

**INQUIRY INTO ACQUISITION OF LAND IN RELATION TO
MAJOR TRANSPORT PROJECTS**

Organisation: LPG Holdings Pty Ltd

Date Received: 1 July 2021

Partially
Confidential

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Ms Abigail Boyd, MLC - Committee Chair
PORTFOLIO COMMITTEE NO. 6 – TRANSPORT AND CUSTOMER SERVICE
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Dear Ms Boyd, MLC,

RE: LPG SUBMISSION IN RELATION TO THE INQUIRY INTO THE ACQUISITION OF LAND IN RELATION TO MAJOR TRANSPORT PROJECTS

Thank you for providing an opportunity to offer comment on the Acquisition of Land in relation to Major Transport Projects.

As a Land Owner who has been affected by the Acquisition of Land in relation to Major Transport Projects (M12, and it is noted that we are located in the Northern Gateway Precinct of the Aerotropolis Site), we offer the following commentary on the Terms of the Inquiry:

- **Conduct of Agencies in Acquiring;**
- **How government agencies conduct direct negotiations with landholders in relation to purchasing land/properties prior to, or in parallel with, the compulsory acquisition process, and the extent to which such process is fair, unbiased and equitable;**

As someone who has personally dealt with Transport NSW for the last several years in relation to a partial acquisition of our property it has been a very tiring, draining and emotionally taxing process.

The conduct that has been experienced has ranged from quite aggressive and unhelpful to unprofessional and dismissive.

There is often a change in ownership in matters so while you may experience a good relationship with one individual as soon as the matter is passed on you can often be left starting from scratch with another and there is no option to report or complain about poor conduct.

We had an individual who was handling our matter deliberately ignore many valid concerns that we raised on a repeated basis, and then when a Valuer was engaged by Transport NSW, the Acquiring Agency then chose to ignore the advice of the Valuer they had engaged because they did not like the fact that the Valuer had agreed that we had valid concerns and made recommendations that they be investigated.

Transport NSW chose to then obtain a new Valuer, who never even came on site, and claimed that the new Valuer was not given access. The recommendations made by the first Valuer were dismissed and ignored and we were never provided with an explanation as to why these recommendations were not followed and why a new Valuer was engaged.

We were also left at a disadvantage when dealing with Transport NSW to try and come to an arrangement as they chose to deliberately exchange an out of date valuation and then proceeded to aggressively defend their position and refuse to acknowledge the repeated mistakes made.

We also, at the suggestion of Transport NSW, obtained Legal Counsel, and then spent two years reminding Transport NSW to deal with our Solicitor directly and not us (in an attempt to lessen some of the stress and anxiety we experienced when dealing with the process) because Transport NSW refused to acknowledge that representation had been engaged despite numerous written and verbal reminders that this had occurred and had been approved.

It is ridiculous that an already taxing and stressful process is further burdened due to personality clashes, and one is left with the distinct impression that some employees of Acquiring Agencies are deliberately combative in their demeanour and attitude simply to wear landowners down so that they accept whatever is offered simply to stop the madness.

The Acquisition process is not straightforward and it is not simple to understand, it also lacks the ability to freely and without fear of repercussions, lodge a complaint and you are simply left at the mercy of whatever Acquiring authority you are dealing with.

It is also noted that Acquiring Agencies have a monopoly on Valuers, and it makes it extremely difficult to engage a Valuer to appraise a property, because multiple Valuers when contacted had to decline because they were already under contract to Acquiring Agencies.

By having a monopoly on some of the biggest and most reputable Valuers and Experts it makes it difficult for an average individual to seek appropriate experts that are capable of competing with the resources and firepower of the Acquiring Agencies.

Based on what we have personally experienced the process is not fair, just or equitable, for the most part it is akin to legalised bullying that landowners are forced to agree to as there is no real alternative to obtain a fair and equitable outcome.

You simply must accept what is happening and then once the dust has settled try and move on.

- **Whether government agencies are adequately protecting the public against 'land-banking' and other speculative practices undertaken by persons or interests seeking to profit from future transport projects and rezoning decisions;**
- **Whether, and what legislative or other measures should be taken by the government to capture the uplift in land/property value created as a result of such transport projects**
- **Any other related matters**

Based on personal knowledge of the local area, and our property which is located within the Northern Gateway Area of the Aerotropolis, it is noted that urgent action must be taken to examine what is happening with the values being attributed by the Valuer General and also what the impact of proposed 'open space' areas will be.

