BEFORE THE LAND VALUATION TRIBUNAL
AT ROTORUA

LVP 8/05

IN THE MATTER OF	the Rating Valuations Act 1998
BETWEEN	TE WHAITI NUI A TOI TRUST Objector
AND	WHAKATANE DISTRICT COUNCIL Respondent

Hearing: 20 November 2006

Appearances: Mr G Dennett for the Objector
Mr M Power, Valuer on behalf of the Respondent

Judgment:

RESERVED JUDGMENT OF THE WAIKATO NO. 2 LAND VALUATION TRIBUNAL

THE OBJECTION

[1] This is a rating valuation objection. As at 1 September 2004, the Whakatane District Council valuation of the objector's 1,137 hectare bush block at Te Whaiti is as follows:

Capital Value	$365,000
Land Value	$365,000
Value of Improvements	Nil

[2] The objector contends that the property should have a Land and Capital value of $183,000 as at the valuation date. The valuation was reviewed by the respondent but no amendment made. Accordingly the objection comes before this Tribunal.

PROPERTY DETAILS

[3] The property in question is Maori freehold land gazetted as a Maori reservation pursuant to s.338(1) of the Te Ture Whenua Maori Act 1993 and set apart as a Maori reservation for the purpose of a landing place and scenic reserve for the common use and benefit of the owners of Te Whaiti Nui A Toi and their descendants. The Gazette Notice is dated 24 July 2000. The property is owned by the Te Whaiti Nui A Toi Trust. It consists of 1,137.8 hectares, zoned Rural 2 under the Whakatane District Plan. Permitted activities allow for rural production including production forestry with one dwelling per lot.

[4] The property is situated on State Highway 38, approximately 10 kilometres south of Murupara. The surrounding properties comprise mainly a mix of undeveloped land in native bush, National Park and exotic forestry. Its altitude ranges between 310 metres and 680 metres above sea level. Contour is steep and broken hill country in native bush. The property bounds the north side of State Highway 38 over a length of 230 metres. From there it extends north and north west in an irregular shape. Its eastern boundary is the Whirinaki River.

[5] Mr Reynolds, the objector's valuer, said in his evidence that the land's highest and best use is as a stand of remnant native trees possessing landscape, recreational and conservation values, and that it was on this basis his assessment of value was undertaken.

BACKGROUND EVIDENCE

[6] The Tribunal heard evidence from Mr Te Amo, the chairman of the Te Whaiti Nui A Toi Trust. He told us the history of the block. Over the generations, the Ngati Whare people engaged in many battles to hold the Whirinaki Valley. Ngati Whare were nomadic in lifestyle, roaming the Whirinaki Valley for food, snaring birds, kiore (or native rat) and gathering the fruits of the forest for food and medicinal uses. Ngati Whare decided to set aside these lands as a Maori reservation because of their very strong historical and spiritual attachments to the land. There are at least two wahitapu within the reserve, as well as battle sites and

pa sites. He went on to tell the Tribunal that the reserve land is the only part of the Whirinaki Valley not subject to Crown or private ownership, or in the possession of the Crown under a 99 year lease. He said there was no prospect of these lands being alienated by the trustees or the owners.

VALUATION PRINCIPLES

[7] Section 2 of the Rating Valuations Act 1998 sets out the relevant definitions of "capital value", "improvements", "land" and "land value".

> "**capital value** of land means, subject to sections 20 and 21, the sum that the owner's estate or interest in the land, if unencumbered by any mortgage or other charge, might be expected to realise at the time of valuation if offered for sale on such reasonable terms and conditions as a bona fide seller might be expected to require."
>
> "**improvements**, in relation to any land, means all work done or material used at any time on or for the benefit of the land by the expenditure of capital or labour, so far as the effect of the work done or material used is to increase the value of the land and its benefit is not exhausted at the time of valuation; but does not include—
>
> (a) Work done or material used in—
>
> (i) The provision of roads or streets, or in the provision of water, drainage or other amenities in connection with the subdivision of the land for building purposes:
>
> (ii) The draining, excavation, filling, or reclamation of the land, or the making of retaining walls or other related works:
>
> (iii) The grading or levelling of the land or the removal of rocks, stone, sand, or soil:
>
> (iv) The removal or destruction of vegetation, or the effecting of any change in the nature or character of the vegetation:
>
> (v) The alteration of soil fertility or of the structure of the soil:
>
> (vi) The arresting or elimination of erosion or flooding:
>
> (b) Except in the case of land owned or occupied by the Crown or by a statutory public body, work done or material used on or for the benefit of the land by the Crown or any statutory body except to the extent that it has been paid for by way of direct contribution."

