

Valuer General

Our ref: 23/00355

Mr Scott Chapman
Director
Independent Pricing and Regulatory Tribunal

Email: scott_chapman@ipart.nsw.gov.au

30 August 2023

Subject: Valuer General's submission on the Draft Report for Blacktown City Council Schofields Precinct Contributions Plan

Dear Mr Chapman,

Thank you for the opportunity to provide feedback on the draft findings and recommendations of Blacktown City Council's Draft Section 7.11 Development Contributions Plan no 24 - Schofields Precinct. The feedback below relates to 4.8 Unimproved land value index (ULVI) of the Draft Report (Report).

I have reviewed the Report and concur with the observations made by IPART on the potential volatility of a quarterly index. Specifically, it is my view that volatility will be influenced by the sample size of the sales data used in the ULVI, with methods available to reduce volatility including, but not limited to the utilisation of a rolling average indexation.

Further, the ULVI as described in the Report is proposed to be underpinned by underlying land values associated with detached houses. Noting that land still to be acquired is likely to comprise of varying types dissimilar to that which underpins the proposed ULVI, the potential for perverse or inequitable revenue and/or expense outcomes for both Blacktown City Council and the relevant person on which the contribution is applied exists. For example, an englobo parcel is likely to move at a different rate, no matter the period, when compared to that of a detached house's underlying land value.

Irrespective of the above, it is my view that an annualised land value index for each respective property type would produce a better valuation outcome in terms of appropriateness and better alleviate the risks identified above. I note that Valuation NSW, on my behalf, publish land indexes for each zone type annually via my website (www.valuergeneral.nsw.gov.au) which may be of further assistance.

Should you wish to discuss this matter further, please contact Stewart McLachlan, Chief Executive Officer, Valuation NSW via email to [REDACTED]

Yours sincerely,

[REDACTED]
Sally Dale
Valuer General