

69. The Valuation Department does not pretend to be a Department that makes every valuation correct, but what it does pretend to do is to take every possible care in making valuations not to over-value but to be on the low side. One reason for that is that the Government itself lends money on the valuations of the Valuation Department. We have instances in the Dominion where owners have fought the Department in the Court and succeeded in getting their valuations reduced, and in a short time the same people have applied for a loan, and have increased their valuations to far beyond our valuation?—That is quite possible, but I am not going into the question of what human nature does. I am only going into the question of overvaluation by the Valuation Department. There is no sentiment in what I have introduced, and I do not see why you are bringing it in.

70. You charge the Department with overvaluation?—I did, and gave proof.

71. You gave no proof?—I did. I have given convincing proof, but I will give further proof. In the Borough of Devonport there is a property owned by the Takapuna Jockey Club, which was recently revalued by the Department—the valuation being excessive. The club appealed, and I appeared on behalf of the Jockey Club's objection. Lengthy evidence was taken on both sides, and finally the Court reduced the valuation by over £3,000. I take it, you will admit that was a fairly large amount to have any valuation reduced by.

72. Who reduced the valuation?—The Court.

73. The question between the Jockey Club and the Department was that the Jockey Club took up the position that it was a sports-ground?—The club did not do any such thing. You are making a statement which is not correct.

*The Chairman* : Were there any restrictions on the power of selling or leasing?

*The Valuer-General* : No. In the case of recreation-grounds the Department is always upset by owners and trustees, on the ground that not being used for residential or business purposes, but being for sports purposes, it should not be valued the same as land for those other purposes.

*Witness* : That contention was never raised in this case. The only contention raised was that the valuation of the land was excessive, and that the proportion of improvements to the capital value was excessive.

74. *The Valuer-General* (to witness).] I am speaking of the contention raised between the club and the Department before the matter went to the Court at all?—The contention was never raised either before the case was heard or when the case was heard. You must be thinking of a contention raised by some other club.

75. I am not thinking of any other case?—Then I defy you to bring one person, or any evidence of any kind, to substantiate your statement.

*The Chairman* : We are not here to substantiate statements you or Mr. Flanagan make. We have your evidence, and we have what Mr. Flanagan says.

*The Valuer-General* : I am dealing with the facts of the case. The Takapuna valuation notices were sent out. Objections were received and conferences took place. Certain cases went to the Assessment Court, and evidence was taken. The Assessment Court upheld the valuation of the Department in most cases. In some cases they reduced. The general impression conveyed by that is that there having been 2,487 assessments and only 267 objections lodged, and only eighty-nine were submitted to the Court, the facts show that the valuation must have been a fair one.

*The Chairman* : We take that with this qualification : We are not so much concerned with the matter of the Court as it is, but with the view of inquiring into the Court with the possibility of suggesting some further legislation on the subject. We have been told by some witnesses that people dissatisfied do not take the trouble to object, so we have to take these figures in the light of evidence given in that direction.

*Witness* : I would like to call your attention to this fact. Mr. Flanagan, the Valuer-General, representing the Valuation Department here. I am giving my evidence and making my statements as clear as I can. I have to battle the question out before you with the Valuer-General, who makes assertions he cannot uphold. I want to call the attention of the Commission to the position that a person who appeals is placed in when he comes before the Court, of having gentlemen put up against him, as Mr. Flanagan is up against me now. I can take care of myself, but what about the ordinary objector who appeals. That is exactly the point I want to raise. They are absolutely overridden when they come before the Assessment Court.

*The Valuer-General* : I am not up against you at all.

*Witness* : You are trying to be, but I can protect myself.

*The Chairman* : The Valuer-General is representing the Department in Wellington. There is not any feeling in the matter, or there ought not to be. I do not think there is.

*Witness* : There should not be any feeling, but I do not think that the Valuer-General should say that my statements are not correct. When I make a definite statement I know it is a fact.

*The Valuer-General* : As head of the Department, when charges are made that the Department makes overvalues I must deny them, because I know differently. Mr. Alison also said that the Department minimized the value of improvements.

*Witness* : I contend that, speaking generally, an insufficient allowance is made for improvements.

*The Valuer-General* : I know there is a misconception as to what constitute improvements. It has been stated to the Department that all the money spent on land since the taking-up of the land should be counted as improvements. In the first place, the valuer has to value the improvements on the land that are not exhausted, and also he has to get the value of the improvements only in so far as they are a factor in arriving at the capital value. It would be quite different if the system of taxation was on the annual value; but it is on the unimproved value, and the law provides that the improved value shall be independently obtained. That being the case the valuer fixes the unimproved value, and the improved value must be the difference between that