

Media release

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Feedback sought on future prices for the NSW Valuer General's valuation services

The Independent Pricing and Regulatory Tribunal (IPART) is seeking feedback on proposed changes to the maximum prices that the Valuer General can charge NSW councils for land valuation services.

Land valuations are supplied to councils to use in the calculation of rates.

A Draft Report and Determination released today proposes a reduction in the overall revenue that the Valuer General can collect from councils, with prices around 5.6% lower than the prices proposed by the Valuer General. IPART Chair, Dr Paul Paterson, said most councils would see their bills fall over the next six years under the draft decisions when excluding the effects of inflation, although some will see increases.

"We are proposing to change the way Valuer General's charges are levied," Dr Paterson said.

"This would involve moving from a uniform 'property type' residential and non-residential pricing approach across NSW to a zonal price structure across four zones – Country, Coastal, Metro and City of Sydney."

Under the Draft Determination, councils would pay \$7.42, \$6.32, \$5.83 and \$12.07 per property valuation if they fall within the Country, Coastal, Metro and City of Sydney zones respectively.

"We consider the zonal price structure better reflects the costs of providing valuations, which can be driven by various factors, including the number and mix of property types, travel distance to conduct valuations, and the number of complex and high risk properties in an area," Dr Paterson said.

"We note that the Valuer General's proposal incorporated 2.0% of operating cost savings, resulting from the recent mass valuation procurement process, which we took into account. In setting our prices. We also assessed the Valuer General's other efficient costs and the appropriate allocation of these costs to councils."

IPART last set the maximum prices for the Valuer General's charges to councils in 2014, which expire on 30 June 2019. The Premier has asked IPART to set the prices for these services for the next 6-year period, from 1 July 2019 to 30 June 2025.

Submissions to IPART's Draft Report and Draft Determination are invited by 24 April 2019. Further information is available at www.ipart.nsw.gov.au.

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More information is available at ipart.nsw.gov.au