



**LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

STANDING COMMITTEE ON PUBLIC ACCOUNTS

(Reference: Inquiry into land valuation in the ACT)

Members:

**MR R MULCAHY (The Chair)
DR D FOSKEY (The Deputy Chair)
MS K MACDONALD**

TRANSCRIPT OF EVIDENCE

CANBERRA

FRIDAY, 17 NOVEMBER 2006

**Secretary to the committee:
Ms A Cullen (Ph: 6205 0136)**

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents relevant to this inquiry which have been authorised for publication by the committee may be obtained from the committee office of the Legislative Assembly (Ph: 6205 0127).

WITNESSES

DOWELL, MR GRAEME, Commissioner for Revenue,
ACT Department of Treasury **62**

MARINA, MR ANGEL, Manager, Revenue Accounts,
ACT Department of Treasury **62**

The committee met at 10.34 am.

DOWELL, MR GRAEME, Commissioner for Revenue, ACT Department of Treasury

MARINA, MR ANGEL, Manager, Revenue Accounts, ACT Department of Treasury

THE CHAIR: I formally open this hearing. This public hearing is inquiring into land valuation in the ACT. Appearing today are representatives of the ACT Department of Treasury. The Treasurer has tendered his apologies, but is quite happy for officers to appear today to respond on behalf of the government. We appreciate your attendance here today. Before I invite members of the committee to provide questions, I have to read a card to you. A new set of arrangements apply.

The committee has authorised the recording, broadcasting and rebroadcasting of these proceedings in accordance with the rules contained in the resolution agreed by the Assembly on 7 March 2002 concerning the broadcasting of Assembly and committee proceedings. Before the committee commences taking evidence, let me place on record that all witnesses are protected by parliamentary privilege with respect to submissions made to the committee in evidence given before it. Parliamentary privilege means special rights and immunities attach to parliament, its member and others, necessary to the discharge of functions of the Assembly without obstruction and without fear of prosecution.

While the committee prefers to hear all evidence in public, if the committee accedes to such a request, the committee will taken evidence in camera and record that evidence. Should the committee take evidence in this manner, I remind the committee and those present that it is within the power of the committee at a later date to publish or present all or part of that evidence to the Assembly. I should add that any decision regarding publication of in camera evidence or confidential submissions will not be taken by the committee without prior reference to the person whose evidence the committee may consider publishing.

I am sure you know, Mr Dowell, that at the commencement of evidence you should state your name and the capacity in which you appear. Are there any matters you want to state at this point before I invite questions?

Mr Dowell: My name is Graeme Dowell. I am Commissioner for ACT Revenue. In reviewing the government's submission, we have found three minor errors in it relating to statistics, where we have used the words "allowed objections" as opposed to "all objections". I would like to clarify that and present this letter to the committee to do so.

THE CHAIR: Did you say that there were three issues or just one issue?

Mr Dowell: It is all the same issue.

THE CHAIR: It is all related to the same matter. Okay.

DR FOSKEY: Could you read that letter aloud, please?

THE CHAIR: Yes, I will read it out. Mr Dowell says:

It has come to my attention that there is a minor error in the Government Submission to the PAC and I would like to take this opportunity to make a correction.

The statement is made on pages 9, 10 and 11 that a certain percentage of “allowed objections fell within the API Standard”. The calculation is correct, however, it should say ‘all’ instead of ‘allowed’.

When an objection is disallowed the determined Unimproved Value is confirmed, so the percentage of objections that fall within the API standard of +/- 15% is calculated on all objections, including those that were disallowed. Correction is required to the sentences as follows:

page 9 at 3.6.4 should read “95 per cent of all objections fell within the API Standard”.

page 10 at 3.6.5 should read “89 per cent of all objections fell within the API Standard”.

page 11 at 3.6.6 should read “94 per cent of all objections fell within the API Standard”.

Yours sincerely

Graeme Dowell
Commission for ACT Revenue.

Is there anything else beyond that at this stage?

Mr Dowell: No, not at this time.

THE CHAIR: I will lead off with some questions relating to the ACT Treasury submission. In section 2.5 on page 5 of your submission you state that the criteria and methods used to value land in the ACT are based on standard valuation practices. I am just wondering if you can be a little more specific. How do the practices used in the ACT compare with each of the other Australian government jurisdictions, to the best of your knowledge?

Mr Dowell: To the best of my knowledge, of the jurisdictions that use the unimproved value and the same broad multiple assessment process that is used here, we are the same.

THE CHAIR: There are, effectively, no significant variations in your approach that you are aware of.

Mr Dowell: Not that I am aware of. My understanding is that the valuers follow the standard set by the valuation institute.

THE CHAIR: In section 3.8, page 14 of your submission, you state that strict quality controls and data integrity testing are adhered to in ensuring an accurate land

valuation database. How have the accuracy levels of unimproved valuations been trending over recent years? Have you seen an improvement or deterioration in accuracy levels? The third part of that is: how do the accuracy levels of unimproved valuations in the ACT compare with other Australian jurisdictions?

Mr Dowell: The integrity tests that are done by both the AVO and the revenue office ensure that there are no clear outliers that are not explained when the valuations come in, and that is how we monitor the accuracy of the movement, and we check across suburbs that the movements are all within the right fields. In terms of other jurisdictions, the only one that I am aware of is in New South Wales, on which there is an ombudsman report, and I believe our accuracy is a lot greater than that, in part because there is only one valuer.

THE CHAIR: In section 6 on page 17 you discuss how errors and disparities in unimproved valuations are identified and resolved. Do you encounter any recurrent errors or disparities in unimproved valuations through these processes? If so, how can these be eliminated or at least at a minimum be mitigated?

Mr Dowell: Once an error or discrepancy has been resolved we would have a look at what had caused it or what was the basis of that and see if there would be any similar properties affected and get them checked as well by the AVO. It comes back to the testing of the outliers. Each year when we get the updated valuations we ensure that the AVO does it as well. That is to ensure that they can explain why some properties may have increased significantly more than what you would expect around, or things like that. That is how that is done there.

The other method, of course, is that people have the right to object and that allows the AVO to take individual property circumstances into account in that valuation which may not be picked up in the wider methodology. Once those have been changed, that would then feed into the following year's review. So the same property owner, if an argument is accepted, would have that feed in going forward, which would stop the problem recurring for that property owner.

THE CHAIR: One of the issues that have arisen in discussions here or appearances here relates to the provision of information. If objectors and appellants had more support and information to assist with their appeals, do you believe these figures on revisions to unimproved valuations would change significantly?

