

Blacktown City Council submission to the IPART review of prices for the Valuer General's land valuation services to councils

1. Should IPART change the way it allocates costs to other users of land valuation data?

- a. We do not believe the cost allocation is fairly distributed between councils, and the NSW Government.
- b. Around one third of councils receive new valuations on a 3-year cycle and Revenue NSW receives new valuations annually. Data published by the Valuer General Yearly Insights 2023-24 identified the number of objections received relating to land rates was 1,336 (22.25%) and for land tax 3,567 (72.75%).
- c. Based on the number of objections relating to land tax on average over the last 4 years the allocation of costs should be moved from 50:50, to at least 33% for councils and 67% for Revenue NSW.
- d. Further, the number of objections to land tax valuations was 30 times higher than those received for land rates. As previously stated, councils receive land valuations on a 3-year cycle and all NSW councils are currently using valuations issued for the base date of 1 July 2022. From 1 July 2025 one third of councils will be transitioning to a different cycle and over the next 3 years one third of councils will be revalued moving to a rolling 3-year general valuation.

2. Implementing a risk-based pricing structure in a future determination would require the Valuer General to take steps to capture unit mass valuation costs by risk rating. Would you support this and what are the advantages and disadvantages of this approach?

- a. We support a risk based pricing structure, whereby all properties valued by the Valuer General are assigned a risk rating in a future determination. We agree that the risk rating is not the only factor which can affect the cost of valuation.

3. We invite councils to provide information on their experiences with recent changes to services provided for Commonwealth land valuations.

- a. The removal of Commonwealth owned land valuations from the valuation roll was a surprise to local government sector. There should have been a more proactive form of communication to support this change.
- b. The Valuer General is offering valuations within the provisions of Section 9A of the *NSW Valuation of Land Act 1916* that enables 'private' valuations (in which the Valuer General may make at the request of any person for the purposes of any agreement or other arrangement between parties that provides for a valuation to be made) to be made at a cost separate from this determination and the General Valuation cycle. Councils have informed the NSW Revenue Professionals that private valuations range in price from around \$100 to \$20,000 each based on the complexity and size of the site, these valuations were previously supplied within the scope of the mass valuation cycle for between \$7.20 (metro) and \$14.89 (Sydney City).
- c. We anticipate there will be an appreciable additional cost for Council as a consequence of this change.
- d. So far, as at the time of writing this submission, during the current financial year Council has sought close to 100 valuations for Commonwealth owned properties.

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4. Given the rising cost of objections, which flows through to prices paid by councils, should the Valuer General investigate ways to reduce the number of objections?

- a. We accept that rate payers have the right to lodge an objection to their land valuation. Better communication by the Valuer General regarding valuation methodology and reasons for significant changes in land valuations may reduce the number of objections received.