



Valuer
General

VG18/349

Dr Paul Paterson
Chair
Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

By email: ipart@ipart.nsw.gov.au

Dear Dr Paterson

Thank you for the opportunity of submitting a revision of the Valuer General's pricing submission dated 30 November 2018.

At the time of the original submission, the cost for Mass Valuation Contracts was estimated, as the tender process for Mass Valuation Contracts had not been completed. The process has now been completed. Mass Valuation Contract costs have reduced by 4.9% from the original submission estimate.

A further submission is provided to address the revised contract cost (attached).

Should you wish to discuss this matter further please contact Louise Robinson on [REDACTED],
m [REDACTED] or [REDACTED]

Yours sincerely

A black rectangular box redacting the signature of Michael Parker.

Michael Parker
Acting Valuer General

27 March 2019



Revision of the Valuer General's pricing submission on 30 November 2018

**Submission to IPART
by the Valuer General**

27 March 2019

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1 Revision summary

1.1 Mass Valuation Contract Cost Savings

On 30 November 2018, the Valuer General submitted to IPART, the pricing proposal for the referral period from 2019-20 to 2024-25. At the time, the tender process for Mass Valuation Contracts for 18 areas with a contract term of 5 + 1 years was still underway. Over the referral period the total cost of contracts was estimated at \$129,099k and was based on pricing from existing contracts at that time. The above tender process was finalised in February 2019 and contracts were awarded commencing 1 March 2019 for 17 of 18 contract areas¹ and an existing contract was extended for the remaining area on a short term basis. The award of a new contract for this last area is pending further consideration and review by Valuation Services. Compared to the original submission, the revised Mass Valuation Contract Cost based on the February 2019 tender result is \$122,806k for the referral period, a saving of \$6,293k or 4.9% reduction from the original submission.

Table 1.1 Result of Mass Valuation Tender

Mass Valuation Contract Cost	Referral Period \$'000
Original Submission	\$129,099
Revised Submission	\$122,806
Saving \$	-\$6,293
Saving %	-4.9%

1.2 Pricing Update

As a result of the Mass Valuation Contract Cost reduction, the overall uniform pricing for the referral period to councils has decreased by approximately 1.4% from the original submission.

Table 1.2 Impact of Mass Valuation Tender on Original Submission Uniform Pricing

Uniform Pricing	Revised Submission	Original Submission	Variance	
Residential	\$5.90	\$5.99	-\$0.09	-1.4%
Non Residential	\$12.98	\$13.17	-\$0.19	-1.4%

Compared to the current (2018/19) pricing level, the overall uniform pricing for the referral period shows a slight price increase of approximately 0.5%.

¹ This includes estimated contract cost for Sydney Coast South contract area, which is pending final award at the time of preparing this submission.

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Table 1.3 Impact of Mass Valuation Tender on Current (2018/19) Uniform Pricing

Uniform Pricing	Revised Submission	Current Pricing	Variance	
Residential	\$5.90	\$5.87	\$0.03	0.5%
Non Residential	\$12.98	\$12.91	\$0.07	0.5%

The following chapters will explain the impact of the updated mass valuation pricing in more detail for:

- Mass Valuation Contract Cost and Other Cost Building Blocks
- Cost allocation to Councils
- Differential Pricing.

2 Cost Building Blocks Revision

2.1 Mass Valuation Contract Cost Revision

The award of 17 of 18 Mass Valuation (rating and taxing) Contracts commencing 1 March 2019 has resulted in significant savings as displayed in the below table shown for the four differential pricing regions proposed over the six year referral period.

Table 2.1 Impact of Mass Valuation Costs by Region

\$'000	Region	Revised Submission	Original Submission	Variance	
	Country	42,561	47,702	-5,141	-10.8%
	Coastal	40,916	45,128	-4,212	-9.3%
	Metro	35,552	32,534	3,018	9.3%
	Sydney City	3,778	3,735	43	1.2%
	Total	122,806	129,099	-6,293	-4.9%

2.2 Other Cost Building Blocks

The impact of the Mass Valuation Contract Cost reduction on Other Cost Building Blocks is minimal, with under \$14k reduction on Return on Working Capital and Tax Allowance for the referral period from the original submission. There's no change on Depreciation and Return on RAB.