"**land** means all land, tenements, and hereditaments, whether corporeal or incorporeal, in New Zealand, and all chattel or other interests in the land, and all trees growing or standing on the land."

"**land value**, in relation to any land, and subject to sections 20 and 21, means the sum that the owner's estate or interest in the land, if unencumbered by any mortgage or other charge, might be expected to realise at the time of valuation if—

(a) Offered for sale on such reasonable terms and conditions as a bona fide seller might be expected to impose; and

(b) No improvements had been made on the land."

[8] Both land value and capital value are made subject to ss.20 and 21.

[9] Section 20 provides:

"**20 Value of trees and minerals**

(1) The value of any trees is not to be included in any valuation under this Act unless the trees are fruit trees, nut trees, vines, berryfruit bushes, or live hedges.

(2) The value of any fruit trees, nut trees, vines, berryfruit bushes, or live hedges is not to be taken into account in assessing the land value of any [rating unit] under this Act.

(3) The value of any minerals is not to be included in any valuation under this Act unless the owner [of, or ratepayer for (if different), the rating unit] is receiving a benefit from the sale or use or working or extraction of those minerals."

[10] So, the trees are part of the land but unless they fall within the s.20(2) category, their value is not to be included in any valuation under the Act.

BACKGROUND TO SECTION 20

[11] The forerunner of s.20 first appeared in our legislation in the Government Valuation of Land Amendment Act 1900 by excluding "native bush or native trees which have been planted for shelter or ornamental purposes on an area not exceeding twenty-five acres" from the definition of land in s.2.

[12] From where this form of words derived is not clear. The 1900 Amendment followed the ground breaking 1896 Government Valuation of Land Act which set out at least to provide a fair and consistent regime for valuing land for the variety of government purposes. In order to achieve that end, the Government Valuation Department was established. The 1896 Act paid little attention to definitions and this was addressed in the 1900 Amendment, no doubt with the intention of removing uncertainties over how the valuers should go about their task, but also, given that rates and taxes were to be based on such valuations, to try to provide for fairer distribution of the tax/rating burden.

[13] A proviso to the definition of "land" appeared in these terms:

> "Provided that native bush or native trees which have been planted for shelter or ornamental purposes on an area not exceeding twenty-five acres shall not be included in the definition of land in this section."

[14] The provision was substantially re-enacted in the Valuation of Land Act 1925, with the dropping of the 25 acre cap, as follows:

> "Provided that the value of any trees that have been planted (other than fruit-trees or live hedges), and the value of any trees that have been preserved for shelter or ornamental purposes, shall not be included in any valuations appearing in a valuation roll supplied by the Valuer-General to a local authority pursuant to section 38 hereof."

[15] The provision stayed in that form until 1970 when it was more appropriately enacted as a proviso to s.28(1). Reference to shelter and ornamental trees and fruit trees, vines, berry fruit bushes and live hedges are now not to be included in land value:-

> "The <u>value of any trees</u> (other than fruit trees or live hedges) shall not be included in any valuation appearing in a valuation roll compiled as aforesaid from the district valuation roll, and the value of any fruit trees, vines, berry fruit bushes, and live hedges shall not be included in the <u>land value</u> of any such valuation." (Emphasis added).

[16] The provision reached its present form in the Ratings Valuation Act 1998 as s.20 (set out earlier in this judgment).

[17] So for over 100 years the legislature has recognised that in order to yield a fairer tax and rating burden, trees and other defined things growing on the land are to be dealt with in a specific way spelt out in the legislature, which itself evolved over that time. The valuation approach has not always been straightforward and the proper interpretation of the present provisions (effectively in the legislature since 1970) was not settled until the High Court decision in *Fletcher Challenge Forests v Valuer General* on 17 December 1996 AP35/96, Auckland Registry (Salmon J and JP Larmer). The Court concluded (p12):

> "… the proper approach is to value the land as land used for growing trees. In identifying that component of the land value that excludes the value of the trees we see no reason to ignore their existence."

[18] And at p14:

> "… in so far as the trees are relevant in the present case the legislation only requires that their value be ignored."

