

Whose side is David Singer on?

David Singer says Land Tax should be simpler and fairer. He wants all property owners to pay the tax, so a few property investors can pay less tax writes **Mani Veiszadeh**.

Some Ku-ring-gai, Lane Cove, North Sydney and Mosman property investors are set to pay much more in land tax after the release of the long-awaited NSW Ombudsman's report last month.

In his 118-page report to the NSW Parliament, Bruce Barbour said that 47 per cent of residential properties in Ku-ring-gai were inaccurately valued whilst the state average was 35 per cent.

Lane Cove, Mosman and North Sydney fair even worse, with 74 per cent of residential properties in North Sydney being inaccurately valued — often undervalued.

The report also found that land values must be adjusted for time to bring them up to the base date so they can be compared to other properties.

The Ombudsman's investigation was triggered after a complaint was lodged, in early 2004, by Sydney property lawyer David Singer, alleging maladministration against the Valuer General.

In a radio interview with John Laws on 7 April 2004,

Mr Singer alleged that the Valuer General might have colluded with the then Premier Bob Carr sighting the Valuer General's salary increase at the "specific request" of the Premier.

"If it wasn't so serious, it would be funny. It really is collusion, isn't it?" asked Mr Laws. "Yes, it could amount to that," answered Mr Singer, "we've asked for an independent inquiry for the past five years, but the government has refused one."

However, the Ombudsman's investigation only found that the system was producing "an uncertain number of values that have unacceptable margins of error."

Often referred to by the media as a 'land tax activist', Mr Singer has used the inaccuracies in the valuation system as the basis for his proposed changes to land tax.

Mr Singer's proposed changes would not be adopted because "the methodology employed to produce land valuations in NSW was generally sound," stated Bruce Barbour in his report.

David Singer wants the elimination of the so-called 'cross subsidy' currently enjoyed by 2.2 million property owners in favour of lower land taxes for 70,000 investors currently paying the tax.

Mr Singer says that all properties in NSW should pay an amount equal to one-third of the council rates currently being paid on the property and that increases should be capped at the annual Consumer Price Index (CPI) rate as is already the case with council rates.

Mr Barbour has recommended that at least one-third of all NSW properties should be reassessed in the next five years. NSW Valuer General, Philip Western went one step further, promising to reassess all 2.3 million properties in the same period.

The ombudsman's report found the State Government might have foregone land tax revenue because an estimated 80 per cent of NSW properties were undervalued.

This is in stark contrast to Mr Singer's claim that

"possibly \$1 billion or more has been overpaid by property owners in land tax in the last eight years," he was quoted in the *Sydney Morning Herald*.

Revaluation of properties however, was not the result Mr Singer had hoped for.

The tax would be collected by councils and passed on to the State Government after deducting a small collection and administration fee. He says this will bring further savings for the government as it eliminates the Land Tax Office and reduces the number of Valuer General's staff.

Under Mr Singer's proposal, the NSW Government would collect the same amount of land tax from 2.3 million property owners as it currently receives from just 70,000 investors.

Mr Singer has already said that the 38 recommendations outlined in the Ombudsman's report won't fix the problem.

Ku-ring-gai, Lane Cove, North Sydney and Mosman property investors can thank Mr Singer for the higher land tax they will soon be paying. ○

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Sydney Observer Magazine

November, 2005

Page: 14

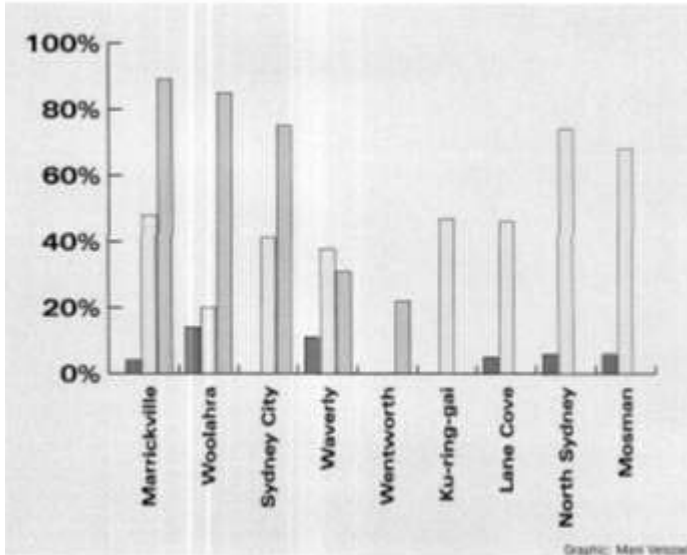
Section: General News

Region: Sydney Circulation: 30,520

Type: Suburban

Size: 382.32 sq.cms.

Published: Monthly



■ Percentage of properties which were valued based on sale prices more than 12 months old.

□ Percentage of properties where the valued price is more than 15% under or over the actual sale amount.

□ Percentage of properties where the value was adjusted from the sale price to projected current market prices.

Source: NSW Ombudsman's report to the Parliament, October 2005.