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Valuation errors may prove costly

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MANY landowners and investment property owners across Blacktown face higher council fees and land taxes after last week's revelation by the State Government that some NSW properties are under-valued.

Others will pay less.

Inaccurate valuations have resulted in 33 per cent of land valuations across Blacktown with an error margin of more than 15 per cent, a NSW Ombudsman report shows.

Eighty per cent of all valuation errors in NSW are linked to properties being under-valued.

The 15,600 property investors in Blacktown who paid \$41 million in land tax last financial year may be

hit again when the Government re-values properties.

Council bills could also go up, given that council rates are pegged to land values. Blacktown ratepayers were recently hit with a 6.6 per cent rate rise – an average increase of \$46 per home owner.

The report went on to say that cost-cutting by private firms instructed by the Valuer General to assess properties meant little attention had been given to a majority of residences.

In Blacktown, the average cost per valuation was just \$1.77.

As property re-assessments are completed, Blacktown landowners are unlikely to be hit as hard as those in Sydney's inner west or lower North Shore, where over two-thirds of valuations exceeded the 15 per cent error margin.

The Local Government Association said higher land values were unlikely to generate windfalls for councils, the rate burden shifting around local government areas.



LAND TAX FAST FACTS

- Land tax does not apply to principal places of residence.
- The 1.7 per cent levy is payable annually on residential investment properties, including holiday homes, commercial and industrial land.
- Land tax is based on a property's unimproved land value.
- Every residential investment property attracts land tax, but from January only owners of properties valued above \$330,000 will have to pay.