

**Submission  
No 91**

## **INQUIRY INTO LAND VALUATION SYSTEM**

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**Date Received:** 8/03/2013

Scotts Head NSW 2447

PH: [REDACTED]

Submission to the  
INQUIRY into the LAND VALUATION SYSTEM

Dear Mr Kean,  
thank you for your invitation to make a submission on this matter. I will be as brief as I can.

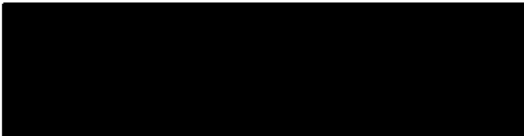
1. Any reference to Ireland or Singapore should be avoided. In the case of the first, Ireland is hardly a beacon of economic success. In the case of the second, Singapore, with the possible exception of Sydney, it is so far removed from anything related to Australia it could be very difficult to translate its procedures.
2. Volatility of Valuations is largely caused by speculations in "Investment Properties". This trade is more concerned with the avoidance/evasion of taxes than with the paying of them. All valuation methods and subsequent derived taxes related to Investment Properties should be separated from "The Family/Private Home" where the purpose of the property is to live in it, not to make money from it.
3. Definitions should be established for all forms of Property i.e Investment/Commercial and Family/Private Home then further defined as Suburban, Rural, Strata, CBD, Commercial, Private, Single Occupancy, Multiple Occupancy and so on and so on. Definitions should be established by consideration of the purpose and the location of properties. Each definition of property must then have a transparent method of valuation that applies to that type of property.
4. An example of current anomalies is my house which is surrounded by investment properties. The value of my house is established by that market. The valuation is supposed to be on the bare prepared site with no construction on it. Lands insist that my view adds value. The fact that this view is only obtained by spending a large sum of money and building a two storey home on the land is ignored. The fact that I cannot own the view and have no rights in relation to the view does not stop me paying rates and being taxed on the value of the view as determined by Lands. If views and locations are to be included in valuations and hence included as part of the construction of the tax system then Legislation must be enacted that give rights to views and maintenance of the integrity of the location. This transference of value from investment speculations and its consequent impact on rates and taxes also causes hardship to those that have lived in their homes in the area for many years before the investors discovered the area.
4. No valuations should be allowed to be varied based on a single valuation of a property. All valuations being used to vary other valuations should only be applied to properties that conform by definition as similar properties.
5. Any system that involves valuations based on examination of groups of properties i.e. more than one, must accept objections from groups of owners. Organisations must be

allowed to represent groups to project their objections. As an example, Legacy were unable to represent the War Widows under their care in our area when Lands increased values by 500%. No that is not a mistake, I repeat 500%! I am their Legatee and was refused by Lands. The Widows had neither the capacity nor the funds to lodge an objection. I am confident many other people were similarly disadvantaged.

6. The nexus must be broken between valuation and council rates. Councils should be required to raise their revenue in a transparently equal fashion across the Shire. Owners at one end of the Shire should not pay more for their sewerage than those at the other end. Rates should be based on services provided to the property, not the value of the property. Councils, like all forms of Government, must be required to raise their revenue in a fair and equitable fashion and spend it prudently. The current connection between valuation and rates encourages poorly planned developments to be approved to increase revenue by having more highly rateable properties. Dare I suggest that the State Government should consider spreading its revenue outside of Newcastle, Sydney and Wollongong [NSW] and ensuring that all its citizens receive equal services.

On that note I shall conclude my thoughts on this matter.

Yours faithfully,



Major Robert Freebairn [ret]

7 Mar '13