[19] And at p15:

> "In our view the correct approach is to have regard to the actual state of the land, that is to say, land used for growing trees."

[20] On appeal, the Court of Appeal endorsed the views:

> "… the presence of the trees should not be ignored, only their value."

[21] In the context of the *Fletcher Challenge* case, that was straightforward enough as the land in question had been used to grow exotic forests for harvest since the 1930's, and the value of the trees which was to be excluded was able to be quantified using conventional valuation methodology. Likewise, when it comes to excluding the value of "fruit trees, nut trees, vines, berry fruit bushes, or live hedges", the value of these too may be quantified using conventional valuation methodology.

[22] The conclusion to be drawn from the historical sweep of the legislation is that Parliament strove for fairness in rating and taxation by not disadvantaging those who left part of their property in bush; who planted exotic wood lots; who planted fruit

trees, nut trees, vines or berry fruit bushes; or who enhanced their agricultural/horticultural enterprise with live hedges.

[23] The question then arises over the trees on the subject land being remnant or regenerating native forest for which the highest and best use is for landscape, recreational and conservation use.

[24] First, was the reference to "the value of any trees" in s.20 ever intended by the legislation to mean and include trees that cannot be milled and therefore have no "commercial" value in a timber tree sense, and that remain on the land for landscape, recreational and conservation purposes?

[25] When the predecessor of s.20 was first enacted 107 years ago, what was doubtless intended for land with trees was generally for the trees to be cleared for agriculture with or without regard to that timber value that would have been present in the majority of cases. Now by and large the opposite is true with the native bush tree cover being kept. Do these changed circumstances affect how s.20 should be interpreted?

[26] Section 5 of the Interpretation Act 1999 requires that the meaning of an enactment be ascertained from its text and in the light of its purpose. However, s.6 makes it clear that an enactment "applies to circumstances as they arise." So whether or not the legislature envisaged present circumstances of a landscape, recreational and conservation value for trees rather than "commercial" timber value, we think makes no difference.

[27] So we conclude that Mr Dennett is right when he submits that the valuer must, in this context, disregard the landscape, conservation and recreational value the trees give to the land.

OBJECTOR'S APPROACH TO VALUATION

[28] Mr Reynolds said that a two staged assessment is required. First, reference is made to comparable sales evidence of the value of land inclusive of native trees.

Then in order to satisfy the requirements of s.20 of the Rating Valuations Act, the second stage requires the value of trees then to be excluded.

[29] Mr Reynolds also says that contrary to accepted valuation practices, s.20 of the Rating Valuations Act 1998 invites a residual approach to be adopted.

[30] Mr Reynolds says that he has concluded the only practical methodology is to identify freehold comparable sales of land clad in native trees; he has then identified and quantified the added value tangible assets give to the land and deducted that sum from the gross consideration; and that the residual sum then represents the amount paid for the land inclusive of native trees and other possible recreational attributes that the land may possess.

[31] He says then that the Rating Valuations Act 1998 requires the valuer to disregard the landscape or recreational value the trees give to the land. He has therefore quantified the added value the trees give to the land, and the residual value represents the value of the land beneath the forest canopy. Mr Reynolds concludes in this case that he should apply a 50/50 apportionment of the estimated price paid for the land inclusive of trees.

OBJECTOR'S SALES EVIDENCE

[32] Mr Reynolds refers to 16 sales dating from August 1995 through to March 2005. Because of the dearth of sales of properties similar to the Te Whaiti property, the sales are drawn from across the central North Island. He also concludes that no significant time adjustment is warranted, notwithstanding the 10 year span of sales.

[33] He has analysed five of the 16 sales being:

Location	Date	Area	Gross Sales Price	Improvements	Est. price paid for land and trees and forestry and pasture	
		Ha	$	$	$	$/ha
Taharua Rd, Poronui	Dec 98	6334	7,000,000	347,150	6,652,850	1,050
State Highway 5, Taupo	Dec 99	11351	1,150,000	227,000	1,423,000	125
Mohaka-Ngatapa Forest	Apr 02	9543.7	3,250,000	552,000	2,998,000	314
South Rd, Mamaku	May 02	122.65	123,800	15,000	108,800	887
1961 Willowflat Rd	Mar 05	6037	3,300,000	626,800	2,673,200	443

[34] For properties in excess of 1,000 hectares, Mr Reynolds' analysis shows a per hectare rate of $447.