In relation to the Values being attributed by the Valuer General we have identified a glaring issue whereby the Values of comparable properties differ wildly and there is no consistency being applied in the valuing approach.

What is concerning is the fact that Taxes and Rates are based off of these values, and in some instances residents, such as us, are being left financially disadvantaged by having their properties wildly overvalued, while other neighbouring and comparable properties are wildly undervalued within the same time period.

Inserted below is a graph which details this issue, and it is noted that I have raised these issues repeatedly with the Office of the Valuer General and to date I have not received an explanation other than 'issues can occur'.

Table 2. Land Values and Related Data from 2017 – 2020

Property #	Address	Size (Ha)	New Zone	Old Zone	Characteristics of the Property	2020	2019	2018	2017	Approx. increase % 2017 - 2020
2236	Luddenham Road, Luddenham (Parent Property)	37.39	ENT	RU	Lightly undulating landscape, An Irregular Shaped Block, ENZ zoning on a small portion and no access or connection to services.	LV = \$28,000,000 \$/Ha= \$748,863.33	LV = \$28,000,000 \$/Ha= \$748,863.33	LV = \$11,000,000 \$/Ha= \$294,196.31	LV = \$2,850,000 \$/Ha= \$76,223.59	882%
5174	Luddenham Rd, Luddenham (Child Property 1)	13.27	ENT	N/A	Lightly undulating landscape, An Irregular Shaped Block, Easement to access Property and no access or connection to services.	LV = \$9,100,000 \$/Ha= \$685,757.35	LV = \$9,100,000 \$/Ha= \$685,757.35	N/A as the children properties only came into existence on 10 December 2020		(Based on \$25 Million for both)
5173	Luddenham Rd, Luddenham (Child Property 2)	24.12	ENT		Lightly undulating landscape, An Irregular Shaped Block, ENZ zoning on a small portion and no access or connection to services.	LV = \$15,900,000.00 \$/Ha= \$659,203.98	LV = \$15,900,000.00 \$/Ha= \$659,203.98			800%
9377	Luddenham Rd, Luddenham	32.95	ENT	RU	Runs along a creek, E ENZ zoning on a small portion.	LV = \$20,000,000 \$/Ha= \$606,980.27	LV = \$20,000,000 \$/Ha= \$606,980.27	LV = \$9,680,000 \$/Ha= \$293,778.452	LV = \$6,050,000 \$/Ha= \$183,611.53	230%
5495	Elizabeth Dr, Luddenham	10.14	ENT	RU	ENZ zoning on a small portion.	LV = \$5,750,000 \$/Ha= \$567,061.14	LV = \$5,750,000 \$/Ha= \$567,061.14	LV = \$3,520,000 \$/Ha= \$347,140.04	LV = \$2,200,000 \$/Ha= \$216,962.52	161%
5484	Elizabeth Dr, Badgerys Creek	54.41	ENT	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$29,500,000 \$/Ha= \$542,179.75	LV = \$29,500,000 \$/Ha= \$542,179.75	LV = \$14,400,000 \$/Ha= \$264,657.23	LV = \$9,030,000 \$/Ha= \$167,064.88	224%
