

Issue

This briefing note is to advise members of their rights to object to land valuations and the process for doing so. As the process is quite complicated, the Association asks that members read this whole document carefully.

Background

- In NSW land valuations are undertaken by the Valuer General. The valuations take into account the value of the land itself and are meant to ignore improvements such as houses or fencing, but improvements such as clearing, draining and filling are included in the value. The valuation is often called the unimproved capital value (UCV) or unimproved value (UV).
- The valuations are done for the purpose of determining council rates, land tax, fire service levy and the value of crown land that is offered for sale or conversion.
- Where an objection is lodged the objector still has to pay rates at the new level while the objection is being assessed. Any adjustments will be made later.
- In order to make an effective objection it is necessary to understand the methodology for valuations.

Valuation Process

- Most of the property in NSW is valued in groups of similar properties called components. Within each component there will be at least one benchmark property that is individually valued each year. The changes in value of this property will then be applied to each of the properties in the component. If it is not possible to value your property as part of a component, the Valuer General will value your property individually.
- When individually valuing the Valuer General will compare the property to recently sold vacant land that is comparable, or if there have been no suitable sales of vacant land, the Valuer General will look at sales of improved properties and make allowances for improvements.
- When comparing the land being valued and the recent property sales, the Valuer General takes a number of factors into consideration. These factors include:
 - The location of the land;
 - Soil type and land surface (such as slope);
 - Town planning controls and constraints on use (such as heritage restrictions);
 - Any rights connected with ownership of the land (such as water rights);
 - Land size and shape; and
 - Nearby development and amenities (such as parks, views, public transport and busy roads).
- It should be noted that the valuer general currently includes the value of water rights in valuations as the Valuer General does not believe that the market for separate water rights is established and settled enough to be valued separately from land.
- For a more comprehensive explanation, please refer to the Department of Lands website at http://www.lands.nsw.gov.au/valuation/land_valuation_process

Process for Objecting to Valuations

- In January 2007, more than 800,000 landowners across NSW will receive a Notice of Valuation detailing their land value
- If a landholder wishes to object to a valuation, this objection must be lodged **within 60 days from the date of receiving the Notice of Valuation**. The form for submitting objections can be obtained from http://www.lands.nsw.gov.au/valuation/objecting_to_a_valuation, at Department of Lands offices, or by ringing the Department of Lands on 1800 110 038.
- When filling out the valuation objection form it will be necessary to indicate the reasons for objecting. Generally, an objection will be made because the value assigned to the land is too high or too low. If this is the case, the landholder will then need to propose a land value that is felt appropriate.
- In support of the objection, the landholder will need to provide relevant information, and it may be necessary to seek an independent valuation as well.
- A successful objection will need to identify factors that the valuation has not taken into account, such as salinity or native vegetation restrictions, or identify factors that have been incorrectly assessed by the Valuer General. These factors can be in comparing the individually valued property to recent sales or, where the property is part of a component, comparing the value of the property to the benchmark property.
- When preparing the information for the objection, it is recommended that the Office of the Valuer General be contacted on 1800 110 038 to source the following information:
 - Whether the property being valued is part of a component, and if so, which properties are individually valued as benchmark properties;
 - The details of the recent sales that the individual valuation was based on and the factors used to differentiate the individual valuation and the recent sales;
 - If the property being valued is part of a component, the factors used to differentiate the property from the benchmark properties within the component.

The Office of the Valuer General might direct you to an individual valuer who should be able to give you the above details.

- Once the objection form has been filled out, it must be returned to:
Department of Lands
Valuation objections
PO Box 745
BATHURST NSW 2795
- Once the objection has been received, the valuation of the landholder's land will be reviewed, and written notification will be provided to inform the landholder of the determination.
- If the landholder is unsatisfied with the determination of objection, an appeal can be lodged with the Land and Environment Court within **60 days of the issue of the determination of objection**.
- When appealing to the Land and Environment Court, the grounds for the appeal are not limited to the grounds of the objection¹. It should be noted that the court will initially assume that the Valuer General's valuation is correct; therefore the onus of proof is on the appellant (the person bringing the appeal).

¹ *Valuation of Land Act 1916* (NSW), S39.
http://www.austlii.edu.au/au/legis/nsw/consol_act/vola1916173/s39.html