[35] Mr Reynolds considers that prime weight should be given to the State Highway 5 sale and the Willowflat Road sale. In his analysis, these sales yield a weighted average bare land sale price of $126 per hectare, and on that basis his valuation of the subject property is made.

[36] So, Mr Reynolds makes his assessment as follows:

	Hectares	$/ha	$
Steep broken hills covered in native bush	1137.8	400	455,120
Less landscape value of trees	1137.8	200	227,560
RVA land value – excluding the trees' landscape value			227,560
Adjustment to account for alienability	20%		45,512
RVA Land Value		160	182,048
Say			**$182,000**

WHAKATANE DISTRICT COUNCIL VALUATION

[37] Mr Power, on behalf of the Whakatane District Council, refers to 11 sales in his sale schedule, all having a sale date in 2004. However, they are scattered throughout the whole of the North Island. The largest of the properties referred to in Mr Power's sales evidence is 507.2609 hectares. The sale was at Ohura in May 2004. This sale in fact is the only sale used by both Mr Reynolds and Mr Power. On Mr Power's analysis, bush blocks throughout the North Island show land value rates per hectare of $600 to $1,000 for the more remote rugged properties. As the subject property is larger than all of the sales that he has referred to, he adopted a starting comparable rate of $575 per hectare.

[38] On the basis of the valuation practice adopted since *Valuer-General v Mangatu Inc* [1997] 3 NZLR 641, he makes the following deductions. Nine (9) percent for multiple Maori ownership, a further 5% for several sites of special significance. Furthermore because the land is designated as a reserve, he has made further allowance of 30% to reflect that designation. So his calculation is as follows:

Medium to steep hill in scrub and bush 1137.8 ha at 575	=	$654,235
Less 44% for reserve status/Maori land ownership		$287,863
		$366,372 say $365,000

DISCUSSION OF VALUATIONS

[39] Both valuers have acknowledged in their valuations that in the wake of the *Mangatu* decision, a discounting factor is to be applied to reflect restrictions on alienability. Mr Power has applied a discount of 44%. Mr Reynolds has applied a discount of 20%. In making his discount of 44%, Mr Power has taken account of guidelines established by the Valuer-General. A 9% deduction relates to multiple ownership, and 5% is attributable to the fact that the land contains several sites of special significance. He has also made a further allowance of 30% because the land is designated as a reserve and he goes on to say that this is in line with what was applied to similar types of reserves in the Whakatane general revaluation.

[40] Mr Power describes the property as having contour, that is of medium to steep hill in scrub and cut over native bush. Elsewhere he describes the land as comprising moderate to steep broken hill country. We consider a more accurate description of the land is that it is broken rugged hill country, at times precipitous with the majority of it covered in native bush.

[41] Before making deductions, Mr Reynolds has applied a rate of $400 per hectare to the property whereas Mr Power's rate is $575 per hectare. When comparing the property to the five sales that he regards as key sales, Mr Reynolds says that he considers it of importance to acknowledge that the subject lands do not contain or bound rivers regarded for excellent wilderness trout fishing. We are surprised at this claim as the Whirinaki River, which forms the eastern boundary of the property, is a well known trout fishing river.

[42] The land has never been logged, doubtless because of contour and access problems. Presently there is the additional obstacle of the District and Regional Plans which do not permit such an activity. As Mr Reynolds says, this steep land area forms part of the catchment of the Whirinaki River, and we agree with his conclusion that consent to remove current indigenous trees would be unlikely to be granted by Environment Bay of Plenty.

[43] Mr Reynolds and Quotable Value only had one sale that they both included in their evidence, namely:

> 1597 Ohura Road, Ruapehu District, 5/04, $433,000, 507.2609 ha of remote medium to steep bush country (QV analysis $854/ha av).

[44] Mr Reynolds scheduled 16 sales over the period August 1995 to March 2005 and chose as most relevant the following:

> Taharua Road, Poronui, 12/98, $7,000,000, 6334ha, large farm property with forestry and native bush, wilderness trout fishing and hunting. (Analysed land value in bush $500/ha – exclusive of bush $250/ha) .

State Highway 5, Tarawera, Taupo, 12/99, $1,150,000, 11351ha, large rugged block in re-emerging native trees. Wilderness fishing. No vehicle access at time of sale. (Analysed land value in re-emerging bush $125/ha – exclusive of bush $63/ha).