Mr Dowell: I suspect not. Currently, if people have any problems with their valuation, in the case particularly of residential properties, people usually contact the revenue office and the staff in the revenue office would not only assist them through what the objection process is but also assist in the provision of information to them. One of the things under the act is that you can only lodge an objection to a property value within 60 days of the valuation being informed to you and there is no discretion to extend that. So in some cases people actually lodge an objection to protect their rights before they have actually considered everything to do with the actual valuation on that case. But we find that quite a few actually withdraw once they have got the information from the revenue office and quite a few do not proceed because of the amount of information that we can provide.

THE CHAIR: That you have provided or that they have to provide to run their case?

Mr Dowell: We provide them with information, if they seek it in the first instance, which will assist them in determining whether they wish to run a case or to object.

THE CHAIR: What sort of information? Do you provide it on valuations in their neighbourhood?

Mr Dowell: That is publicly available already.

THE CHAIR: But you do not provide that.

Mr Dowell: You can access it at the ACT shopfronts. You can actually look up every single valuation.

THE CHAIR: What sort of information if I were objecting?

Mr Dowell: If you wanted to raise a query about your land valuation with the revenue office, the revenue office would provide you with the method of calculation for the valuations and it would also provide the level of information that you need to understand which properties had been used and how that fed into the process, and also information on how to access what the unimproved values are, as well as helping you through the process. We are very happy for people to object. It is not as if we would try to discourage anyone from objecting to their land valuation.

THE CHAIR: We had evidence that you may have reviewed—I am not sure—about areas where there are, say, low turnover suburbs and you may have a one-off that distorts the market. There have been some issues raised about the capacity of that to impact on all the values in the area.

Mr Dowell: That is an issue I would need to refer to our valuers because the valuing methodology would need to take out the outliers to ensure that there was a reasonable certainty of movement across the market.

THE CHAIR: We have taken other evidence on that which we cannot present yet but, hopefully, we will make public. I will hand over to Dr Foskey in a minute, but I just want to deal with two other matters. The matter of land tax comes within the range of issues that we are looking at here. Could you give me your view on the significance of land tax rates on the housing rental market in terms of both the high average rental figures in the ACT and the vacancy rate in terms of the role it may play in either discouraging people or pricing people out of the ACT market?

Mr Dowell: I think that has been covered in the government's submission. There is no evidence in the percentage of residential properties subject to land tax that land tax has had an impact. Around 20 per cent of all residential properties in the ACT since the introduction of the present land tax system have remained land taxable.

THE CHAIR: Wouldn't you find that extraordinary, given that we have had probably the strongest economic growth in Australian history? We have had a massive increase in the number of people investing in second homes and we have had the impact of

negative gearing, which is a major factor in the Australian tax structure now, and yet in the ACT there has been no percentage increase. Don't you find that rather strange?

Mr Dowell: No, to me the land tax has remained static in terms of the percentage. From our perspective, the amount of land tax has remained static as a percentage of the residential.

THE CHAIR: Right, but what I am saying is that the investment in rental properties has remained static as a percentage in a period when there has been extraordinary growth.

Mr Dowell: There has also been a growth in the number properties in the ACT during that period.

THE CHAIR: Sure, but a lot more movement of people into the property market as investments in Australia, thanks largely to the benefits of both a strong economy and negative gearing. The people of Canberra do not seem to be the beneficiaries of that, relative to anywhere else in Australia, on the same scale.

Mr Dowell: As the Commissioner for Revenue, I am not in a position to comment on the impact of the taxes. My duty is to collect them.

THE CHAIR: So you do not look at the impact of your tax recommendations; you are just looking at them from the point of view of how much they will raise and their efficiency.

Mr Dowell: That is probably a question more correctly addressed to the government.

THE CHAIR: The Treasurer was quite happy for you to appear for him today.

Mr Dowell: Yes, but I am not in a position to answer a question like that.

THE CHAIR: No, I was asking whether you take into account, in administering, introducing or recommending taxes to the government, the impact they might have in these areas beyond just the efficiency of them and the value.

Mr Dowell: Yes, we do. Sorry, I misunderstood the question.

THE CHAIR: Would you consider the social impact on families, disadvantage groups and the like of high levels of land tax?

Mr Dowell: Those things would be considered, yes.

THE CHAIR: And you don't think they are having any adverse effect on people, despite us having the highest median rental rates in the country for a home?

Mr Dowell: I don't have sufficient information to answer that, I'm sorry.

THE CHAIR: Okay. I will hand over to Dr Foskey now.

DR FOSKEY: Welcome and thank you for coming in this morning, gentlemen. First of all, I am going to quiz you further on the land tax issue. I am also going to ask some of the questions that have been raised by some of our earlier witnesses. First of all on land tax: I did read the analysis in the government's submission with a lot of interest. This has been raised with me, by the way, as a significant factor in private rental costs. While 20 per cent for a place on the outer edges of Canberra isn't as significant in rental as one in the inner parts of Canberra, it is extremely significant. Your analysis just seems to assume that most property investors are people for whom this is a way of life, a job. It does not really take into account those investors who are, to use Howard's phrase, mum and dad investors, people who have a second property which they thought was going to look after them in their retirement. For them, do you think the impact of land tax might be more significant?

Mr Dowell: The impact of land tax should be taken into account, clearly, the same as any other costs in whether you decide to invest in a rental property. It needs also to be remembered that land tax, as with all other charges, would be taken into account in tax calculations on the incomes of those properties.

DR FOSKEY: What if you are not paying tax in any other way, though?

Mr Dowell: In any other way?

DR FOSKEY: Because you are a retired person and do not have an income from other sources.

Mr Dowell: They would need to take that into account in whether they chose to invest in properties. I would like to clarify one thing. That 20 per cent is not on individual properties. That 20 per cent is as a percentage of total properties in the submission. So what we are saying is that that number of properties has remained at that proportion.

DR FOSKEY: If, as some people have recommended, land valuations were based on the improved values of land, land tax would look a little different, wouldn't it?

Mr Dowell: The land tax or the rate would need to be restructured to ensure that it took account of the increased value of the properties across the board.

DR FOSKEY: In some places at the moment, regardless of the quality of the built house, the land tax is the same, whereas one would expect that land tax would be less on a property that perhaps was a smaller property, an older property, all those things.

Mr Dowell: One of the things to keep in mind is that land tax is a tax on the land, not on the land plus the building. The very nature of the land tax across all jurisdictions that impose it is that it is a tax on the value of the land without any buildings on it. So to move to an improved value would actually be a fundamental shift in the basis of land tax.

