

## VALUER-GENERAL'S LAND VALUATION SERVICES TO COUNCILS - DRAFT PRICES

**10am, Monday 7 April 2014**

The costs councils incur for land valuation services provided by the Valuer-General will fall by 1.2% per property in 2014/15 under draft recommendations released today by the Independent Pricing and Regulatory Tribunal (IPART). This excludes the effects of inflation.

Under the draft determination, councils will pay \$5.30 per residential valuation in real terms for the next 5 years, down from \$5.37. Non-residential valuations will fall from \$11.81 per property to \$11.66 and also remain at that level for 5 years in real terms.

IPART Chairman Dr Peter Boxall said the proposed savings are based on IPART's assessment of the Valuer-General's efficient costs and how these costs should be split between councils, who require the data for rating purposes, and the Office of State Revenue, which uses the data for taxing purposes.

"We allocated costs based on how much and how frequently the Valuer-General's services are used by councils," Dr Boxall said.

"We have also scaled back the Valuer-General's operating costs and applied a lower rate of return on his assets based on our assessment of market conditions," Dr Boxall said.

"We note our draft prices are also less than the 2.3% council rate peg to apply in 2014/15."

Dr Boxall said the draft determination allocates 34% of the Valuer-General's costs to councils, with the balance to be funded by the Office of State Revenue, which is in turn funded by NSW Treasury.

Over the 5-year price period, about \$13.7 million of the Valuer-General's proposed revenue requirement will need to be recovered from the Office of State Revenue.

IPART is seeking stakeholder feedback on the proposed prices by 28 April 2014. The final determination will be released in May 2014.

The draft report, *Review of prices for land valuation services provided by the Valuer-General to councils*, is available on IPART's website. A fact sheet is also available on IPART's website.

**Media Contact: Julie Sheather 02 9290 8403 or 0409 514 643**

**Valuer-General's draft prices for land valuation services provided to councils from 1 July 2014 to 30 June 2018 (\$/per valuation, \$2013/14)**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>IPART's draft decision</b>						
Residential	5.37	5.30	5.30	5.30	5.30	5.30
Non-Residential	11.81	11.66	11.66	11.66	11.66	11.66
% change <sup>a</sup>		-1.2%	0%	0%	0%	0%

<sup>a</sup> Based on pre-rounded results.