

INQUIRY INTO LAND VALUATION SYSTEM

Organisation: Royalla Shorthorns

Name: Mrs Sue Job

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The Hon. Matt Kean MP
Chairman
Joint Standing Committee on the Office of the Valuer General
Parliament House
Macquarie Street
Sydney

28th February 2013

Dear Sir

I wish to make a submission to the inquiry into the land valuation system in New South Wales.

Early in 2012 I lodged an objection to a valuation on a block owned by my son Nicholas, and run as part of our family property, ██████████ at Yeoval. The block in question is 876.5 hectares and zoned non urban. The block has a value of \$596,000 according to the Office of the Valuer General. We believe a fair value would be \$400,000.

We were given the date of 30.3.2012 as the last date to object. Prior to that date we lodged our objection and were subsequently notified in a letter dated 29th March 2012 that the objection had not been accepted and that we had until the 5th May 2012 to submit an appeal. Unfortunately this letter only arrived just before the closing date which did not allow us to submit the appeal as we were unable to collate the counter evidence in the short time. Inspection of the relevant Valuation Sales Report, which listed the land considered when valuing our block, showed lot numbers and broad location, nothing specific enough to enable contact with the owners of these blocks and ascertain land use, land types and more exact location.

The letter stated in part 'The physical nature of your land and its surrounding development have been taken into account in determining the land value.' We refute this claim as any inspection or enquiry would have quickly shown that no comparable land had been sold in recent times and the list of properties used in the valuation/comparison process range from 30 to 100 kilometres from this block. A physical inspection or informed enquiry would have revealed there to be no remote

comparison. The block in question is very hilly and extremely rocky with light soils. It has no physical road access except through neighbouring properties and while there is legal access it is very difficult on foot let alone vehicle access. The block has no services such as electricity or telephone in the vicinity and much of it is waterlogged for large parts of a non drought season.

In our objection I stated 'this block is unique with no comparable blocks being sold in this area (with the exception of the neighbouring one we own). The blocks used for the valuation do not compare for size, the largest being 536 ha at a much higher valuation and sale price, and presumably different land use. They are also in a very different geographical area. We have little in common with the Manildra, Eugowra or Canowindra areas'. These areas are predominantly river areas and I seriously doubt there are any blocks similar to this one. The small size of 6 of the blocks used as comparison, support our case. The quotation and use of these blocks as comparable is amazing. Being in the area they are it is possible some are lifestyle blocks and not agricultural or grazing as ours is.

The letter advising the non acceptance of our objection also stated ' when land values are reviewed the matter of concern is whether the value is correct in relation to sales evidence'. Part of the evidence submitted stated that the unimproved capital value of this block is greater than the amount paid for it in 2008 and that we also own a block comparable in both size and productivity, referred to above, which we have to use as the only dry access and is valued at \$190,000 less. The Office of the Valuer General chose to ignore this fact.

In conclusion, we believe the process used to value properties has little validity and the means of objection are discriminatory. There appears to be a veiled attempt to make the process too complex to encourage participation. Certainly, in our case, the whole process lacked logic and fairness.

Yours sincerely

(Mrs) Sue Job