Table 2.2 Impact of Mass Valuation Tender on Other Cost Building Blocks

Other Cost Building Blocks	Revised Submission	Original Submission	Variance	
Depreciation (regulatory)	13,502	13,502	0	0.0%
Return on RAB	4,955	4,955	0	0.0%
Return on working capital	639	652	-12.9	-2.0%
Tax allowance	407	408	-0.4	-0.1%

3 Cost Allocation to Councils Revision

As a result of the Mass Valuation Cost reduction, the allocation percentage to councils has increased slightly from the original submission of 32.5% to 32.6% after rounding. This is because the overall allocation percentage to councils is a weighted average of all operating costs. Mass valuation cost allocation to councils is fixed at 25%, while the other operating costs are allocated to councils at 33% or higher. The reduction of Mass Valuation Cost causes the weighted average to rise. As displayed in the below table, a reduction of \$6,293k in Mass Valuation cost results in a 0.15% increase in council allocation percentage.

Table 3.1 Impact of Mass Valuation Tender on Cost Allocation to Councils

Operating costs	Revised Submission			Original Submission			Variance		
	Total OPEX	Council Allocation \$	Council Allocation %	Total OPEX	Council Allocation \$	Council Allocation %	Total OPEX	Council Allocation \$	Council Allocation %
Labour	100,873	36,838	36.5%	100,873	36,838	36.5%	0	0	0.0%
Mass Valuation	122,806	30,702	25.0%	129,099	32,275	25.0%	-6,293	-1,573	0.0%
Other Valuation Contracts	33,754	12,822	38.0%	33,754	12,822	38.0%	0	0	0.0%
Rent	7,990	2,637	33.0%	7,990	2,637	33.0%	0	0	0.0%
Other Direct	8,381	2,766	33.0%	8,381	2,766	33.0%	0	0	0.0%
Postage	3,356	3,356	100.0%	3,356	3,356	100.0%	0	0	0.0%
Graphic Services	1,863	1,863	100.0%	1,863	1,863	100.0%	0	0	0.0%
DFSI Corporate Support	5,735	1,892	33.0%	5,735	1,892	33.0%	0	0	0.0%
PAG Corporate Support	9,932	3,278	33.0%	9,932	3,278	33.0%	0	0	0.0%
ICT Operational	10,281	3,393	33.0%	10,281	3,393	33.0%	0	0	0.0%
Spatial Services	4,813	1,588	33.0%	4,813	1,588	33.0%	0	0	0.0%
Titling and Images	0	0	33.0%	0	0	33.0%	0	0	0.0%
Total Opex	309,784	101,134	32.65%	316,077	102,707	32.49%	-6,293	-1,573	0.15%
Depreciation (regulatory)	13,502	4,408	32.65%	13,502	4,387	32.49%	0	21	0.15%
Return on RAB	4,955	1,618	32.65%	4,955	1,610	32.49%	0	8	0.15%
Return on working capital	639	209	32.65%	652	212	32.49%	-13	-3	0.15%
Tax allowance	407	133	32.65%	408	132	32.49%	0	0	0.15%
Total Revenue Requirement	329,287	107,501	32.65%	335,594	109,049	32.49%	-6,306	-1,548	0.15%

4 Differential Pricing Revision

Compared to the original submission, as shown in table 2.1, the latest Mass Valuation Contracts have seen a reduced cost in the Country and Coastal regions, an increased cost in the Metro region and a flat cost variance in Sydney City. As a result, the new differential prices have changed in the same directions within each region as displayed in the below table.