5482	Elizabeth Dr, Badgerys Creek	78.59	ENT	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$26,500,000 \$/Ha= \$337,193.03	LV = \$26,500,000 \$/Ha= \$337,193.03	LV = \$10,600,000 \$/Ha= \$134,877.21	LV = \$6,620,000 \$/Ha= \$84,234.63	300%
9974	Elizabeth Dr, Luddenham	6.657	ENT	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$2,100,000 \$/Ha= \$315,457.42	LV = \$2,100,000 \$/Ha= \$315,457.42	LV = \$1,290,000 \$/Ha= \$193,780.98	LV = \$1,290,000 \$/Ha= \$193,780.98	62%
9973	Elizabeth Dr, Luddenham	7.8	ENT	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$2,400,000 \$/Ha= \$307,692.31	LV = \$2,400,000 \$/Ha= \$307,692.31	LV = \$1,530,000 \$/Ha= \$196,153.85	LV = \$1,530,000 \$/Ha= \$196,153.85	56%
1795	Luddenham Rd, Luddenham	107.1	B7	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$35,300,000 \$/Ha= \$329,598.51	LV = \$32,000,000 \$/Ha= \$298,786.18	LV = \$32,000,000 \$/Ha= \$298,786.18	Unknown	Unknown
1793	Gates Rd, Luddenham	55.5	ENT	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$18,200,000 \$/Ha= \$327,927.93	LV = \$16,500,000 \$/Ha= \$297,297.29	LV = \$16,500,000 \$/Ha= \$297,297.29	Unknown	Unknown
5490	Elizabeth Dr, Badgerys Creek	344.7	ENT	RU	Irregular Shaped Block	LV = \$87,000,000 \$/Ha= \$252,393.38	LV = \$87,000,000 \$/Ha= \$252,393.38	LV = \$34,000,000 \$/Ha= \$98,636.49	LV = \$18,300,000 \$/Ha= \$53,089.64	375%
4766	Elizabeth Dr, Badgerys Creek	162.0 58	ENT	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$40,000,000 \$/Ha= \$246,825.21	LV = \$40,000,000 \$/Ha= \$246,825.21	LV = \$24,300,000 \$/Ha= \$149,946.32	LV = \$10,700,000 \$/Ha= \$66,025.74	272%
5483	Elizabeth Dr, Badgerys Creek	85.91	ENT	RU	ENZ zoning on a small portion.	LV = \$19,000,000 \$/Ha= \$221,161.68	LV = \$19,000,000 \$/Ha= \$221,161.68	LV = \$9,000,000 \$/Ha= \$104,760.80	LV = \$6,050,000 \$/Ha= \$70,422.53	214%
1039	Luddenham Rd, Luddenham	25.61	ENT	RU	Extremely Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$5,400,000 \$/Ha= \$210,855.14	LV = \$5,400,000 \$/Ha= \$210,855.14	LV = \$3,360,000 \$/Ha= \$131,198.75	LV = \$2,100,000 \$/Ha= \$81,999.22	157%
3486	Mamre Rd, Kemps Creek	181.9	ENT	RU	Extremely Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$21,500,000 \$/Ha= \$118,196.81	LV = \$21,500,000 \$/Ha= \$118,196.81	LV = \$9,740,000 \$/Ha= \$53,545.90	LV = \$6,090,000 \$/Ha= \$33,479.93	250%
2285	Luddenham Rd, Luddenham	129.8	ENT	RU	Irregular Shaped Block	LV = \$14,000,000 \$/Ha= \$107,858.24	LV = \$14,000,000 \$/Ha= \$107,858.24	LV = \$10,800,000 \$/Ha= \$83,204.93	LV = \$6,730,000 \$/Ha= \$51,848.99	108%