THE CHAIR: I have a supplementary question on that issue. There are four jurisdictions that are currently using unimproved value—New South Wales, Queensland, the ACT and the Northern Territory. Using the improved value are Victoria, South Australia, Western Australia and Tasmania. The New South Wales

ombudsman's report confirmed the continued use of the currently adopted methodology based on unimproved land values as the basis for the determination of equitable levels of rates and land tax. Do you have a personal view or a governmental view on this issue?

Mr Dowell: In terms of land tax—

THE CHAIR: In terms of moving the basis.

Mr Dowell: Yes. In terms of land tax, my understanding is that the other jurisdictions are still using unimproved value. It is in terms of rates that they are actually using the capital improved value. In the ACT currently we only have one valuation system to cover both the rates and the land tax. In terms of, I guess, cost efficiencies, it is much better in a small jurisdiction to have one base. Also, I guess, as we are the two levels of government in other jurisdictions, you may well find that the local government which raises the rates could have a different valuation system, much more easily than a single level of government.

THE CHAIR: Do I interpret that answer as meaning you do not favour a change? It sounded like a commentary on efficiency, but I did not really detect a view there.

Mr Dowell: In terms of the current system we have, it would be quite expensive to change that system.

THE CHAIR: So it is not favoured, you are saying.

Mr Dowell: I am not convinced that that would necessarily bring greater benefit to ratepayers or land tax payers. But I think we should have one system, not two.

DR FOSKEY: That more or less answers that question, doesn't it? I am going back a bit here, but I think that one of the impetuses for this inquiry was a decision by the Administrative Appeals Tribunal in November 2005, which you probably remember. I believe that the staff of your office were criticised for failing to meet statutory obligations under taxation laws—I am just quoting from a newspaper article here, so forgive me if the words are a little wrong and suffering a little from journalese—by unfairly withholding information from ratepayers who wished to challenge assessments. In this case, the tribunal found that the owner's expert advice was actually more useful than the Australian Valuation Office's and there was a recommendation for review of the commissioner's procedures to ensure compliance with the law. I am just wondering if there has been such a review.

Mr Dowell: Yes, there has. It hasn't been a formal review. In that actual case there was an administrative error in what was sent out which led to the taxpayer not having the information they should have had. We have reviewed the procedures to ensure that that can't happen again. We have also changed the procedures in relation to the commercial valuations in that we send out the AVO information that we receive prior to determining valuations so that people have the opportunity to make further comment on the AVO information before we have finalised the objection decision.

That has proved to be quite beneficial in enabling taxpayers to raise additional issues

without having to go to the AAT. In some cases we accept them and in some cases they take it to the AAT or they accept our information. In terms of the general information that the AVO provides, we have spent some time working with them on improving that so that it is more understandable to the public, particularly for residential properties where people are less likely to have professional advice. So we have addressed it in that way.

DR FOSKEY: A number of people have given evidence about lack of transparency about, for instance, the methodology for the determination of land values and there has been a proposal that that be made available perhaps on a rates notice. At the same time, it is also considered that the rates notice is not all that could be desired as well, that the rates notice which goes to each landholder once a year could be a quite useful source of information. For instance, if the timing was right, it could include the actual assessments of the unimproved land values so that people could have access to them, but at the very least that there be a website or some other way that people can find out the procedures by which land values are determined, because that can be very confusing, and for the annual decisions about that area to be made available on the rates notice. What do you think about that?

Mr Dowell: The ACT system has three sectors. We issue a rates assessment notice and then people will either pay up front and receive a discount or they will pay in instalments. When you receive the first rates notice for each year, you also get a valuation notice that comes with that rates notice that sets out the basis of the valuation and it has a lot of information on it about how to object and how to get further information. I believe we have put one in the submission, but there are, effectively, two pages that talk about that information and objection rights and where to get further information, whether it be on our website or by contacting us.

DR FOSKEY: I wonder why people do not know about that.

Mr Dowell: It is a different colour to the rates notice. It is actually green and the rates notice is yellow.

DR FOSKEY: We have not had anyone telling us what a great system it is, that's all.

Mr Dowell: I guess, regardless of what system, there is always going to be some element of communication problem, where people will not look at what is said. We often find that people actually do not look at their rates notices.

THE CHAIR: Could we get a copy of that form? I know that it is in your submission.

Mr Dowell: This one is actually an individual person's one, but we are more than happy to give you a blank copy.

THE CHAIR: Could you just hold up the back of it? I think that one of the problems, Dr Foskey, is that it reads like Tolstoy's *War and Peace*. I think that is one of the issues. I think I have said in previous hearings that it is hardly a user-friendly sort of approach.

Mr Dowell: I would be more than happy to work with the committee or other groups

to try to make it more user friendly. One of the issues we do have, though, is that we need to meet the legislative requirements.

THE CHAIR: The legislative requirements do not require you to put it all on one page, do they?

Mr Dowell: No. What they do require, though, is that we disclose the acts and we disclose the process in a fashion that accords with those acts.

THE CHAIR: It is hardly the biggest issue for us to consider, but I think that one of the real factors is that it is of a volume and type that it would hardly be something that people would look at and say, "Oh, that's how you do it." I think that is a factor.

DR FOSKEY: You may need an editor or one of those people who reduce that kind of stuff to a user-friendly form.

Mr Dowell: One of the issues with taxation information is that it is very difficult to remove it from the legislation and you will still end up with quite a deal of that in there.

THE CHAIR: Sure, but you could easily have as a guide a coloured box with a step 1 whereby, if you are happy, you pay up and a step 2 whereby, if you object, you should do such and such. You could still do that and be consistent with the tax laws, I would imagine.

Mr Dowell: We would still need to provide the information, so there are still going to be lots of written words.

DR FOSKEY: How long do people have to lodge an objection?

Mr Dowell: Sixty days.

DR FOSKEY: We had one witness who had clients that had objections with the commissioner for five years without action. Can you verify that?

Mr Dowell: There are some long outstanding objections, yes. Some of it depends on the complexity of the issue, particularly with commercial properties. Often we would need further information and that is not always easy to gather. Sometimes that takes some time.

THE CHAIR: Five years?

Mr Dowell: Not usually on a rates valuation. The only ones I am aware of that have been that long are actually to do with stamp duty, and it is to do with the fact that the clients have failed to provide all the information, as requested.

DR FOSKEY: But there is no time limit, I take it, in which the commissioner's office has to deal with objections; is that right?

Mr Dowell: No, there isn't. Clearly, it is in both the revenue office's and the

taxpayer's interests to try to clear all the objections as soon as possible. In terms of the way the sectors are done, the last objections that can be received are received in around October. So sometimes there is a little bit of an issue in that when the valuations are done as of 1 January those ones received in October haven't been completed and that, at times, will lead to people needing to protect their rights by lodging an objection in the next year.