Mohaka-Ngatapa Forest Te Haroto, 4/10, $3,250,000, 9543.7ha, large "station" property mostly in native bush. Wilderness fishing. (Analysed land value of bush land, $200/ha – exclusive of bush $100/ha).

South Road, Mamaku, 5/02, $123,800, 122.65ha, sale from Forest Research Institute to Department of Conservation. Block partly in pinus radiata forest and partly in native bush (easy contour). (Analysed land value of bush land $600/ha – exclusive of bush $300/ha).

1961 Willow Flat Road, Hawkes Bay, 3/05, $3,300,000, 6037ha, large block mainly in bush with good hunting and fishing opportunities. (Analysed value of bush land $440/ha – exclusive of bush $220/ha).

[45] Summary of Mr Reynold's sale evidence:

12/98	6334ha	Unadjusted analysed land value of bush land	$500/ha
12/99	11351ha	Unadjusted analysed land value of bush land	$125/ha
4/02	9543.7ha	Unadjusted analysed land value of bush land	$200/ha
5/02	122.65ha	Unadjusted analysed land value of bush land	$600/ha
3/05	6037ha	Unadjusted analysed land value of bush land	$440/ha

[46] Mr Reynolds assessed land value (unadjusted) on the subject property:

9/04	1138.1709ha	Unadjusted analysed land value of bush land	$400/ha

[47] In his consideration of the sales evidence, Mr Reynolds says that no significant time adjustment is warranted even for sales that he has considered that date as far back as 1995. We disagree. Accepting that the Poronui sale included a significant component of value for the property's hunting, fishing and hence tourist potential, the remaining sales do show some escalation over time.

[48] Mr Power scheduled 11 sales all occurring in 2004 ie the date of revaluation, but did not select any sale as particularly relevant or irrelevant and stated that "the sales of bush blocks throughout the North Island show land value rates per hectare of $600 to $1,000 for the more remote and rugged properties" and "higher prices of up to $1,900 per hectare for more desirable properties with "lifestyle" or "potential for farmland development". He finally adopted the following:

9/04	1138.1709ha	Unadjusted land value	$575/ha

[49] Mr Reynolds' sales were mainly of very large properties, 6037ha to 11351ha, apart from one being the Mamaku sale of 122.65ha. These compare with the subject block of 1138.1709ha.

[50] Mr Power's sales were of properties ranging from 72ha up to 507ha.

[51] At paragraph 11.7 of his evidence, Mr Reynolds says that "if it were not for the landscape value of the trees", purchasers would not be drawn or attracted to this class of land. This contrasts with the current owner's strong attachment to the land and the land's potential for private hunting and fishing.

[52] We are also concerned to note that Mr Reynolds in the commentary portion of his sales analysis states that his assessed value of the land beneath the native trees also reflects the added value of recreational pursuits but does not appear to quantify that added value or clearly differentiate between those sale properties that have wilderness fishing, for example, and those that do not.

[53] We consider the current owners or similar groups could be regarded as "hypothetical" purchasers because of the high "spiritual and historical value" of the

land. Mr Reynolds also noted that land designated "scenic reserve – Urewera National Park" and "State Forest" adjoin on the eastern and southern boundaries, thus the Crown too is likely to be a potential purchaser in the unlikely event of the land being available for sale.

[54] We conclude therefore that the subject property, in spite of its relative remoteness, steep contour and bush cover that is unlikely to be removed, would attract buyers.

[55] We conclude that because of the widely different range of sales, dates, sizes and types, we have to exercise a partly subjective approach to the land value of the subject property. For reasons already indicated, we consider that the earlier sales do need to be time adjusted and that Mr Reynolds' base figure of $400 per hectare without time adjustment is too low. Likewise, we consider Mr Power's base figure per hectare, which we consider was overly influenced by sales of much smaller blocks at $575, to be too high. We consider an appropriate base figure per hectare is $475.

[56] Both valuers have acknowledged in their valuations that in the wake of the *Mangatu* decision, a discounting factor is to be applied to reflect restrictions on alienability. Mr Power applies a discount of 44% and Mr Reynolds 20%.

