



Independent Pricing and Regulatory Tribunal

# **Review of prices for land valuation services provided by the Valuer-General to councils**

From 1 July 2014 to 30 June 2019

**Other Industries — Draft Determination**  
April 2014





Independent Pricing and Regulatory Tribunal

# **Review of prices for land valuation services provided by the Valuer-General to councils**

From 1 July 2014 to 30 June 2019

**Draft Determination No. 2, 2014**

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# Preliminary

## 1 Background

- (a) Section 12 of the *Independent Pricing and Regulatory Tribunal Act 1992* (**IPART Act**) provides that IPART is to conduct investigations and make reports to the Minister on the determination of the pricing for a specified government monopoly service referred to IPART by the Minister.
- (b) The services which, if supplied by the Valuer-General, are declared as government monopoly services under the *Government Pricing Tribunal (Valuer-General's Services) Order 1993* are:
  - 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 Service**).
- (c) On 30 December 2013, IPART received a referral from the Minister (**Referral**) requesting that IPART, pursuant to section 12 of the IPART Act, make a new determination or determinations of the maximum pricing for the provision of the Monopoly Service to apply in total for a period of 5 years (**Referral Period**).
- (d) Accordingly, IPART may determine the maximum prices for the Monopoly Service during the Referral Period.
- (e) In investigating and reporting on the pricing of the Monopoly Service, IPART has had regard to a broad range of matters, including:
  - (1) the matters set out in the Referral; and
  - (2) the matters set out in section 15(1) of the IPART Act.
- (f) In accordance with section 13A of the IPART Act, IPART has fixed maximum prices for the Monopoly Service.
- (g) Under section 18(2) of the IPART Act, the Valuer-General may not fix a price below that determined by IPART for the Monopoly Service without the approval of the Treasurer.

## 2 Application of this determination

- (a) Under section 12 of the IPART Act, this determination fixes the maximum prices that the Valuer-General may charge for the Monopoly Service.
- (b) This determination commences on the later of:
  - (1) 1 July 2014; and
  - (2) the date that it is published in the NSW Government Gazette, **(Commencement Date)**.
- (c) The maximum prices in this determination apply from the Commencement Date until the earlier of:
  - (1) the date that this determination is replaced during the Referral Period; and
  - (2) 30 June 2019.

## 3 Replacement of Determination No. 2 of 2008

This determination replaces Determination No. 2 of 2008 from the Commencement Date. The replacement does not affect anything done or omitted to be done, or rights or obligations accrued, under Determination No 2. of 2008 prior to its replacement.

## 4 Pricing schedule

Schedule 1 sets out the maximum prices that the Valuer-General may charge for the Monopoly Service.

## 5 Definitions and Interpretation

Schedule 2 sets out the definitions and interpretation provisions used in this determination.



# Schedule 1 Maximum prices for the Monopoly Service

## 1 Application

This Schedule sets the maximum prices that the Valuer-General may charge for the Monopoly Service.

## 2 Maximum prices for the Monopoly Service

The maximum price that the Valuer-General may charge a Council for the Monopoly Service is a single annual charge calculated as follows:

- (a) the amount specified in Table 1 for the applicable Period multiplied by the number of entries relating to Residential Land on the Valuation Roll of that Council; plus
- (b) the amount specified in Table 2 for the applicable Period multiplied by the number of entries relating to Non-Residential Land on the Valuation Roll of that Council.

## Tables 1 and 2

**Table 1 Residential Land entry charge**

<b>Commencement Date to 30 June 2015</b>	<b>1 July 2015 to 30 June 2016</b>	<b>1 July 2016 to 30 June 2017</b>	<b>1 July 2017 to 30 June 2018</b>	<b>1 July 2018 to 30 June 2019</b>
<b>\$ per entry</b>	<b>\$ per entry</b>	<b>\$ per entry</b>	<b>\$ per entry</b>	<b>\$ per entry</b>
\$5.45	$\$5.45 \times (1 + \Delta\text{CPI}_1)$	$\$5.45 \times (1 + \Delta\text{CPI}_2)$	$\$5.45 \times (1 + \Delta\text{CPI}_3)$	$\$5.45 \times (1 + \Delta\text{CPI}_4)$

**Note:** Charges will be updated to include the latest inflation figures prior to the release of the final determination.

**Table 2 Non-Residential Land entry charge**

<b>Commencement Date to 30 June 2015</b>	<b>1 July 2015 to 30 June 2016</b>	<b>1 July 2016 to 30 June 2017</b>	<b>1 July 2017 to 30 June 2018</b>	<b>1 July 2018 to 30 June 2019</b>
<b>\$ per entry</b>	<b>\$ per entry</b>	<b>\$ per entry</b>	<b>\$ per entry</b>	<b>\$ per entry</b>
\$11.98	$\$11.98 \times (1 + \Delta\text{CPI}_1)$	$\$11.98 \times (1 + \Delta\text{CPI}_2)$	$\$11.98 \times (1 + \Delta\text{CPI}_3)$	$\$11.98 \times (1 + \Delta\text{CPI}_4)$

**Note:** Charges will be updated to include the latest inflation figures prior to the release of the final determination.

