

INQUIRY INTO THE PROVISIONS OF THE VALUATION OF LAND ACT 1916

Organisation: Private Citizen
Name: Ms Hylde Rolfe
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Joint Committee on the Office of the Valuer General
Parliament House
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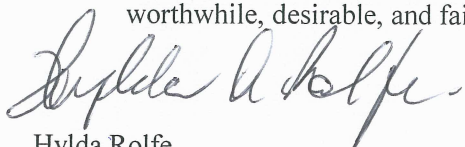


Inquiry into the Provisions of the Valuation of land Act 1916

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

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 (29 Cove Street Watsons Bay) necessarily interested in the direct Land Tax implications of valuations, as occupier of residential property 41-43 Cove Street Watsons Bay, 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 29 Cove Street Watsons Bay , 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, one – 41 Cove Street - having identical dimensions, the other – 43 Cove Street– being slightly larger, all three being in the same street. I was satisfied that the value of 29 had been discounted in comparison with otherwise comparable lots unaffected by the speed hump.
 16. On the second occasion, I noted that the value assigned to 29 Cove Street was identical to the values assigned to 41 Cove Street and to other properties in the same street having the same area, and inferred that no allowance had been made for the adverse impact of the speed hump outside 29. When my objection was not upheld, I appealed to the Land and Environment Court, where a lower value for 29 Cove Street was eventually agreed and the matter was settled by consent.
 17. I understood from that experience that the margin of accuracy in valuations was sufficient to accommodate such variations, but that they would not be granted lightly. It also seemed that, because of that margin, appellants like me might well be faced with evidence on behalf of the Valuer General supporting values differing markedly from those they wish to be changed, implying at the extreme the award of costs against them in Court proceedings - a daunting prospect in light of the public legal resources utilized by and on behalf of the Valuer General!
 18. On the third occasion, the value assigned to 29 Cove Street exceeded that assigned to 41, and differed from others of the same dimensions in the same street, and there were also differences among those other properties. I argued that the value of 29 should still be discounted vis-à-vis that of otherwise comparable properties having regard to the adverse effect of the speed hump, and that the relevant heritage planning provisions for contributory items in the heritage conservation area did not contemplate the basic modification of the dwelling needed to ameliorate that adverse impact. My objection was dealt with by an independent valuer whose report to the Valuer General sustained the original valuation. I noted that his report contained several inaccuracies in descriptions of comparator properties, but took the matter no further.
 19. That potted history bridges what seems to me a major change *from* bulk valuation producing identical values for essentially similar lots, with a discount applied for an obvious disadvantage, *to* the assignment of individual values to each lot without accessible information explaining the differences.
 20. I do not necessarily quarrel with that. What I find very unsatisfactory is the practical impossibility of gaining from the official valuations any notion of why such variations are made, and whether appropriate discounts have been applied.
 21. Given that land valuation is not a precise science, and that the sales data used for official valuations of all the relevant properties have been identical, I do not think that the apparent precision of value that results from assignment of differing values to lots that are, in common perception, identical is any more than spurious accuracy.
 22. The commonsense corrections that might be applied under a regime that permitted objections based on official valuations of ostensibly similar lots seem to me to be worthwhile, desirable, and fair.



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