THE CHAIR: Supplementary to that: what would your view be if this committee were to recommend to the government that there be a defined period in which matters have to be settled and your office was given X months to resolve issues, so that there would be some finality and people would not have it hanging over their head for five years?

Mr Dowell: In terms of rates, I am not aware of many cases where it has hung over their head for five years. There is a difference between rates valuations and duty valuations. In terms of rates, as I said, it is in our interest to resolve them as quickly as possible.

DR FOSKEY: What would be the average time in which you would resolve them?

Mr Dowell: I would need to check.

THE CHAIR: Do you get a periodical report showing items left to deal with—a bit like a debtors listing, for example, which says 30 days, 60 days, 90 days and 120 days? Do you have any kind of reporting mechanism within your office?

Mr Dowell: No, I don't. We are only looking at a couple of hundred objections a year.

DR FOSKEY: A couple of hundred.

Mr Dowell: Yes. In fact, I can tell you for the current year the land valuation objections that we have received, and the period is now closed. We have received 242 objections for the current year. Last year we received 161. So it is not a large volume.

THE CHAIR: It has almost doubled this year, certainly up 70 or 80 per cent.

Mr Dowell: Yes, it has. There has been an increase in the objections from commercial property owners and a reduction in the objections from residential property owners.

THE CHAIR: What do you put that down to?

Mr Dowell: I suspect it is due to the increase in commercial property values.

THE CHAIR: And the residential ones?

Mr Dowell: Why has there been a drop? I assume that it means that fewer people believe that their values are out. The residential values did not increase as much as commercial values across the board this year. The other issue with commercial values is that there is a level where people will object because they see it as not a difficult

process and if they win they get a return.

DR FOSKEY: How many of those objections, especially on residential properties, are still outstanding?

Mr Dowell: As I said, they only came in in October. Remember, these objections have only come in since August. At the moment there is a total outstanding of 231. Quite a few of them would be waiting for reports to come back from the AVO because the process is that when somebody objects we refer it to the AVO for advice. The AVO then needs to do further work on that property to provide the advice. So at this time of the year there will always be quite a few outstanding whilst we wait for that advice to come back.

DR FOSKEY: Really, the arbiter is the person against whom the complaint is being made, you might say, and it was suggested that people would feel that they were dealt with a lot more fairly if a third party outside the office that had actually made the valuation in the first place dealt with the objection, at least had a look at it.

Mr Dowell: The system currently is that the AVO would review it and provide details on a specific property for us. When we determine the objection we rely on that advice. We actually provide that advice directly to the person that has made the objection. They then have the option to have the Administrative Appeals Tribunal look at it. They can take the objection to that stage. The revenue office itself is not a valuation office and so we rely on the advice from them, and the objections process within the office is done by a separate area of the office that has the delegation. The officer actually dealing with the objection is the person that makes the decision, not myself. What I do in the valuation process is I determine the values in accordance with what the AVO has provided us for the start of each rating year.

DR FOSKEY: What percentage would go on to appeal to the AAT?

Mr Dowell: A very small percentage. I believe it is in the submission.

DR FOSKEY: Is it 10 per cent?

Mr Dowell: No. It depends on whether you are talking about the percentage of total objections or you are talking about the percentage of rates notices. You need to keep in mind that we issue over 100,000 notices; I think it is about 126,000 all up.

Mr Marina: About 107,000 valuation notices.

DR FOSKEY: Mr Marina, you need to say who you are.

Mr Marina: Sorry. My name is Angel Marina. I am manager of the revenue accounts section. A bit over 100,000 valuation notices are issued to Canberra property owners. As you are aware, for units that are involved in a unit title property there is only one valuation notice issued for the whole unit title property. There are about 127,000 residential properties and 5,000 commercial, but we probably issue about 107,000 valuation notices per year.

Mr Dowell: I am advised that there were only seven appeals.

DR FOSKEY: Seven appeals. Have they yet been through the tribunal?

Mr Dowell: It is in the report on page 12. We have got the table for appeals showing the properties that have gone through. The discussion is in 3.7.1.

DR FOSKEY: Thanks. I was relying on you to read that out. I was not actually looking it up at the time, but I can.

Mr Dowell: No, that is fine, I am happy to read it. There were seven valuation matters dealt with.

THE CHAIR: We have got it now, Mr Dowell. While Dr Foskey is reading that, did you say what was the number of prior year outstanding objections that you were sitting on? Does that report tell you that?

Mr Dowell: No, I did not, because we would have to manually extract that and that would take some time. I do know that in the prior year we received 161 objections, that is, 1-11-04 to 31-10-05, and we completed in that year 184 of them. Clearly, there are some from the previous year that are still to be completed in the current year.

THE CHAIR: Is it possible for you to provide the committee with data on the outstanding ones by time line?

Mr Dowell: By timeline?

THE CHAIR: Just by year—for example, last year and still unresolved, the year before and still unresolved—and the numbers that fall into those categories.

Mr Dowell: Yes. It will take some time, though.

THE CHAIR: Right. That would be helpful. You can finish it off, Dr Foskey.

DR FOSKEY: Thanks. I have got my own. It is just good to hear it because there are people here who do not have the submission in front of them. The AVO contract actually concludes this month, does it not?

Mr Dowell: Yes, it does. It is currently out to tender and going through the procurement process.

DR FOSKEY: I am interested in the criteria that you are going to use to select the successful tenderer. I am just wondering if you have been following our inquiry and reading some of the submissions and transcripts and whether any of that, even though we have not yet reported, might have entered into your thinking on the criteria?

Mr Dowell: I think the criteria is primarily the same as it has been in other years, but there have been some slight changes, I believe. Mr Marina is in a better position to answer that.

Mr Marina: The criteria to select the successful tenderer will be based on criteria that we have had in past years. It is solid and been proven to produce the best outcome to get the valuation services for the government. We do not see that there is any need to really change that.

THE CHAIR: Dr Foskey's question, though, was that there has been quite a bit of evidence taken here about the valuation system and she was wondering—maybe in vain and maybe I am in vain—whether you have read any of it, listened to any of it, taken any notice of it, or it is just business as usual.

Mr Dowell: Some of the evidence about the amount of information that people have been receiving, where people have said that it is inadequate, and the result of the AAT case, as I said earlier, has already been partly actioned in terms of the provision of advice we have increased. We still have a section for valuations and a process so that the people that provide it will still be basically the same at this point.

