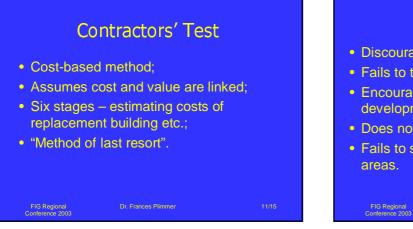


"The world of rating appears to be cloud-cuckoo land, a world of virtual unreality" China Light & Power Co. Ltd. v Comr. For Rating and Valuation 1995			<ul> <li>Consider all evidence;</li> <li>All methods of valuation are "admissible";</li> <li>"Goodness or badnessgoes to their weight as evidence."</li> <li>Law intervenes with: <ul> <li>formulae for certain property types; and</li> <li>decapitalisation rate for contractors' basis.</li> </ul> </li> </ul>		
FIG Regional Conférence 2003	Dr. Frances Pilmmer	7/15	FIG Regional Conterence 2003	Dr. Frances Pilmmer	8/15





## **Sustainability**

Valuation

- Discourages physical improvements;
- · Fails to tax all occupiers;
- Encourages the withholding of land for development;
- Does not tax development value;
- Fails to support sustainability in urban areas.

## Land Value Taxation • LVT levied on owners: • "Highest and best use" based on planning system; • Taxes valued added by community efforts e.g. planning permission; • Encourages physical improvements to land;

· Helps reduce urban sprawl.

FIG Regional	Dr. France
Conference 2002	

## Valuation for LVT

- Based on unimproved site value;
- Limited market evidence:
- Adaptation of existing valuation methodologies;
- Residual method?
- Cost-based system?
- Back to "cloud-cuckoo land"?

FIG Regional Conference 2003	Dr. Frances Plimmer	

## Conclusions

Plimme

- Tax based on open market value;
- Tax must use defendable methodologies;
- Tax should support sustainable principles;
- · Tax must be acceptable by the public:-
  - reflect ability to pay;
  - be proportional;
  - comprehensive in coverage;
  - based on values they can relate to.

FIG Regional Conference 2003