

INQUIRY INTO LAND VALUATION SYSTEM

Organisation: Home Access Association

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Date Received: 7/03/2013

HOME ACCESS ASSOCIATION

CHURCH POINT NSW 2105

SUBMISSION

INQUIRY INTO THE LAND VALUATION SYSTEM JOINT STANDING COMMITTEE ON THE OFFICE OF THE VALUER GENERAL

Dear Chair,

We welcome this opportunity to highlight outcomes in our current land valuation system that are opaque, inequitable and inconsistent for our members.

Background

The Home Access Association represents residents living in water-access-only residences on the Hawkesbury River and the offshore community of Pittwater. The object of the Association is that of equity for water-access-only residents.

For 12 years the Association has campaigned for equity with regard to jetty access. All residents in NSW cross public land, by driveway or jetty, to access their properties. However only those with water access were charged for this usage.

In 2011 HAA brought its case to the IPART Review of Methods for Determining Rents for Domestic Waterfront Properties. IPART acknowledged this inequitable situation, accepted that jetties and berthing areas are essential for commuting access to and from water-access-only (WAO) properties, and recommended to Government that the access to offshore properties be free, as it is for every driveway in NSW. Government accepted this recommendation.

While this was a very welcome outcome, two further inequities were brought to light by this process. Both of them relate to the inclusion of our water-access-only jetties in the valuation of our land.

Lack of Transparency

It has come as a shock to the water-access-only community to understand that the area of their jetty has been physically included in the valuation of their property. Nowhere on the written valuation is this noted. Nor is there an explanation for the inclusion of the jetty.

Lack of Consistency

Driveways are not physically included in the valuation of properties, nor do they attract rates. If a driveway access is of nominal value because all lots must have an access across public road reserve, and no payment is made, or rating made, or value assessed, on the right to drive over the footpath or road reserve in suburbia; the equivalent or proxy driveway for water-access-only properties (our jetties) cannot be assessed as having added value.

Simply put, the NSW government has accepted the IPART recommendation that WAO jetties are proxy driveways and should be exempt from rental. If rental is assessed as nil by government the value should be assessed as nil.

This recognition should flow through all related legislation such as the Valuation of Land Act 1916 in order to catch up with government policy and to restore equity in the valuation system.

Inequity

It would appear that the reason jetties are included in the land valuation of WAO properties is because they are licensed, while driveways are not (Section 141 of the Valuation of Land Act 1916). This is clearly inequitable. Either all public land used for essential access to properties is rated, or none.

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Opaque, Inconsistent and Inequitable

A secondary issue is that of the current method of assessment. While it is hard to understand the methodology, the Valuer General appears to take into account the benefits of our jetties to the value of the property but not the restrictions as it is bound to do by the Act.

These restrictions are spelt out in the conditions of licence and were tested in the Supreme Court in 2004 (Georgeski Vs Owners Corporation SP49833 2004). There is no exclusive use, no quiet enjoyment, nor can one evict trespassers. We are also bound to build, maintain and insure our jetties for public use and all emergency services. This public responsibility is a significant and continuing cost in addition to the upkeep and maintenance of the property.

Not knowing but suspecting that we are not being fairly served is the worst of all possible outcomes for any government legislation.

Summary

These issues mentioned above involve the pursuit of transparent, equitable and consistent outcomes in the valuation of land.

We note that, in the first argument concerning our proxy driveways, these policy changes are relatively recent. However the timely implementation of consistent and coherent policy is the hallmark of a good government. We would urge the Inquiry to make the necessary recommendations to give effect to changing these inequitable outcomes now.

We further note that, if our first argument is accepted as a recommendation, then the issue regarding the assessment of restrictions on the licensed area falls away.

Recommendations

We recommend that the Valuation of Land Act be amended so that jetties and berthing areas of water -access-only residences (the licensed crown land adjoining property essential for commuting access to water access only properties) be exempt from valuation.

Failing this we recommend that our water-access-only jetties be de-licensed in line with the treatment of driveways, so that policy with regards to essential access to properties over public land is coherent and equitable across legislation.

Again, our thanks for the opportunity to air these grievances. We understand there will be a public hearing later this month. We would be keen to attend to represent our members and look forward to an invitation.

Please contact us if we can provide any further information.

Sincerely

Lesley Stevens, Greg Roberts, Paul Purvis, Michael Chapman
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