valuer-General is independent and has to undertake this initiative because of a contract signed by the former government we're in this invidious position."

Labor denied the revaluations were connected to the privatisation of the Lands Titles Office in 2017.

"This can be stopped today — it doesn't need to continue," Shadow Treasurer Stephen Mullighan said.

Property Council SA executive director Daniel Gannon said people should appeal valuations if they objected to them.

"Owners of property across South Australia should absolutely double-check the value," he said.

"They should object if they believe it's warranted because what we can see moving forward is a big sting in the tail of property owners when it comes to property valuation."

Land tax changes 'a hit' on investment

The State Government also announced last week that it would be cracking down on property owners splitting their properties between trusts and family members to lower their total bill.

Mr Gannon said the change would increase some land tax bills by 2,000 per cent.

He said South Australia's maximum 3.7 per cent land tax was the highest in the country.

"We've taken a hit the last 10 days in terms of our attractiveness when we should be going out of the way to make our state the most attractive to investment," he said.

Treasurer Rob Lucas said he hoped the crackdown would generate $40 million in extra revenue.

"This measure is aimed squarely at closing a loophole that may encourage some landowners to form complex ownership structures designed purely to avoid paying land tax," he said last week.

Council rates going up

Over the past week, at least nine councils have put up their rates higher than they had planned to cover the increase in taxes on rubbish going to landfill.

Budget winners and losers

Adelaide's second-largest council the City of Salisbury, will increase its rates by 2.9 per cent instead of its planned 2.5 per cent.

"We're being very aware that we didn't want it to go up, but we didn't want any of our residents to lose any services," Salisbury Mayor Gillian Aldridge said.

Holdfast Bay and Campbelltown councils will not increase their rates above what was planned before the State Budget was handed down.

Treasurer Lucas said there were "very good environmental reasons for increasing the levy".

"We can't afford to continue to just dump more and more waste into landfill," he said.

Another builder hits the wall

The price hike came as news broke that another builder had collapsed in South Australia.

D&C Homes yesterday became the eighth South Australian building company to go under in the past year.

The home builder went into liquidation, leaving dozens of creditors owed money and homes unfinished.

Master Builders Association chief executive Ian Markos said a five-point plan it presented to stimulate the industry that was presented to the State Government before the budget was ignored.

It included lowering costs of new houses, such as getting rid of the requirement for a rainwater tank.

"They've been given the solutions by the experts and they should be coming to the table and looking at how they can implement this and that would include hurrying along to finalise the planning reforms in this state — they've been going on for a couple of years now," Mr Markos said.

Mr Gannon said the failures were related to the companies growing too quickly and "not having enough business acumen" rather than a general problem in the sector.

Land valuations fluctuate wildly in Queensland's Lockyer Valley prompting council to remodel rates bills

A south-east Queensland council has forgone the $4 million rates windfall it stood to gain from "erratic land valuation fluctuations" to minimise the cost to ratepayers.

Key points:

- Lockyer Valley council will remodel their rates billing procedures after some properties were hit with major valuation increases
- The Porter's Plainland Hotel has gone up 124 per cent since its last valuation three years ago
- State-wide, 3,895 objections were lodged by property owners this year

In her budget speech, Lockyer Valley Mayor Tanya Milligan said individual valuations in the region had varied from a fall of 52 per cent, to an increase of 428 per cent — a major spike for a large residential plot slated for a residential development.

Rates bills will differ from property to property in the Lockyer Valley with council remodelling their billing procedures to minimise the impact on residents.

Queensland Government land valuations have a direct impact on council rates.

"The easy option for us would have been to simply apply our rate model to the new valuations which would have generated an additional $4 million income, but that's not what this council is about," Cr Milligan said.

The average land value increase for the area is 15 per cent, but individual figures vary widely.

Valuation boom for Plainland pub

The land valuation for Porter's Plainland Hotel, on the Warrego Highway west of Brisbane, has gone up 124 per cent since its last valuation three years earlier.

Hotel manager Michael Porter said he was "quite shocked" the hotel's land value had gone up by millions of dollars.

"When we initially opened the letter and we seen the big increase, but certainly not surprised either, it's obvious with the amount of development going on in Plainland that it was going to happen sooner or later," Mr Porter said.

The family-run business did not formally object to the valuation and is waiting for its next council rates bill, due in August.

"Haven't seen the bill yet, but obviously when we open that one we'll address that then and see how much they've gone up, hopefully council are kind to us," Mr Porter said.

Lockyer Valley Council finance chair Chris Wilson said the region had not had a valuation for three years.

"If we had these valuations every year, it'd make these impacts a lot less," Cr Wilson said.

"We pay a fee — over $100,000 a year to the State Government — so what we'd like to see from a council point of view, is a valuation each year."

Land values are determined by valuers from the State Government Department of Natural Resources Mines and Energy based on recent sales of comparable properties and market trends.

New land valuations for 18 Queensland council areas were released in March 2019, and come into effect on June 30, 2019.

In a statement, Valuer-General Neil Bray said differences in land valuations between neighbouring lands was not uncommon.

"Land valuations are influenced by a number of different factors, including physical attributes such as views, shape, size, noise and elevation, as well as sales and property market trends," Mr Bray said.

Mr Bray said a decision was made not to do valuations in the Lockyer Valley in previous years.

"After considering detailed market analysis and consultation with local governments and industry groups, it was determined that there was insufficient market movement in the Lockyer Valley to warrant issuing new valuations," he said.

State-wide, 3,895 objections were lodged by property owners this year, out of 1.03 million valuations that were issued.

In 2018, there were 1,566 objections out of 507,406 valuations.

The Valuer-General said the 2019 objections were still being processed.

"With objections that are upheld, we will notify both the local government and the Office of State Revenue and where appropriate they can make adjustments to rates and land tax with the landholder," Mr Bray said.

Brisbane rates capped at 7.5 per cent

In Brisbane, average land values have gone up by 7 per cent since the last round of valuations in 2017.

But some suburbs have had larger spikes.

Rocklea has gone up by 31 per cent, Woolloongabba by 26 per cent and Boondall by 23 per cent.

Deputy Mayor Krista Adams said council had capped rates rises.

"We have a three-year program and we cap that at 7.5 per cent, so properties that see a large jump in their average rateable value will probably see a responding jump in their rates, but we cap that to make sure we can fight the peaks and troughs of that for our residents," she said.

Cr Adams said the State Government should do annual valuations.

"Last year we paid $2.5 million for the pleasure of not getting a valuation, but the State Government insisted that we pay it anyway so we feel that if we have to pay, then we should get a valuation," she said.