Mr Marina: There is a difference between selecting a tenderer to provide services. For instance, some of the criteria that does not change is that the organisation that is going to provide services has got to have the operational capacity to do so on a large scale.

THE CHAIR: We understand that, but the question that Dr Foskey and I keep asking, which I am struggling to get an answer to, is: have you listened to or taken into account the issues that have been raised in the context of this inquiry, especially as they might impact on the tendering process? If not, fine; we would just like clarification.

Mr Marina: Yes, that is my understanding. I have had a read through some of the submissions, actually all of them, and it does not impact on the tendering process for obtaining a service provider to provide valuation services. Some of the issues raised by your submissions seemed to revolve around information, processing of objections with the commissioner's office, the AAT issues, et cetera, and other peripheral issues to deal with planning and building. Selecting a tenderer, for instance, to provide the services does not impact on the information that you give. That is a revenue office and a Treasury responsibility.

THE CHAIR: Let me give you some information as a supplementary question to Dr Foskey's line of questioning. I will be a little bit lengthy here, but it is important because it relates to the very issue. In determining valuations, the best evidence of the market is obtained from sales of similar properties transacted close to the base date of 1 January each year. Submissions to this committee have highlighted that statistically-based control measures have been developed which can be used to determine discrepancies in the valuation process.

This has been recognised by the Australian Valuation Office in their submission when referring to their computer-assisted valuation system, CAVS. It would appear that the current CAVS does not incorporate such quality control checks. As the CAVS can be designed to incorporate statistical tests of accuracy and consistency and provide assurances of the reliability of the data assessed, are there any plans—and it sounds like the horse may have bolted—as part of the tender process or for a future tender

process for the ACT government to seek the introduction of such computer-based quality control mechanisms?

Mr Marina: There are provisions in the contract for the contractor to provide quality assurance about their valuations.

THE CHAIR: Have you asked for that as part of the deal?

Mr Marina: Yes, we have, but not specifically.

THE CHAIR: That is what I think Dr Foskey was on about, that this sort of evidence came out and it would have been enormously valuable to take it into account in a tender process.

DR FOSKEY: I thank you for that, Mr Mulcahy, because we are hoping with this inquiry to come up with some very useful recommendations. For how long have you advertised this future contract as being?

Mr Marina: It is going to be for five years, the new one. The new one is going to be for an initial period of two years and it will have three one-year extensions for a total of five years maximum.

DR FOSKEY: Does the current contract conclude at the end of the month? Will there be a period of limbo before the new contract is decided?

Mr Marina: There is a bit of a lag because obviously the new valuations for January 2007 will not be assessed—although they will be gathering evidence—until next year. The current contractor still has the obligation to perform the objection reports that have been referred to it under the previous contract, so they will be certainly undertaken by the current contractor, which is the Australian Valuation Office, and they will have an obligation to complete those valuation objection reports and any outstanding work under the current contract. The new contractor will just simply pick up and start doing the new valuations as at 1 January 2007, and they are due to be delivered to the government by the end of March 2007.

THE CHAIR: Do you expect any more than one tender for the contract?

Mr Dowell: We would not be able to answer that.

THE CHAIR: What has been past practice?

Mr Marina: Past practice is that we have received up to three or four.

DR FOSKEY: And what is the process whereby you make that decision?

Mr Dowell: It is the normal procurement process under the procurement guidelines.

Mr Marina: A request for tender goes out. Tender evaluation is done by a tender evaluation committee. A recommendation is put forward to the chief executive of Treasury. He will have the delegation to authorise that procurement going forward.

DR FOSKEY: And you presumably will have some input into that decision, though, as the people who work most closely with the successful tenderers.

Mr Marina: The tender evaluation committee—I am on the committee—and a number of other people who work in the Revenue Office will assess the tender based on the assessment criteria and make a recommendation to the chief executive based on procurement guidelines, and it will go forward from there.

THE CHAIR: Just related to that line of questioning, I am not sure if you are aware of the Commonwealth Grants Commission report of 1984 and the ACT task force on self-government which recognised the likely need for an ACT valuer general and a valuation officer when the territory gained self-government, which is now well and truly with us. However, despite having self-government, this has not happened, and property tax values in the ACT are carried out under the commonwealth's Australian Valuation Office. Do you have any thoughts on the viability of the ACT having its own valuer general?

Mr Dowell: The basic valuation process is done by a valuation expert to provide information to the revenue office or to the revenue area. I do not see any added value of a land valuer or a valuer general. I think we are too small.

THE CHAIR: The NT have one, though, don't they?

Mr Dowell: It may.

THE CHAIR: I think he appeared here before us, as I recall. Yes. There are fewer of them than there are Canberrans.

Mr Dowell: I am not quite sure what role and what additional value there would be.

THE CHAIR: There might be those cynics who could argue that about all of our functions but hopefully that is not the case.

Mr Marina: Certainly in jurisdictions where there is a larger landmass, a valuer general would ensure that any valuations that are done within that jurisdiction were consistent and that standard principles applied. As you know, within the ACT we are a city-state type situation; it is very, very small. A valuer general would probably serve not much purpose other than what the current contractor does in terms of producing valuations and making sure that the values are as accurate as possible and meet valuation standards.

THE CHAIR: What is the value of that contract over the life of it or has been for this period we are finishing?

Mr Marina: It is estimated to be about \$500,000 a year including GST.

THE CHAIR: Okay. So for that they would undertake about 107,000 valuations?

Mr Marina: Yes, and then they also have to provide data to the Commonwealth

Grants Commission as part of their annual reporting process on land values. They also have to undertake the objections. There is a set number of objections that they have to undertake for that value. They also have to provide the revenue office with a number of stamp duty valuations for stamp duty assessment purposes.

THE CHAIR: So if you took the value of that contract of half a million dollars over 107,000 ratepayers and then all of the other things done, the remunerative value for valuations per householder or per taxpayer would be less than the value of a pizza, I imagine.

Mr Marina: Sorry? Less than the value of?

THE CHAIR: Less than the value of a pizza. My point is that when you are paying somewhere around \$3 to \$4 per valuation it raises some interesting issues about quality controls and such matters. Maybe we are getting a Rolls-Royce standard for \$3 or \$4 per valuation, but you are saying there are all these other functions that are carried out all within that price. It seems extraordinary. The cost for what is supposed to be a high quality service, and it may well be—

Mr Marina: You will find that all valuation firms these days that are doing en masse residential—and to a lesser extent commercial ones, but certainly the residential valuations—are doing them through that mass appraisal system, and most of them would be quite a competitive price.

THE CHAIR: I am sure it is competitive. They would not have the contract if they did not.

Mr Marina: Exactly right.

THE CHAIR: Yes.

