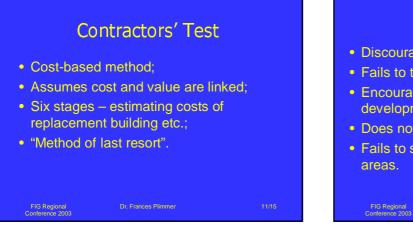


"The world of rating appears to be cloud-cuckoo land, a world of virtual unreality" China Light & Power Co. Ltd. v Comr. For Rating and Valuation 1995			 Consider all evidence; All methods of valuation are "admissible"; "Goodness or badnessgoes to their weight as evidence." Law intervenes with: formulae for certain property types; and decapitalisation rate for contractors' basis. 		
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