

NSW Valuer General's final prices for valuation services to councils

The Independent Pricing and Regulatory Tribunal (IPART) today released its final decision on the maximum prices that the Valuer General can charge NSW councils for land valuation services over the next six years.

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

Under the Determination, councils will be required to pay \$7.51, \$6.40, \$5.90 and \$12.21 per property valuation if they fall within the Country, Coastal, Metro and City of Sydney zones, respectively.

“We have accepted the Valuer General’s proposal for zonal prices, as we consider this structure is more transparent and 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,” IPART Chair, Dr Paul Paterson said.

The average annual revenue that the Valuer General collected from all councils across NSW in the last determination period was around \$16.9 million. Under our decision, this will increase marginally to \$17.1 million. Dr Paterson, said however, “the cost per valuation is decreasing as the number of valuations undertaken each year is increasing.”

“We estimate that 99 of the 128 NSW councils will see their bills decrease from 1 July 2019. The prices we have set are in aggregate 4.5% lower than those proposed by the Valuer General,” Dr Paterson said.

“But valuation costs will rise in some councils as a new 4-zone price structure is introduced to better reflect the costs of providing valuations in different areas.” This price structure reflects the Valuer General’s proposal, and is a move away from the current state-wide uniform prices to councils.

“We note that the Valuer General’s proposal incorporated 2.0% operating cost savings, resulting from the recent mass valuation procurement process, which we took into account in setting our prices. The Valuer General’s revenue will increase marginally over the determination period, but less than inflation, to reflect efficient costs.”

IPART last set the maximum prices for the Valuer General’s charges to councils in 2014. The Premier asked IPART to set the prices for these services to apply from 1 July 2019 for a 6-year period.

Information related to IPART’s review of the Valuer General’s prices from 1 July 2019 is available at www.ipart.nsw.gov.au.