Mr Marina: And it is a similar price to what is paid in other jurisdictions and what is expected in other jurisdictions. It is not an exact science, as this committee has established, and there is this plus or minus 15 per cent, which is an accepted standard with the valuations. The objection process certainly lends to individual property owners coming forward with individual issues about their land values, which are brought to the attention of the valuers to address through the valuation process and certainly through the appeals process. That is how we get the ultimate quality control on the valuations.

THE CHAIR: Thank you.

DR FOSKEY: Just to go back to some of the submissions, the Council on the Ageing had some concerns about a lot of its constituency. For a start, there is the complexity of the rates notice which, with due respect, is probably not that accessible, especially to people with poor eyesight, as the aged often have, but in terms of its complexity of the information as well. COTA felt that there needs to be much more available advice and advocacy for ratepayers like that. I heard you say earlier on, Mr Dowell, that people go to the shopfronts. Well, we have just had a major shopfront here close, and a lot of people did go there, I am sure, and maybe they are going there right now and

finding out it is closed because that is how people work—not everyone reads the *Canberra Times*. A lot of them do not have the internet either—that is if the information is there. I am just wondering about this sort of thing. Can they ring Canberra Connect, for instance? Will they then get put through to you?

Mr Dowell: They will be put through. If people have questions like that, usually if they ring us. We encourage them to talk to the valuers so that they can understand the process. The valuers often deal quite directly with taxpayers and explain the way the values have been derived. We also are happy to provide the sales evidence. Particularly with specific groups and the way that we produce the notices and provide information to them, I am more than happy to talk to any of them to see how we can assist them.

The revenue office is very keen to ensure that people have sufficient and understandable information within the constraints that we need to explain the way the act works to meet the AAT requirements. We set it out step by step. The committee has made it fairly clear that the way that we currently do it can be somewhat off-putting. As I said earlier, we are more than happy to look at ways of improving it.

Mr Marina: Just from an revenue accounts perspective, when a property owner rings up, and especially an elderly person, they will first of all get a real person on the phone. They will not get a machine or something like that. From there we will provide whatever information we can to assist them in understanding the valuation process, where they can obtain copies of the commissioner's schedule at a Canberra shopfront, or coming into the revenue office to have a look at and inspect that.

As Mr Dowell has pointed out, under the contract the valuers do make themselves available to talk to ratepayers. At times when values have been a hot issue when they have increased by a large amount, we have actually had the valuers come to our office at the time that we issue the notices and take phone calls from property owners to assist them with understanding the valuations. Obviously, that is in times when values do not move so much—it is more efficient to have the valuers staying in their office—but we certainly do not shy away from property owners being able to contact the valuers, talk to them about the values and in fact get as much information as they can to make an informed decision about whether they need to go forward. Certainly, with elderly people, we help them as much as we can.

Mr Dowell: It is actually not uncommon for elderly people to come to the revenue office to seek some advice, and our staff are very used to that.

DR FOSKEY: I think that what will never go away is the fact that people like to talk to a human being, and sometimes more than just over the phone. That's why I think that closure of the shopfronts is regrettable, but I think it's excellent that people feel that they can come to your office.

I am just checking that I got a satisfactory answer, because I can't remember if I did, to my concern that objections to rate assessments and unimproved land values are currently being determined in the first instance by the very people who set them. I'm not sure that you answered that satisfactorily.

Mr Dowell: The way it operates within the revenue office is that the revenue accounts area, which Mr Marina manages, checks the valuations for outriders and things when they come in. They then present me with a schedule and I determine it. When somebody objects, they deal with a different area of the office. There are normally about three people in that area that would deal with land valuation objections. That area effectively has the capacity to make its own decisions. Therefore the people who deal with the administration of rates and land tax accounts are not having anything to do with the objection process.

THE CHAIR: Could I just raise a question on time parameter date application of fixed valuations. It is based on some evidence that we heard a little while back. When selecting comparative sales data we understand that the AC Treasury suggests choosing sales three months either side of the valuation date of 1 January. In this case there is a six-month window from which sales can be chosen. When you have a rapidly rising real estate market, it is possible the sales in October may be underpriced if used as improved values at 1 January, and those in March may be overpriced with the opposite occurring in a falling market.

If sales were fairly spread over the six-month period the overpriced and underpriced values may cancel themselves out. However, this is unlikely to be the case. It would appear to be practice that valuers often have to go outside the six-month period to get sufficient comparative sales. If a comparative sale is used, which took nine months from the 1 January valuation date then consideration must be given to adjusting the sale price for time. And this would be particularly so in a rapidly rising or falling market.

Are you able to provide the committee with any comment on the measures used to adjust sales used in the valuation process to take into account the time of the sale and to bring them all to a value as at 1 January, the valuation date? I'm sorry for such a convoluted question—it sounds like a quiz or a Mensa test—but do you understand where I'm coming from?

Mr Dowell: I understand the question. Effectively that's a valuer's issue. The values need to be within the quality controls and the requirements of the contract for valuations which would meet the valuation standards.

THE CHAIR: You set 1 January three-month windows, don't you?

Mr Dowell: Yes. But it's really a valuer's issue. If they have a problem with that, they would need to adjust for it.

THE CHAIR: Would you be in a position to come back to the committee or to send us a note back if you can look in to that issue?

Mr Marina: I can probably shed some light on that. The valuers, as I understand from the processes, sometimes have to go beyond the three months either side of the 1 January date. As you know, the 1 January date is set in the legislation—in the Rates Act—and that is when the values have to be determined.

As I understand the values, if they have a lack of sales evidence in close proximity to

the sales—in residential in Canberra it's usually not too much of a problem because we have something like about 10,000 to 12,000 transfers each year of land, so there is sufficient sales evidence in residential markets to be able to determine the values as at 1 January or in close proximity.

It more comes with the commercial properties, especially with some commercial lease purpose clauses being quite distinctive to others and not quite in the same thing. With, for instance, a large hotel site or a large shopping mall there may not be sales of that type. So sometimes in those instances they have to look further afield for sales evidence, and in fact they may have to go to other jurisdictions. They adjust the price according to the circumstances in the ACT to get the value as close as they can around the relevant date.

It comes down to a judgment call from the valuer. They use their accepted valuation principles to try and arrive at the best value or the value that they believe that the site is worth in its unimproved state as at that 1 January in the particular year that they are valuing. So sometimes, yes, they do have to go outside that three-month situation and have to adjust accordingly based on the sales.

THE CHAIR: But do you have a better idea of what measures they use to adjust those sales?

Mr Marina: For commercial, for instance, there is the rate per square metre of a building—how much it would fetch. The valuation process for commercial is quite different to residential.