All Land Values and Information is as per the NSW Valuer General's Department for the periods between 2017 – 2020.

Please note the majority of the properties listed above do not have access or connections to Town Water / Septic and require Private Poles to Access Electricity.

*Key: *Ha = Hectare *LV = Land Value as Assessed by the Valuer General *\$/Ha = Dollar Value Per Hectare*

For reference my property (which was originally one title known as the parent property, and is now comprised of two child properties due to a subdivision which occurred in December 2020) is used to show just how wildly varying the fluctuations in value have increased between comparable properties, and in a 4-year period the value of my property supposedly increased by approx.. 850%.

You will note that two properties that are benefiting by having a lower value applied despite being comparable are Property # 3486 which is owned by Mirvac and enjoys a base rate of \$118,196.81 per hectare and increased in value over a 4-year period by approx.. 250% and Property # 5490, which was owned by the Medich's with a base rate of \$252,393.38 and increased in value over a 4-year period by approx. 375%.

You will also note that the Medich property is the same property which recently made headlines for being sold in a deal worth approximately \$500 million dollars, so it is interesting that foreign investors were able to see a significantly higher value in the land than the expert property Valuers that are employed by the Valuer General's office.

I would also take the liberty of hazarding an educated guess that there is absolutely zero likelihood that our land would be eligible for the same kind of landmark foreign investment deal, so it would be interesting to obtain the reasoning behind why the Valuer General has consistently placed a much higher value on my property over that of the former Medich property.

These wildly differing values indicate that there is no consistency being attributed between comparable properties, and also indicate that there is a worrying trend whereby property owners are either significantly overpaying or underpaying Taxes and Rates based on the Value being attributed to their property.

It is worrying that there also appears to be a trend of undervaluing properties owned by major developers which would indicate that such individuals are being given a benefit by having to pay less for Taxes and Rates .

If the Valuer General cannot be relied upon to accurately apply comparable and reliable values to properties how can the public have faith in the system?

The Public relies upon the Valuer General to be able to accurately ascertain and provide guidance on the property market and property values, and if the Valuer General cannot be relied upon to carry out this function to ascertain the correct payment of rates and taxes how can we entrust the Valuer General to provide Values for Acquisition matters.

The more distrust created by the system the harder it will be for the public to have faith in any process being proposed and this is a problem that will worsen when more discrepancies are uncovered.

I would note that Land Value Objections were lodged for our property, and we have received a reply back for the parent property and are awaiting replies back for the child properties, but just based on a preliminary lower value being attributed to the parent property means that we should be entitled to a refund of approx. \$12,000.00 on council rates for a period of a few months before the child properties were created.

It is insanity to think that we have overpaid so much in rates and it is noted you are FORCED to pay all Council and Land Tax rates even if an objection is pending, which means that we are left in a financially disadvantaged position while the Government benefits from the overpayment.

I was lucky to have the ability, time and energy to lodge multiple detailed objections to try and get some answers. What happens to the people who can't? The public needs to be able to rely on the systems put in place to be working for them, not against them.

In relation to the Open Space Areas being proposed under the draft precinct plans for the Aerotropolis areas, URGENT action is required to assess the long-term suitability and financial viability of what is being proposed.

The Open Space areas that are being proposed under the draft precinct plans are at odds with the intentions of the SEPP and the permitted usage of the Enterprise Zoning.

Yet there is a push to designate numerous viable pieces of land, including land on the front of my property that would effectively cut off our entry to the property simply to create some sort of idyllic parkland that would be nothing more than a bushfire hazard waiting to happen and a dangerous wildlife attraction area that could potentially cause deadly bird strikes due to the close proximity to the new airport site.

The push for Open Space can also be seen as a 'land grab', as it allows the government to significantly devalue prime future real estate, and then hold the land in reserve until the government sees fit to rezone or allow the land to be developed for other purposes.

There is a pattern for this kind of behaviour, wherein prime land is designated as open space and then later turned into developable land and it cannot be allowed to happen again, not least of when residents are being punished with higher taxes and rates and being unable to sell their land as the open space devalues large swathes if not the entirety of their property and then have their misery compounded by having their property acquired at such a low rate that they would not be in a position to purchase a replacement property in the Sydney area.

The media has a fixation on promoting the idea that residents in the Aerotropolis are all either greedy humans who just want a bigger windfall or developers who want to bag a bargain and make a monster profit.

The reality of the situation is the average individual who lives in the Aerotropolis area has done so for many years, and in some cases have had property passed down for generations and have poured their blood, sweat and tears into their properties over the years and now they are being devastated financially to try and hold onto their one asset (while receiving no additional services such as connections to water or sewage and appalling roads) and are now faced with the threat of acquisition of their property for the idealistically termed 'open space areas' that could potentially be compulsory acquired at a heavily discounted rate of approx.. \$12.50 psqm.

The Aerotropolis has the potential to be a landmark development that will provided untold opportunities for the future, but the government must ensure that while planning for the future they do not abandon and discredit the current residents who are being affected by all of the changes.

Progress is something that should never be discouraged but it should not be at the expense of the average people who will undoubtedly be the biggest losers should the open space areas be approved in their current state and acquired at a significantly discounted rate that does not even begin to reflect the true value of the land being acquired.

I would be happy to assist the inquiry further if needed, so should you need clarification or further information in relation to the commentary above please contact me via email :

Yours Sincerely

Maria Vukmirica
Company Director and Secretary
LPG HOLDINGS PTY LTD