

**Submission
No 60**

INQUIRY INTO LAND VALUATION SYSTEM

Organisation: Bawdens Industrial
Name: Mr Barry Cawthorn
Position: Director
Date Received: 6/03/2013

6 March 2013

Mr Matt Kean MP
Chair Joint Standing Committee on
The Office of the Valuer General
Parliament House, Sydney

Dear Sir

Re: Inquiry Into The Land Valuation System of NSW

Further to discussions with various valuation and property industry individuals and companies, including Mr G.R. Mailman whom we believe has provided a submission to you, we provide below our submission to the Inquiry.

I am the Managing Director of Specialist Industrial Property Company, Bawdens Industrial, a land economist and member of the Australian Property Institute.

Bawdens Industrial provides Agency and Asset Management Services to private Industrial Property owners across Sydney.

With a value approaching \$400 million dollars and portfolios totaling in excess of 500 properties, I believe I am well qualified to submit my views to this Inquiry.

The evidence of the significant errors in determined values is too complex to provide in this brief, suffice to say we know that if best practice methodologies were adopted, ie properties inspected and correct comparable data identified, then values would be correctly determined. This requires addressing.

Additionally, the objection process is too complex and confusing for anyone to work with and thus deters tax payers from exercising their legitimate rights.

Therefore the illegitimate land tax costs are in turn passed through (under the traditional nett leases utilised in industrial property lettings) to the property user.

As an industrial agent providing transactional services that include leasing, we routinely receive enquiries from interstate companies wishing to provide local services to the people of New South Wales. However when the operating costs to run a building are understood in this State (one of which includes land tax), they compare these with other States.

The increased costs borne by industry in NSW in turn reduce viable economic activity in New South Wales as good employers choose to retain their business investment in other States of Australia.

Put simply, we are not competitive and today the outcome of the decision these people make can be seen in the poor / slow business conditions as a result of the outdated policies which are the subject of your Inquiry.

The entire system is inaccurate, inefficient and discriminatory.

I would be prepared to become part of a working committee to assist in rectifying the system.

Should you have any queries please feel welcome to contact me.

I look forward to your reply.

Yours sincerely
BAWDENS INDUSTRIAL



BARRY CAWTHORN