THE CHAIR: Let's look at residential. I think we had evidence presented about Griffith or Red Hill—some examples there.

Mr Marina: They would normally try and find vacant sales of land. If they can't get a vacant block of land it may be an improved sale. As you know, there's a lot of redevelopment happening in a lot of the suburbs and some properties are purchased for the purpose of demolishing the existing old residence. If someone pays, for argument's sake, \$800,000 for a place in Forrest and then knocks it over, they've basically paid \$800,000 plus the cost of demolition for a vacant block of land. That's fairly strong sales evidence of the land value in that particular suburb.

Where properties are not knocked over and there are just improved sales—there are no land values—the method there is that they sometimes try and inspect properties with the owner's permission to try and find out what the value of the improvements might be, because they have to deduct those improvements from the actual sale price to arrive at a deduced land value for that particular sale.

As you know, with the improvements on some properties, depending on whether it's had bathroom renovations or extensive renovations inside, with carpets, tiles and what have you, there can be quite a difference between the value of one house as opposed to another, even if they are on exactly the same sized block of land and exactly the same house on it, depending on what condition the improvements in the house may be in.

The valuer has to try and get as much information as they can to make sure that when they are making adjustments for the improvements to deduct that from the sales price, they are accurately doing that. And that's just a matter of investigation, applying building standards, cost of construction and depreciation rates. All those sorts of issues have to be taken into account to try and arrive at the best estimate of the analysed land value that may be from that improved sale.

Obviously in suburbs where there's infill and in the outer suburbs where there are vacant blocks of land, they are direct and very pertinent evidence for the valuer to use to arrive at the land value as at the relevant date of 1 January.

THE CHAIR: I appreciate that. You may wish to have a look at the evidence presented by Mr Price before the committee. If, after you've read that, you have any other comments that the Treasury wants to offer, I'd be pleased to receive them

DR FOSKEY: Before when we asked you about your opinion in relation to improved and unimproved land valuations, I felt that you really came down to the decision that if we're going to have valuations based on improvements, we would still have to have valuations based on unimproved land and therefore there was a cost factor that ruled it out.

I didn't feel that you considered other potential advantages. You were talking very much from the aspect of government, which of course is always looking for cost savings. I wonder if you would like to look at it from the perspective of the committee or of some of the people who have submitted to us and consider how there could be advantages from them in making valuations, for instance, from the perspective of land tax and rates, I think. We are talking residential too, I guess; I am not sure. I'm just exploring here and I'd be interested in your coming along on this exploration with me.

Mr Marina: We will leave land tax aside because, as Mr Dowell has pointed out, the fundamental principle of land tax is that it's based on land value, and that is what is done across all other jurisdictions. As for the notion of rating properties on improved values, both valuation produces have their disadvantages and advantages.

Obviously, with unimproved values, there is an understanding that the land is immovable—it doesn't change—and unless there are changes to, say, lease purpose clauses, then the valuation for the majority of it stays. The basis of valuation would stay pretty stable. With improved valuations it's much more costly to administer those sorts of valuations, on the basis that people are adding, removing, building, and those things have to be taken into account in the values. There are also some unknowns in there. If you really are valuing on an improved value, for instance, every time somebody does a bathroom renovation or somebody improves their property to some degree—adds a pool, a pergola or does the yard up even—the whole lot has to be taken into account. So you can imagine the process, and that is going on all the time.

DR FOSKEY: But yet it is done.

Mr Marina: But what I am suggesting is that the shortcomings that you may find with an unimproved valuation system also exist with the improved one. So you are not moving to a necessarily less complex or a fairer system.

DR FOSKEY: But if you took that context of looking to increase the affordability of housing in the ACT, would using improved land values make a difference?

Mr Marina: It has no nexus. You have to meet the cost of your rates obviously, and if you're living in Forrest you have got to be able to afford them. But housing affordability per se is not really directly tied to one valuation method or another.

For instance, the way that we strike the rates in the ACT, as in other jurisdictions is that we have a revenue target, we know what our total valuation is and we know how much of those rates we will collect from the fixed charge for rates, and on that basis we arrive at a rating factor. So irrespective of how or what valuation method you use, it may not necessarily change your overall rates take. Therefore the valuation method has no real nexus between housing affordability.

The other thing, as you are aware, is that back up to about 1997 we based our rates solely on the valuation of a property. So it was all an ad valorem charge. Since then successive governments have put in a fixed charge, and that is to reduce the volatility of the impact that values have upon the rates bill. It also reduces the progressiveness of the system and goes more to a balance of user pay versus ad valorem charge. So the valuations have reduced in their impact on the rates bill because of the increase and the level of the fixed charge over the years.

The other thing that has happened is that the governments have introduced the average unimproved value to raise rates. So a single valuation movement in any particular year is reduced by a third on the AUV, which is the average unimproved value, which we use for rating purposes. So we're using a rolling three-year average, which does smooth out any increases or decreases in valuations, and that certainly has helped stabilise the amount of rates bills that people get each year.

THE CHAIR: But you can't go backwards, can you?

Mr Marina: Yes, you can.

Mr Dowell: Yes, you can. You will find sometimes with the average valuation that you will have a year when the values have actually decreased slightly, but your average valuation may still go up because that decrease in value may still put a higher value on the property during the year than fell off. It can also go the other way.

Mr Marina: Yes. If you have a reduction in land values and AUVs over a period of, say, three or four or five years, you will get a reduction in AUVs, but that might not translate into a reduction in rates because, obviously, you have got a revenue target.

THE CHAIR: I would take issue with your contention that rates have no bearing on housing affordability. Having been a landlord, a tenant and a property owner, it must be built into the—

Mr Marina: No—

MS MacDONALD: I think, Mr Mulcahy, he said that the land valuation mechanism

did not have an impact on the—

Mr Marina: That's exactly right.

Mr Dowell: But it is not the method of valuation. That may at the margins affect the distribution, but the way it would filter through to dollars is probably not significant per property.

Mr Marina: Yes. I've acknowledged that if you want to live in Forrest and if your rates are \$4,000 a year, for instance, then that's a decision that you may make if you buy into the suburb.

THE CHAIR: It's still \$80 a week in rates. If you are renting a property you are going to want to recover it, aren't you, so it does have a flow-through effect on all property rentals.

Mr Marina: Certainly more the case of the cost of purchasing a property and interest rates and the overall—

THE CHAIR: Everything's in there.

Mr Marina: That's the more major factor of—

THE CHAIR: Tax issues, the lot. Yes.

Mr Marina: Yes.