Table 4.1 Impact of Mass Valuation Tender on Differential Prices

Region	Revised Submission	Original Submission	Variance	
Country	\$7.87	\$8.24	-\$0.37	-4.5%
Coastal	\$6.70	\$6.92	-\$0.22	-3.2%
Metro	\$6.18	\$6.06	\$0.12	2.0%
Sydney City	\$12.79	\$12.71	\$0.08	0.6%

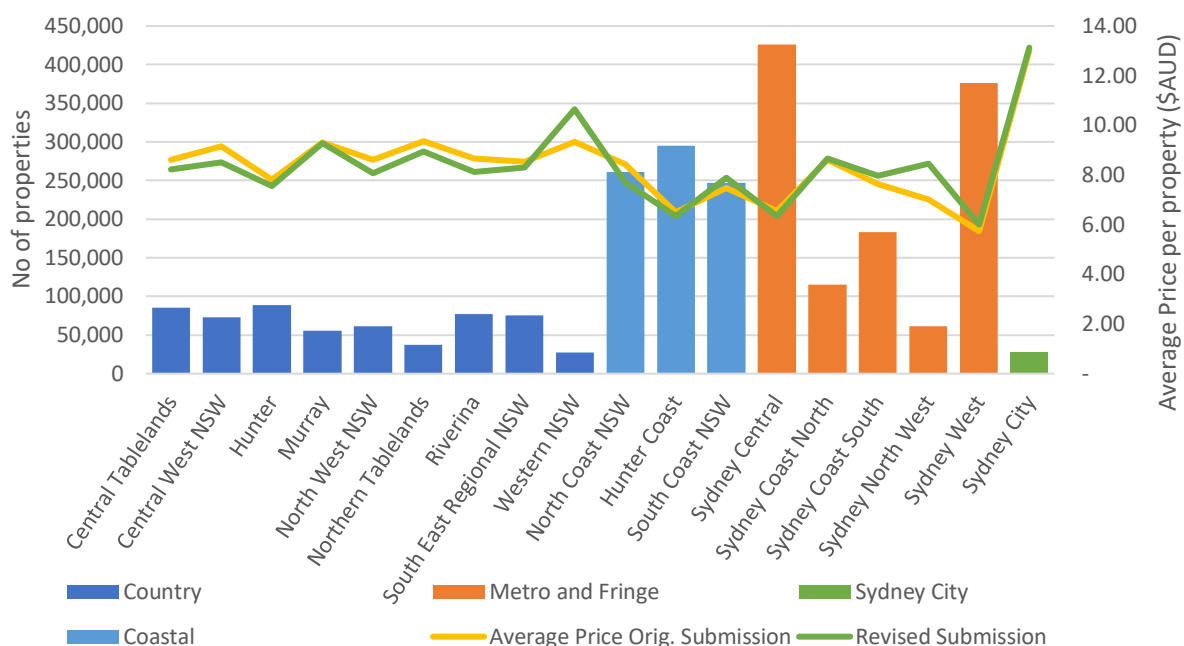
Compared to the uniform pricing methodology, the revised differential pricing has resulted in less price variation between each region. The loss for country and coastal regions has reduced significantly from \$1524k to \$586k and \$942k to \$333k respectively. The gain for the Metro region has also reduced from \$3391k to \$1875k. Sydney City has changed slightly.

Table 4.2 Impact of Mass Valuation Tender on Variance between both Pricing Methodologies

\$'000	Region	Revised Submission	Original Submission	Variance	
	Country	586	1,524	-938	-61.6%
	Coastal	333	942	-609	-64.7%
	Metro	-1,875	-3,391	1,515	-44.7%
	Sydney City	962	930	32	3.4%

The below chart demonstrates the movement of the average prices of 2019/20 for the 18 contract areas between the original submission (yellow line) and the revised submission (green line).

Table 4.3 Movement of the Average Prices for the 18 Contract Areas



5 Data and tables revision from the original submission

The following tables from the original submission are updated for the latest Mass Valuation contract cost.

