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IPART
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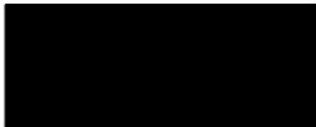
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Dear Sir or Madam

Blacktown City Council welcomes the opportunity to make a submission to the Independent Pricing and Regulatory Tribunal (IPART) on the review of prices for the Valuer General's land valuation services to councils.

Please find attach the Council endorsed submission that addresses questions raised by IPART to inform its review.

Yours faithfully



Wayne Rogers
Assistant Chief Executive Officer and
Director Corporate Services

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

Efficient costs

1. [Do you consider the Valuer General's pricing proposal represents good value? Why/why not?](#)

Council considers that land valuation services provided by the Valuer General have improved in relation to turnover, communication and accuracy in recent years. In terms of the proposed price Council is of the opinion that the increase should be no more than the base cost change in the annual rate peg. It also appears to be proposed to be applied in full in 1 year. Council would prefer a staggered increase to the prices.

Council notes that it is not aware of what financial information has been provided by the Valuer General's department to support this increase and would expect that there would be sufficient information provided for IPART to make a decision on whether the full increase sought should be approved.

2. [Has there been any material change to the land valuation process that has impacted the cost of undertaking valuations \(e.g. contract costs\)?](#)

Council is not aware of any material changes in the land valuation process and as such is unable to comment in this area.

3. [How might the Valuer General's costs of providing land valuation services change over the next 6 years, considering the impact of digital technology, AI and innovation?](#)

To respond to this question Council considers it prudent to refer to international best practice to determine efficiency improvements which may occur in the areas of digital technology, AI and innovation. Our expectation is that AI should help achieve a decrease in some current manual processes used and that this should achieve a future efficiency gain.

Cost allocation between users

4. [How should the Valuer General's costs be allocated between users of valuation services?](#)

Council considers that given that a wide variety of users are provided with information from the Valuer General's department that the allocation of costs should be averaged appropriately across all users. That is in addition to councils and the Office of State Revenue these costs should also be allocated to the Commonwealth Grants Commission, NSW Fire Brigade and other NSW Government agencies that use the Valuer General's services.

Pricing framework

5. [What is the impact on councils of the Valuer General's proposed price increases?](#)

Provided the increased costs will be recognised in the future annual rate peg, and the increased price results in consistently good valuation data, we would expect there would be minimal impact on Council.

6. [Should the current four pricing zones be retained or is there a more appropriate pricing model for land valuation services such as a single price?](#)

Council considers the current price structure of four pricing zones should be retained.

7. [If a price increase is necessary, should it be implemented in the first year, or gradually over a few years?](#)

Council considers multiple periodic determinations are likely to provide a more accurate reflection of increased costs rather than a single 5 year determination.

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Government regulation

8. What potential impacts does the bringing in-house of mass valuations by the Valuer General have on the long-term viability of the valuation market participants and the level of competition in the valuation market?

Council considers it not appropriate to fully outsource as there will always be the need for quality valuation data. Land valuation is a specialist skill and retention of staff with those skills would be considered an essential objective for the Valuer General's department. It is useful to have some insight retained and an ongoing investment in improved technology and work practices.

Service quality

9. Is the quality of service provided by the Valuer General meeting expectations?

With some exceptions, the level of service provided by the Valuer General's Department has generally been satisfactory, albeit with no real improvement. In summary, the standard of service provided over this period has remained relatively unchanged.

10. If you have been involved with the Valuer General's land valuation dispute process, what has been your experience?

Council has not to date been involved with the Valuer General's land valuation dispute process.

General

11. Are there any other matters you would like us to consider as part of our review of the Valuer General's monopoly services?

It is considered that as the Valuer General would appear to enjoy a monopoly over the provision of land valuation services, Council respectfully questions whether the methodologies used by the Department to justify the increased charges are appropriate. That is, whether the use of return of capital and return on capital are appropriate methods to calculate the required cost increase when there is an absence of real competition.