

New South Wales Division

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16 August 2010

Ms Marie Andrews MP
Chair
Joint Standing Committee on the Office of the Valuer General
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Ms Andrews

RE: Inquiry into the provisions of *the Valuation of Land Act 1916*

I refer to your invitation dated 1 July 2010 to provide comment to the Joint Standing Committee on the Office of the Valuer General on its inquiry with the following terms of reference:

“That the Committee inquire into the provisions of the Valuation of Land Act 1916 with particular reference to:

- (1) The efficiency and effectiveness of the current provisions of the Act;
- (2) Its application to stakeholders
- (3) Any related matter.”

In response to your invitation, the Australian Property Institute (API) invited a selection of members who work on a daily basis with the Act to provide comment.

In general, those members are broadly of the opinion that the Act functions satisfactorily.

We understand that a number of API members who provide statutory valuation services were invited by your Committee to provide comment directly and that they have written to you with their feedback and suggestions. We believe that a member suggestion of aligning the valuation base dates with dates adopted by various other stakeholders such as the Office of State Revenue appears to be worthy of consideration particularly having regard to the date of sales evidence adopted by valuers contracted to perform statutory valuations.

We would also draw your attention to the issue of water rights and the necessity to reflect whether a water right under the *Water Management Act 2000* (NSW) has been deployed on particular sites. When a water right has been deployed, the site value becomes an amalgam of the site value and the water right. Otherwise, the site value may be merely nominal, not revealing a proper site value for rating and taxing purposes. In effect, in non-metropolitan areas there will need to be a more subtle approach to site values, separating those with deployed water rights and those without a water right.

www.api.org.au

We would be pleased to discuss these matters with you and arrangements can be made by contacting Gail Sanders, the API NSW Executive Officer, on telephone 9299 1811.

Thank you for the opportunity to provide comment.

Yours sincerely

A handwritten signature in black ink, appearing to be 'P. Lyons', with a stylized flourish at the end.

Phillip Lyons FAPI
Chair
API NSW Valuation Professional Board