

**Submission
No 6**

INQUIRY INTO LAND VALUATION SYSTEM

Name: Name Suppressed

Date Received: 2/02/2013

Joint Standing Committee on the Office of the Valuer General
Parliament House
Macquarie Street
SYDNEY NSW 2000

Inquiry into the Land Valuation System (2013)

1. I refer to paragraph 1(d) of the Committee's Terms of Reference, which requires the Committee to address the question of *any inequity in the valuation system*.
2. Equity in practice resides in the perceptions of valuation system participants. It embraces concepts such as transparency, accessibility, and comparability.
3. I consider the present valuation system to be inequitable (in those senses) in relation to the administration of objections made in terms of S. 34 - *Grounds of Objection* in the *Valuation of Land Act 1916*.
4. The problem that I perceive lies in the practicality that, while the bulk valuation concept may well be appropriate in most instances, the standard Objection format for a particular lot does not encompass consideration of the comparability of values assigned to neighboring lands.
5. For the non-professional landowner lacking valuation expertise, a neighboring land value comparison is easy, quick, intelligible, explicable in terms of local knowledge, and bears much validity in the arena of commonsense.
6. Consideration by the Valuer General of an Objection lodged in terms of comparability of values assigned to neighboring properties, and the short statement of reasons for the outcome of that consideration, could be undertaken expeditiously and communicated to an Objector with minimal technicality. Inconsistencies may be identified, errors may be disclosed, and factual mistakes may be corrected.
7. I have previously made a submission to the Committee along those lines, without obvious result. A copy of my earlier (2010) submission is appended below.
8. Again, I request the Committee to consider the advantages of accepting comparison and resort to values assigned to neighboring lands as a specific ground on which Objections may be lodged under S. 34, *Grounds of Objection* in the *Valuation of Land Act 1916*.

[REDACTED]

[REDACTED]

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Inquiry into the Provisions of the Valuation of land Act 1916

I offer some comments relating to the application of the Act to me in my capacity as a land-owner.

1. For the purposes of the Committee, the relevance of this recital lies in the content of Section 34 – *Grounds of Objection* in the *Valuation of Land Act 1916*.
2. The Act does not accept inter-lot comparisons of valuations made by the Valuer General as grounds for objection to a specific value assignment.
3. I think it should do so.
4. I formed that opinion based on my experience as owner of a residential rental property [REDACTED] necessarily interested in the direct Land Tax implications of valuations, as occupier of residential property [REDACTED], and – most importantly – on my perceptions of the need for equity in official valuations that are used to apportion council rates among ratepayer owners of widely differing properties.
5. The public discomfort with valuation practice that accompanied the former *Premium Property Tax* brought some valuation issues to the forefront of landowner interest. It awakened concern about the purported accuracy of individual valuations where apparently minor value variations could have major implications in taxation liability terms, and disclosed considerable disquiet about the accountability of official valuation procedures. It was ostensibly addressed in the *Walton Report*, among other places.
6. I think the notion of contesting valuations assigned by the Valuer General is not a pleasant one for most people affected by them, even when the financial implications are quite significant.
7. Non-professionals will not and cannot be expected to comprehend all the intricacies of land valuation as practiced by professional valuers. Nevertheless, those same non-professionals are – mostly – the people who pay the land taxes and council rates that are based on official valuations.
8. For that reason, they are entitled to whatever assurance is practicable that – leaving aside the niceties of professional procedures - the valuation *outcomes* are logical, sensible, and fair.
9. In the absence of the ability to argue about valuations assigned to what ordinary people might consider comparable lots, the concept of fairness has little scope.
10. I encourage the Committee to consider the amendment of Section 34 – *Grounds of Objection* in the *Valuation of Land Act 1916*, so as to enable the grounds of objection to encompass valuations assigned to properties other than that under dispute.
11. The background to these views is set out briefly below.
12. I do not seek to argue the detail of my past objections, or to make a special case for any particular category of objection or context.
13. I have objected to valuations of land in the past on three relevant occasions.
14. On the first occasion, I brought to the attention of the Valuer General's Department the fact that a speed hump had been installed in the carriageway immediately outside [REDACTED] [REDACTED], with what I considered to be significant and unavoidable adverse effects on its amenity resulting from vehicle noise and vibration, the latter occasioned by the peculiar nature of the landform resulting from its original state as a lagoon, later filled. The value was reduced by a sum that I accepted.
15. Crucial to my acceptance was my knowledge of the values that had been assigned to two other properties of mine, [REDACTED] - having identical dimensions, [REDACTED]

