

**Contact: Craig Richardson**

6 February 2014

Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB Post Office NSW 1230

## **REVIEW OF PRICES FOR LAND VALUATION SERVICES PROVIDED BY THE VALUER – GENERAL TO COUNCILS**

Council appreciates the opportunity to provide a submission in respect of the review of prices for land valuation services provided by the Valuer – General to Council.

Council currently contributes approximately \$500,000 over a three year valuation cycle.

Council is concerned that increases in valuation fees beyond the rate pegging limit is having a detrimental impact on Council's financial capacity to deliver a range of services, programs and facilities to the community. Council submits that State agencies including the office of the Valuer General must operate within the same constraints as Local Government. Any increase beyond the rate pegging limit places Council in a position of having to reduce other parts of its budget.

The total payment for the 2013/14 financial year is \$167,388 which consists of \$114,928 for 21,402 Residential properties (\$5.37 per property) and \$52,460 for 4,442 Non Residential properties (\$11.81 per property).

The table below demonstrates that the increases over the last three years have exceeded the rate pegging limit by a significant margin.

### Valuation Fees

			Council Rate Cap	Valuer General Increase		Council Rate Cap	Valuer General Increase		Council Rate Cap	Valuer General Increase
	10/11	11/12	11/12	11/12	12/13	12/13	12/13	13/14	13/14	13/14
Residential	\$4.48	\$4.79	2.80%	7%	\$5.10	3.60%	6%	\$5.37	3.40%	5%
Non Residential	\$9.85	\$10.51	2.80%	7%	\$11.20	3.60%	7%	\$11.81	3.40%	5%

Council understands that following IPART's price review in 2008 of Valuation Services the decision was made to increase Local Councils' contribution to the overall funding of the Valuation Service to 40% of the operating costs of the service (up from 27.3% contribution in 2008).

Given that the 40% Local Government contribution target was to be reached by 2013/14 (refer page 24 of the 2008 IPART Final Price Determination of Valuation Services), Council would now expect that any future increases in valuation fees would not exceed the Rate Cap imposed on Local Government for the respective financial year.

Council also submits that the methodology of charging for valuation charges should be reviewed.

Council is charged per residential property and non residential property on an annual basis , yet valuations are only provided every three years to Council.

The "Mass Valuation Model" is used when determining valuations which means that not every property is separately valued every three years. Sample properties are valued using sales data and these outcomes are applied across mass properties.

If you require any further clarification on Council's submission please contact Mr Craig Richardson [REDACTED]

Yours sincerely



Phil Pinyon  
General Manager