

## **INQUIRY INTO THE PROVISIONS OF THE VALUATION OF LAND ACT 1916**

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July 29, 2010

The Committee Secretary  
Joint Standing Committee on the Office of the Valuer General  
Parliament House  
Macquarie Street  
**SYDNEY NSW 2000**

**By Facsimile: 9230-3309**  
**& By Email: [jscovg@parliament.nsw.gov.au](mailto:jscovg@parliament.nsw.gov.au)**

Dear Sir/Madam

**Re: Inquiry into the Provisions of the Valuation of Land Act 1916**

I am writing to make a submission in respect of the enquiry into the *Valuation of Land Act 1916*.

My submissions are as follows:-

(i) **Methodology Employed**

In providing efficiency, the valuers contracted by the Valuer General use records from Council to provide Valuations.

To do this efficiently and within the ambit of the costs provided by the Valuer General to the contract valuers, they do not visit each property.

Information used for the purpose of creating valuations is therefore paper records only.

The Valuer General uses a rate per square metre basis for valuing properties in Sydney, based upon Council records.

This is flawed because each property is different.

Each property should be singularly visited by each valuer in providing the valuation.

Further, some Councils, for example Randwick City Council, use a Building envelope test to ascertain what development can occur on a piece of land in the city.

This type of development standard is not considered by the Valuer General at the initial stage of setting values, but only when an objection is lodged.

(ii) **Arrangements Under Which Valuation Service Contracts are Negotiated and Entered into**

(A) **Initial Valuations**

It is not possible for the Valuer General to be impartial in its assessment of land.

The reason for this is as follows:-

- (a) Valuations are prepared by the Valuer General's Valuers. These are normally persons contracted to the Valuer General to provide these valuations.

The contract is based upon price as well as object.

- (b) The persons contracted by the Valuer General are influenced by commercial realities to maintain their contract with the Valuer General.
- (c) They therefore are more partial to providing valuations which please the Valuer General.
- (d) The Valuer General is a Government instrumentality.
- (e) The Government uses the Valuer General's valuations to:-
  - (i) Assess Land Tax; and
  - (ii) Issue rating notices (through local councils).
- (f) Bearing in mind the reasons for the provision of valuations, it is not possible for the Valuer General to be impartial or to be seen to be impartial.

(B) **Check Valuations**

Check valuations are provided by persons similarly contracted to the Valuer General.



If the check valuations do not support the Valuer General's own valuer's position, then the check valuers put their positions at risk.

The check valuation should be performed by a person independent of contract to the Valuer General.

Under no circumstances would check valuations provided by valuers contracted to the Valuer General be seen by objectors to be impartial.

**Suggestions for Delivery of Impartiality**

- (a) The Valuer General General retains its own valuer for providing valuations.
- (b) Check valuations should be provided at the equal cost of the Valuer General and the objector by a valuer suggested by the objector.

In this way, some semblance of impartiality could be addressed.

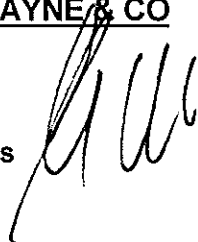
Would you please consider the above and advise us of the report of the Committee.

Yours Faithfully

**GILES PAYNE & CO**

Per:

Joe Gilles

A handwritten signature in black ink, appearing to be 'Joe Gilles', written over a horizontal line that extends from the company name 'GILES PAYNE & CO'.