



Sun Herald
Sunday 18/12/2005
Page: 7
Section: General News
Region: Sydney Circulation: 514,948
Type: Capital City Daily
Size: 70.31 sq.cms.
Published: -----S

Land taxes to rise as prices fall

By **ALEX MITCHELL**

LAND valuations on residential properties across NSW will rise by an average of 2 per cent this year, Premier Morris Iemma said yesterday.

He defended the valuation increase, despite the fact that the real estate market is soft and property prices are falling.

Against the falling trend for median house prices, homes in "niche" suburbs were continuing to buck the trend, he said.

He blamed the state's soft real estate market on the five interest rate increases since 2002.

He said the vendor tax was a mistake that had now been scrapped, and said

land valuations had been removed from all properties valued at less than \$330,000.

But Opposition Leader Peter Debnam described the land valuation system as a rip-off, saying: "It is not a fair valuation system and the community does not have any confidence in it.

"We need to see the land tax burden down and we need to remove the volatility so inherent in the land tax system.

"The whole system does need reform.

"If the Government doesn't do it before the next election, we certainly will after the state election."