Revised Table 6-1 Forecast OPEX over Referral Period 2019-20 to 2024-25

Opex \$ '000 (base year: 2018-19)	Forecast opex each year						Cumulative	% of total opex	% allocation to local councils
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25			
Labour	17,337	17,537	17,137	16,287	16,487	16,087	100,873	32.6%	36.5%
Mass Valuation	19,515	19,940	20,477	21,101	21,669	20,103	122,806	39.6%	25.0%
Other Valuation Contracts	6,492	5,203	5,005	6,630	5,313	5,111	33,754	10.9%	38.0%
Rent	1,277	1,298	1,319	1,341	1,365	1,390	7,990	2.6%	33.0%
Other Direct	1,454	1,369	1,368	1,454	1,369	1,368	8,381	2.7%	33.0%
Postage	1,857	64	65	1,238	66	66	3,356	1.1%	100.0%
Graphic Services	610	194	196	464	199	200	1,863	0.6%	100.0%
DFSI Corporate Support	956	956	956	956	956	956	5,735	1.9%	33.0%
PAG Corporate Support	1,655	1,655	1,655	1,655	1,655	1,655	9,932	3.2%	33.0%
ICT Operational	1,545	1,717	1,889	1,710	1,710	1,710	10,281	3.3%	33.0%
Spatial Services	802	802	802	802	802	802	4,813	1.6%	33.0%
Titling and Images	-	-	-	-	-	-	0	0.0%	33.0%
Total Forecast Opex	53,501	50,735	50,869	53,639	51,591	49,448	309,784	100%	32.6%
Depreciation (regulatory)	971	1,684	2,598	2,821	2,689	2,739	13,502	0	32.6%
Return on RAB	226	563	1,009	1,156	1,056	944	4,955	0	32.6%
Return on working capital	101	72	86	130	128	123	639	0	32.6%
Tax allowance	23	40	66	83	91	105	407	0	32.6%
Total Revenue Requirement	54,822	53,094	54,628	57,828	55,555	53,360	329,287	0	32.6%

Revised Table 6-2 Percentage Allocation of Forecast Costs to Councils

Operating costs	Current determination period %	Referral period %
Labour costs	33.0%	36.5%
Mass valuation contract costs	25.0%	25.0%
Other valuation contracts costs	50.0%	38.0%
Postage	100.0%	100.0%
Rent	33.0%	33.0%
Other direct costs	33.0%	33.0%
PNSW corporate costs	33.0%	33.0%
DFSI corporate costs	33.0%	33.0%
ICT operation costs	33.0%	33.0%
Graphic services	100.0%	100.0%
Spatial service	33.0%	33.0%
Title and Images	33.0%	33.0%
Total	34.0%	32.6%

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Revised Table 6-4: Forecast Mass Valuation Contract Costs in Real Terms (Base Year: 2018-19) over 2019-20 to 2024-25

Mass Valuation Contract	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Cumulative	Allocation %	Allocation
\$'000 Base year: 2018-19	19,515	19,940	20,477	21,101	21,669	20,103	122,806	25.0%	30,702

Revised Table 6-18: Estimated cost of tax allowance (Base year: 2018-19)

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	cumulative
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Tax allowance in required revenue	23	40	66	83	91	105	407
Allocation to councils	32.6%	32.6%	32.6%	32.6%	32.6%	32.6%	32.6%
Tax allowance	7	13	22	27	30	34	133

Revised Table 6-19 Revenue Requirement

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	cumulative
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Operating expenditure	17,466	16,563	16,607	17,511	16,843	16,143	101,134
Depreciation (regulatory)	317	550	848	921	878	894	4,408
Return on RAB	74	184	329	377	345	308	1,618
Return on working capital	33	23	28	42	42	40	209
Tax allowance	7	13	22	27	30	34	133
Revenue requirement	17,898	17,333	17,834	18,879	18,137	17,420	107,501

Revised Table 8-1: Prices in \$2018-19 Real Terms

Prices in real terms of \$2018-19	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Residential	\$5.87	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90
Non-residential	\$12.91	\$12.98	\$12.98	\$12.98	\$12.98	\$12.98	\$12.98
Residential % change	0	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-residential % change	0	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%

