


**Submission  
No 39**

## **INQUIRY INTO LAND VALUATION SYSTEM**

**Name:** Mr Alfred J. Goding, Lt Col (Rtd)

**Date Received:** 1/03/2013

  
Palm Beach N.S.W. 2108  
28 February 2013

Mr Matt Kean MP  
Committee Chair

INQUIRY INTO LAND VALUATION SYSTEM

Thank you for your letter of 7 February 2013.

As a 93 year old WW2 Veteran, retired Real Estate Agent etc and Public Valuer, I trust my comments will carry a message of experience for your consideration.

Firstly, I'm impressed with the Terms of Reference and the recognition in Paragraph 1 of the inefficiencies of the present system. Remembering the last Government attempt to update/review the system, I trust that this attempt will be more productive and provide results that are more practicable, understandable and administratively economical.

Appreciating the antiquity of the 1916 Act, it is maladministration to accept it as an acceptable system in 2013 because of the extensive changes in all aspects of real estate, housing, development procedures, landscaping, finance aspects, Local Government responsibilities and of importance in many areas, the paucity of vacant land. Relevant also is the primary need to use a proper recognition of the many essential aspects when valuing land. I doubt if our present application of the current Act always fulfils this requirement. This review of the present system is therefore long overdue.

If logic has any bearing on any analysis of the present system, it would be decreed outdated, inefficient and to a degree, iniquitous on several counts. Whilst not decrying the qualifications and professional abilities of the Valuer General's staff, any qualified Valuer familiar with the Act and application of the system, would agree, that their task has many difficulties that could contribute to the current inaccuracies. Additionally, there is the test. Is the system fair? As the primary purpose of such valuations is to provide a system to raise money via taxes, why should the assessed value of land, in particular unproductive residential land, be the sole basis of calculating a tax? In relation to Council procedures, all Rate Payers have equitable rights to all facilities on a 'User pays' system. Why then should the unproductive value of their residential Land be an annual 'penalty' to residents whose land value is above average? It is also a fact that the monetary value of a resident's home property is, in the main, heritage and only realised after death. It has never been any indication of his or her usable wealth or ability to pay some of the very excessive Rates that are demanded under the present system. An example of this category is an aged widowed pensioner with a home on land of above average value.

Concerning any system that uses Valuers to assess the UCV or market value of improved property, the accepted procedures and practices of valuation demand a sufficient examination of many factors that, if done correctly and efficiently, cannot be done from behind a desk. It is also well appreciated that values change constantly hence, values must be regularly revised. Pursuing the present system has correctly been deemed expensive, inaccurate, difficult to understand and not coping with the demands of current requirements.

Whilst it is appreciated


2.

Whilst it is appreciated that the various types of land will require differing methods to produce fair and equitable methods of valuation or other means for purpose of taxation, I propose a method highly suitable to 'Residential' land that could also be used as a guide with other categories with special features e.g., Strata Units, Businesses etc. As a substitute system, I recommend a valuation/tax based on size, i.e., square meter, a figure already established and recorded on Valuation and Council Rate Notices. All aspects of the assessed 'Dollar figure' per square meter, should be assessed and controlled by a Government Department, whose staff must be qualified to determine and administer all facets of this figure and its relevance to each council.

As the size, land composition, topography etc of each Council can be different, some Dollar figures will vary between Councils however; the ability of the Council, with Government approval, to change the Dollar figure to accrue the approved Rate income of a Council, could be a simple exercise on the computer. When analysed, this method avoids the present almost impossible task of economic and efficient valuation of residential land. In lieu, it provides a system that uses readily available data that rarely changes, from which calculations, for any reason, can be made easily, accurately and administratively economically. To those who, through experience, give credence to the quote re 'wealth and ability to pay', adoption of the above concept and method will, additionally, give recognition to a long held belief that the present system is a far cry from the principles of our culture that seeks a 'fair go' in all walks of life. As a Government that promotes this aspect of our culture, this is the time, the opportunity to "grasp the nettle", make the effort to fix the errors and delete the inefficiencies that hopefully, will produce a workable new system.

I wish you well in your endeavours.

Yours sincerely,



Alfred J. Goding Lt Col (Rtd).  
J.P. 120888. Commissioner for  
for Declarations.