THE CHAIR: But everything from insurances to rates to land taxes are all part of the equation for landlords in determining what their rents should be, and in Canberra they happen to be the highest in Australia at the moment.

MS MacDONALD: If there were a huge slump in property prices, as there was in Sydney in the early nineties, and that caused unimproved values to drop, would that have an impact on the rates over time?

Mr Dowell: It would depend on how the property prices altered across the ACT. The total amount of rates that the government would collect under the current system in the way it is calculated would remain the same. But what you sometimes find is that, maybe in the outer suburbs, property values go up at a higher percentage than in the inner suburbs, or they might fall and the others might go up, and that will have an impact on the distribution of rates as to where the burden falls.

THE CHAIR: But that's my point: it can't go back. Under the current system, the ACT Government is going to get its share of—

Mr Dowell: Yes.

THE CHAIR: the tax pie, irrespective of whether each of us has a different rates bill. Because you've got a revenue—

Mr Dowell: But an individual property can actually get a reduction in rates under the current system, depending on the relative movements across the jurisdiction.

THE CHAIR: Yes.

Mr Marina: And that is the same in all jurisdictions or councils that levy rates. It is based on your budget to provide services. Irrespective of the movements in valuations, you have to collect a certain amount of revenue to fund those services.

THE CHAIR: Variables, though, I think, come on the fixed charges, do they not?

Mr Marina: Sorry?

THE CHAIR: As opposed to the indexation system we have, the fixed charges aren't consistent across all jurisdictions?

Mr Dowell: No, they're not.

Mr Marina: Some jurisdictions have minimum charges, some other jurisdictions also have a fixed charge as well as a minimum charge and so forth. There are variations to that rating methodology, yes.

Mr Dowell: You'll also find that some jurisdictions will charge separately for certain services such as garbage removal and things.

DR FOSKEY: Will the new charges, as a result of this year's budget, be included in next year's rates notices?

Mr Dowell: Do you mean the way they've been included this year for presentation, or do you mean the ongoing for—

DR FOSKEY: I am not a ratepayer in the ACT so I don't really know from experience what these things look like. But what are some of the new charges on landholders?

THE CHAIR: The fire and emergency services levy is on the rate notices now, from memory.

Mr Marina: It is.

Mr Dowell: It is on the rate notices. It is incorporated as part of the rate.

THE CHAIR: Yes. And I take it the utilities one, if it is introduced—it should pass—would actually be applied directly not to taxpayers but to utility providers.

Mr Dowell: It wouldn't be applied to ratepayers, no.

THE CHAIR: And then the water abstraction charge is on your water—

Mr Marina: That's for ActewAGL.

Mr Dowell: That would not be through us, either.

THE CHAIR: It is on your Actew account.

Mr Dowell: Yes.

Mr Marina: Certainly the fire and emergency services levy is the new charge that has gone onto the rates notices as an efficiency measure to put it all together. As far as we are aware, it will continue.

DR FOSKEY: It's spelt out?

THE CHAIR: Yes. I'm sure I've seen it.

Mr Dowell: I am more than happy to provide a sample of the rates notice to the committee. It will show how that is set out for both commercial and residential.

THE CHAIR: From memory, it's differentiated, isn't it, on your notice. It's got "fire and emergency services levy" as a line item.

Mr Dowell: Yes.

Mr Marina: It is included as part of the fixed charge for residential, but underneath it includes an \$84 charge for the fire and emergency services levy. It is the same for commercial. It is based on land value, but underneath we say that so much is for the fire and emergency—

Mr Dowell: We do specify what it is.

THE CHAIR: And the ambulance levy is applied to the private health funds—

Mr Dowell: Yes, it is.

Mr Marina: That's right.

THE CHAIR: if the ratepayer does not have insurance, is that right?

Mr Dowell: The private health funds pay the levy in most cases.

Mr Dowell: It's part of their product.

THE CHAIR: Unless the customer or patient does not have health insurance, then that they're responsible.

Mr Dowell: In which case they would be subject to a direct charge. That is my understanding.

THE CHAIR: Yes.

Mr Dowell: You may need to confirm that with the ESA.

THE CHAIR: I think that was in the budget papers, from memory, yes.

Mr Marina: That's right.

DR FOSKEY: It has been suggested to us in submissions that the ACT government could consider making available information regarding benchmarked blocks to members of the public who are objecting to their land valuation. What do you think about that?

Mr Dowell: That's already available. We provide that to anybody who asks for it.

DR FOSKEY: So you need to ask for that?

Mr Dowell: You need to—

DR FOSKEY: It was suggested that it could be a bit more readily available than that without having to ask.

Mr Dowell: One of the issues of that would be cost. If you were proposing that it be posted out, it would also, obviously, generate a lot more paper use.

DR FOSKEY: Well, not everyone is interested—

Mr Dowell: That's true.

DR FOSKEY: but a website might be the way to go with that one, perhaps because it is the first step of an investigation a person might make.

Mr Marina: We would certainly have information on the revenue website about unimproved values, the same convoluted information we've got here, but it's obviously easier reading when you read it off a website than on a notice, but it's all there. We also provide the sales evidence to people on request and we can certainly have a look to see whether or not we can put that sales evidence on the website for people to access a little bit more easily. But certainly it is available to anybody. The valuers certainly make their notes available to people if they want to discuss how a valuation in a particular suburb came about, especially if there are different localities and so forth within each suburb that the valuer looks at. So that sort of information can be made available to property owners through the valuers. There is no question about that.

DR FOSKEY: Not everybody in the public is a member of this committee. We had to have an inquiry to find out an awful lot of the things that we've since found out. I'm just wondering whether there has been any thought given to producing some sort of small and succinct document for ratepayers which explains the methodology and processes used in land management in the ACT. I refer you all to Victoria's valuation best practice notes that do exactly that. It could be a website page or it could be a document that is available to people. It could be a question and answer thing, dot form or—

THE CHAIR: Frequently asked questions.

DR FOSKEY: Yes.

Mr Dowell: We would be more than happy to have a look at that. I'm not aware of the Victorian one offhand, but I am more than happy to have a look and see how we can incorporate that within our system and talk to the valuers about how we might do that.

DR FOSKEY: Again, I might say that the questions and the matters raised in this inquiry would probably give you some idea of the kinds of issues that are out there in the public and that people have been confused about as regards the sorts of things that you might look at for the document.

THE CHAIR: Mr Dowell and Mr Marina, thank you for your attendance today. I know it has taken up a fair bit of your day but we appreciate your attendance. On the behalf of the committee, we found it informative to receive the response that you were able to give us today.

The committee adjourned at 11.53 am.