Revised Table 8-2: Prices in \$2018-19 Real Terms

Prices in real terms of \$2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Country	\$7.87	\$7.87	\$7.87	\$7.87	\$7.87	\$7.87
Coastal	\$6.70	\$6.70	\$6.70	\$6.70	\$6.70	\$6.70
Metro	\$6.18	\$6.18	\$6.18	\$6.18	\$6.18	\$6.18
City of Sydney	\$12.79	\$12.79	\$12.79	\$12.79	\$12.79	\$12.79

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Revised Table 8-3 Uniform Pricing vs Differential Pricing by Region

Pricing	Region	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total Revenue
Non-Differential								
	Resi \$5.90 Country	\$4,504,214	\$4,534,883	\$4,565,766	\$4,596,865	\$4,628,180	\$4,659,714	\$27,489,621
	Non-Resi \$12.98 Coastal	\$5,371,981	\$5,408,080	\$5,444,429	\$5,481,029	\$5,517,882	\$5,554,989	\$32,778,389
	Metro	\$7,551,708	\$7,602,313	\$7,653,267	\$7,704,571	\$7,756,230	\$7,808,244	\$46,076,333
	Sydney City	\$203,955	\$205,336	\$206,727	\$208,127	\$209,538	\$210,957	\$1,244,641
Total Fee Charges		\$17,631,858	\$17,750,613	\$17,870,189	\$17,990,592	\$18,111,829	\$18,233,904	\$107,588,985
Differential								
	25% Country	\$4,597,570	\$4,629,911	\$4,662,482	\$4,695,286	\$4,728,324	\$4,761,598	\$28,075,169
	25% Coastal	\$5,422,314	\$5,460,455	\$5,498,869	\$5,537,558	\$5,576,522	\$5,615,765	\$33,111,484
	25% Metro	\$7,238,314	\$7,289,230	\$7,340,509	\$7,392,155	\$7,444,169	\$7,496,555	\$44,200,931
	25% Sydney City	\$361,414	\$363,957	\$366,517	\$369,096	\$371,693	\$374,308	\$2,206,985
Total Fee Charges		\$17,619,612	\$17,743,552	\$17,868,377	\$17,994,094	\$18,120,708	\$18,248,226	\$107,594,569
Increase	Country	\$93,357	\$95,028	\$96,716	\$98,421	\$100,144	\$101,884	\$585,548
Increase	Coastal	\$50,333	\$52,375	\$54,440	\$56,529	\$58,641	\$60,777	\$333,095
Savings	Metro	-\$313,395	-\$313,084	-\$312,758	-\$312,417	-\$312,061	-\$311,689	-\$1,875,402
Increase	Sydney City	\$157,459	\$158,620	\$159,790	\$160,968	\$162,155	\$163,351	\$962,344
Variance Total		-\$12,246	-\$7,061	-\$1,812	\$3,501	\$8,879	\$14,322	\$5,584

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Revised Table 11-6 Current Pricing Structure vs Differential Pricing by LGA (Country Region)

