

PRICE REVIEW OF RATING VALUATION SERVICES PROVIDED BY THE VALUER-GENERAL TO LOCAL GOVERNMENT - TERMS OF REFERENCE

I Chris Minns, Premier of New South Wales, under section 12 of the *Independent Pricing and Regulatory Tribunal Act 1992* (IPART Act), refer the matter set out in these 'terms of reference' to the Independent Pricing and Regulatory Tribunal (IPART) for investigation and report.

Background

By the *Government Pricing Tribunal (Valuer-General's Services) Order* dated 11 August 1993 made under section 4 of the IPART Act, the following services provided by the Valuer-General were declared as government monopoly services:

"Furnishing valuation lists and supplementary lists under Part 5 of the *Valuation of Land Act 1916* by the Valuer-General to a council of an area under the *Local Government Act 1993*" (**Monopoly Services**).

In October 2018, the Premier requested that, pursuant to section 12 of the IPART Act, IPART make a determination of the pricing for the provision of the Monopoly Services to apply for a period of 6 years.

In May 2019, IPART released its determination of maximum prices for the Monopoly Services provided by the Valuer General.¹ These maximum prices apply until 30 June 2025.

Reference to the Tribunal

IPART is requested by the Premier, under sections 12(1) and (3) of the IPART Act, to investigate and report on the determination of the maximum prices for the Monopoly Services provided by the Valuer-General to apply in total for a period of 6 years (**Referral Period**). Under section 12(3) of the IPART Act, this referral may extend to an annual or other periodic determination of the pricing of the Monopoly Services during the Referral Period.

Matters for consideration

In its investigation, IPART should:

- ▼ consider and identify the Valuer-General's efficient costs of providing the Monopoly Services over the relevant determination period or periods;
- ▼ consider valuation service market-based factors over the determination period and identify where appropriate interim period adjustment parameters where unforeseen or unavoidable external costs may be incurred; and
- ▼ consider the efficient allocation of the costs of the Monopoly Services between the users of those services in accordance with relevant economic and pricing principles.

In addition, IPART may take into account any other matters it considers relevant.

¹ IPART, *Prices for land valuation services provided by the Valuer General to councils – From 1 July 2019 to 30 June 2025*.

Consultation

IPART must undertake such consultation as is required under the IPART Act and may undertake such further consultation as it considers appropriate, including with key stakeholders such as government agencies responsible for management of the land valuation and rating systems.

Reporting

IPART is to submit its final report and determination to the Premier within 9 months of the receipt by IPART of the final Terms of Reference and is to submit any subsequent reports and determinations to the Premier on such other date or dates as agreed.

Determination commencement

It is intended that the determination or, in the event of a periodic determination of pricing, the first determination, will commence on 1 July 2025.