## Schedule 2 Definitions and Interpretation

### 1 Definitions

#### 1.1 General definitions

In this determination:

**Commencement Date** is defined in clause 2(b) of the *Preliminary* section of this determination.

**Council** has the meaning given to that term under the *Local Government Act 1993* (NSW).

**Determination No. 2 of 2008** means IPART's Determination No. 2, 2008 entitled "*Price review of rating valuation services provided by the Valuer General to local government*".

**IPART** means the Independent Pricing and Regulatory Tribunal of New South Wales established under the IPART Act.

**IPART Act** means the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW).

**Minister** means the Minister responsible for administering the IPART Act.

**Monopoly Service** means the Monopoly Service as defined in clause 1(b) of the *Preliminary* section of this determination.

**Non-Residential Land** means land categorised as farmland, mining or business for the purposes of ordinary rates under Chapter 15, Part 3 of the *Local Government Act 1993*.

**Period** means:

- (a) the Commencement Date to 30 June 2015;
- (b) 1 July 2015 to 30 June 2016;
- (c) 1 July 2016 to 30 June 2017;
- (d) 1 July 2017 to 30 June 2018; or
- (e) 1 July 2018 to 30 June 2019.

**Referral** is defined in clause 1(c) of the *Preliminary* section of this Determination.

**Referral Period** is defined in clause 1(c) of the *Preliminary* section of this Determination.

**Residential Land** means land categorised as residential for the purposes of ordinary rates under Chapter 15, Part 3 of the *Local Government Act 1993* (NSW).

**Valuation Roll** has the meaning given to it under section 53 of the *Valuation of Land Act 1916* (NSW).

**Valuer-General** means the person from time to time appointed to that office in accordance with section 8 of the *Valuation of Land Act 1916* (NSW).

## 1.2 Consumer Price Index

(a) CPI means the consumer price index All Groups index number for the weighted average of eight capital cities, published by the Australian Bureau of Statistics, or if the Australian Bureau of Statistics does not or ceases to publish the index, then CPI will mean an index determined by IPART.

(b)

$$\Delta\text{CPI}_1 = \left( \frac{\text{CPI}_{\text{March2015}}}{\text{CPI}_{\text{March2014}}} \right) - 1$$

$$\Delta\text{CPI}_2 = \left( \frac{\text{CPI}_{\text{March2016}}}{\text{CPI}_{\text{March2014}}} \right) - 1$$

$$\Delta\text{CPI}_3 = \left( \frac{\text{CPI}_{\text{March2017}}}{\text{CPI}_{\text{March2014}}} \right) - 1$$

$$\Delta\text{CPI}_4 = \left( \frac{\text{CPI}_{\text{March2018}}}{\text{CPI}_{\text{March2014}}} \right) - 1$$

(c) The subtext (for example *March2014*) when used in relation to the CPI in paragraph 1.2(b) above refers to the CPI for the quarter and year indicated (in the example, the March quarter for 2014).

## 2 Interpretation

### 2.1 General provisions

In this determination, unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this determination;
- (b) a reference to a schedule, annexure, clause or table is a reference to a schedule, annexure, clause or table to this determination unless otherwise indicated;

- (c) a construction that would promote the purpose or object expressly or impliedly underlying the IPART Act is to be preferred to a construction that would not promote that purpose or object;
- (d) words importing the singular include the plural and vice versa;
- (e) a reference to a law or statute includes regulations, rules, codes and other instruments under it and consolidations, amendments, re-enactments or replacements of them;
- (f) where a word is defined, other grammatical forms of that word have a corresponding meaning;
- (g) a reference to a day is to a calendar day;
- (h) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to persons taking by novation), replacements and assigns;
- (i) a reference to an officer includes a reference to the officer which replaces it or which substantially succeeds to its powers or functions;
- (j) a reference to a body, whether statutory or not:
  - (1) which ceases to exist; or
  - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

## **2.2 Explanatory notes, simplified outlines, examples and clarification notices**

- (a) Explanatory notes, simplified outlines and examples do not form part of this determination, but in the case of uncertainty may be relied on for interpretation purposes.
- (b) IPART may publish a clarification notice in the NSW Government Gazette to correct any manifest error in this determination. Such a clarification notice is taken to form part of this determination.

## **2.3 Prices exclusive of GST**

Prices or charges specified in this determination do not include GST (unless indicated otherwise).

