

Valuation of Land (Further Amendment) Bill

EXPLANATORY MEMORANDUM

The Bill amends the **Valuation of Land Act 1960** to override the impact of a recent decision of the Supreme Court of Victoria, *The Shell Co. of Australia Limited and Another v the City of Melbourne*, which held that depreciation should be regarded as a deductible expense in the calculation of estimated annual value.

Clause 1 set out the purpose of the Bill.

Clause 2 provides for the commencement of the Bill.

Clause 3 inserts the following new section in the **Valuation of Land Act 1960**:

Section 2A provides that any national sinking fund or allowance for depreciation for any building, fitting or fixture or other improvement on land must not be deducted when determining the estimated annual value for any valuation used for rating purposes before, on or after 1 October 1995.

This amendment will not affect either the parties to *The Shell Case* or pending proceedings relating to appeals or objections actually commenced and in train, as of 18 October 1995.

Clause 4 recognises Melbourne Water Corporation and Melbourne Parks and Waterways as separate rating authorities following the restructure of Melbourne and Metropolitan Board of Works.

Clause 5 is statute law revision.