[57] Mr Reynolds rightly notes those provisions of the Te Ture Whenua Maori Act 1996 which govern the ability of the Maori Land Court to alienate Maori land. Under s.137, the Maori Land Court must be satisfied that:

a) the land is vested in appropriately constituted trust;

b) the title to the land is capable of being registered under the Land Transfer Act 1952; and

c) the alienation of the land is clearly desirable for the purpose of rationalising the land base or any commercial operation.

[58] Sections 147 and 150 also set further limitations on alienation. We again agree with Mr Reynolds when he says that the wording of the Gazette Notice itself amounts to an additional limitation of alienability, noting as it does that the land is set apart "as a Maori reservation for the purpose of a landing place and scenic reserve for the common use and benefit of the owners of Te Whaiti Nui A Toi and their descendants."

[59] In reaching his 44% deduction figure, Mr Power takes account of the guidelines established by the Valuer-General following the *Mangatu* decision where the number of owners is between 1,000 and 1,999, the Valuer-General's guidelines suggest an adjustment of 9%. We are told that the total number of shareholders on the register is 1,703 but that contact details are held for only 508. Mr Power has adopted the 9% figure which we consider is correct in the circumstances.

[60] The Valuer-General's guidelines also provide for an additional deduction to be made in respect of sites of special significance, the maximum deduction being 5%. They are things for which deductions under this heading can be made include wahitapu sites, urupa and pa sites. Once again, we consider that the maximum deduction here of 5% is appropriate. To these two factors Mr Power has made a further additional allowance of 30% to reflect restrictions of the designation in the Gazette. He said that this is in line with what has been applied to other similar types of reserves in the Whakatane general revaluation. The chance of removing the restrictive designation must be allowed for (see eg *Re an Arbitration between the Auckland Hospital Board and the Auckland Rugby League (Incorporated)* [1966] NZLR 413). Allowances of between 25% and 35% have been common in the decided cases.

[61] However, in the present case, we conclude that it is not appropriate to apply the full 30% deduction in addition to the 5% deduction for sites of special significance. Reserves other than Maori land are often by their very nature set aside on account of particular historical interest. Accordingly, we conclude that Mr Power has added an element of double counting when adding a deduction for sites of special significance to the full 30% for the reserve status. We conclude that a total deduction of 39% is appropriate ie 9% and 5% and 25%.

[62] We come finally to the issue of the added value that the trees give to the land.

[63] Mr Reynolds says at paragraph 11.8 of his evidence:

> "11.8 It could be argued the added value the trees give to the land could be resolved by drawing comparisons with sales of land covered in scrub and gorse. I believe this proposition fails on two accounts. Firstly, land covered in scrub and gorse is generally acquired for pastoral development, not the preservation of indigenous trees. … Secondly, the Courts have directed that the existence of the trees cannot be ignored. To meet this requirement I have therefore concluded a valuer is left with no other alternative than to make a subjective judgment. I have concluded due to the land's locality and its other attributes, purchasers consider this to be of equal importance as the cover.
>
> 11.9 On the basis of purchaser motivation and having regard for the Court's directive [in the *Fletcher* Challenge case] I have applied a 50/50 apportionment of the estimated price paid for the land inclusive of trees."

[64] Mr Reynolds further added that in his opinion, when the Department of Conservation purchased bush blocks, they purchased the blocks for the value of the bush and apportioned their purchase price 50/50 land and bush. There was no evidence presented in support of this proposition.

[65] On objections, the burden of proof rests with the objector. (Section 38(2) of the Rating Valuations Act 1998).

[66] As to that burden, Archer J, in *Valuer-General v Sullivan* (Land Valuation Court, Dunedin, 1962, McVeagh and Babe, p459) said this:

> "It is always incumbent upon objectors however to establish by cogent evidence that a valuation appealed from is wrong. This in general calls for proof of the facts on which the valuation should be based, and for a proper valuation based upon proved facts and made in accordance with recognised principles of valuation."

[67] We are left in this case where we must conclude that there is no cogent evidence before us as to the value to be ascribed to the trees. Indeed, neither valuer has made any attempt using conventional valuation tools or methodology to empirically arrive at a value for the trees. In that respect therefore, the objection fails.

[68] Applying the per hectare rate of $475 which we conclude is the correct rate, the valuation of the subject property as at 1 September 2004 is as follows:

1,138 hectares x $475 per hectare =	$540,550
less 39%	$218,815
TOTAL	$329,735 say $330,000

Judge CJ McGuire
District Court Judge

Mr WA Cleghorn QSM, JP