Region (1)	Contract Area (9)	LGA (71)	No of Property at 2019/20	Non-Diff Revenue (6 yrs)	Differential Pricing	Differential Revenue (6 yrs)	Variance
Country	Central Tablelands	Bathurst Regional	18,915	\$830,261	\$7.87	\$908,722	\$78,460
		Blayney	4,100	\$202,003	\$7.87	\$196,958	-\$5,044
		Cabonne	7,443	\$387,614	\$7.87	\$357,578	-\$30,037
		Cowra	7,524	\$370,219	\$7.87	\$361,502	-\$8,717
		Lithgow	11,958	\$529,094	\$7.87	\$574,498	\$45,404
		Mid Western Regional	14,168	\$642,473	\$7.87	\$680,706	\$38,233
		Oberon	3,813	\$204,752	\$7.87	\$183,198	-\$21,554
		Orange	18,042	\$742,034	\$7.87	\$866,811	\$124,776
Country	Central West NSW	Coonamble	2,763	\$155,251	\$7.87	\$132,759	-\$22,492
		Dubbo Regional	23,164	\$1,018,503	\$7.87	\$1,112,900	\$94,397
		Forbes	5,465	\$287,779	\$7.87	\$262,563	-\$25,216
		Gilgandra	2,603	\$147,420	\$7.87	\$125,055	-\$22,365
		Hilltops	11,580	\$525,888	\$7.87	\$556,329	\$30,440
		Lachlan	4,453	\$252,314	\$7.87	\$213,917	-\$38,397
		Narromine	3,559	\$183,904	\$7.87	\$170,988	-\$12,916
		Parkes	8,276	\$398,871	\$7.87	\$397,599	-\$1,272
		Warren	2,077	\$117,824	\$7.87	\$99,763	-\$18,061
		Warrumbungle	6,416	\$338,897	\$7.87	\$308,253	-\$30,644
		Weddin	2,850	\$160,500	\$7.87	\$136,926	-\$23,574
Country	Hunter	Cessnock	25,371	\$1,012,651	\$7.87	\$1,218,913	\$206,263
		Dungog	5,216	\$243,416	\$7.87	\$250,595	\$7,179
		Maitland	32,740	\$1,293,058	\$7.87	\$1,572,954	\$279,896
		Muswellbrook	7,696	\$343,366	\$7.87	\$369,739	\$26,373
		Singleton	10,778	\$458,907	\$7.87	\$517,809	\$58,902
		Upper Hunter	7,904	\$395,090	\$7.87	\$379,720	-\$15,370
Country	Murray	Albury	22,817	\$945,373	\$7.87	\$1,096,232	\$150,859
		Berrigan	5,111	\$241,564	\$7.87	\$245,556	\$3,992
		Edward River	5,325	\$262,864	\$7.87	\$255,828	-\$7,036
		Federation	7,785	\$352,116	\$7.87	\$374,003	\$21,887
		Greater Hume	6,930	\$387,096	\$7.87	\$332,964	-\$54,132
		Murray River	7,939	\$418,813	\$7.87	\$381,416	-\$37,397
Country	North West NSW	Gunnedah	6,445	\$311,938	\$7.87	\$309,658	-\$2,280
		Gwydir	3,294	\$185,123	\$7.87	\$158,245	-\$26,878
		Liverpool Plains	4,538	\$230,842	\$7.87	\$218,035	-\$12,807
		Moree Plains	6,905	\$340,039	\$7.87	(\$331,753)	-\$8,286
		Narrabri	7,150	\$363,904	\$7.87	\$343,526	-\$20,378
		Tamworth	27,909	\$1,221,554	\$7.87	\$1,340,867	\$119,314
		Regional Walgett	5,250	\$254,091	\$7.87	\$252,242	-\$1,848
Country	Northern Tablelands	Armidale Regional	13,366	\$582,884	\$7.87	\$642,138	\$59,253
		Glen Innes Severn	5,376	\$264,787	\$7.87	\$258,299	-\$6,488
		Inverell	8,223	\$386,890	\$7.87	\$395,080	\$8,190
		Tenterfield	5,190	\$270,043	\$7.87	\$249,335	-\$20,708
		Uralla	3,125	\$148,387	\$7.87	\$150,154	\$1,767
		Walcha	1,913	\$111,248	\$7.87	\$91,914	-\$19,334
Country	Riverina	Bland	4,348	\$248,352	\$7.87	\$208,878	-\$39,474
		Carrathool	2,139	\$133,727	\$7.87	\$102,767	-\$30,959
		Coolamon	3,034	\$162,345	\$7.87	\$145,744	-\$16,600
		Cootamundra- Gundaga Griffith	6,731	\$329,990	\$7.87	\$323,370	-\$6,619
		Hay	10,864	\$490,451	\$7.87	\$521,928	\$31,477
		Junee	1,899	\$92,941	\$7.87	\$91,236	-\$1,705
		Leeton	3,081	\$153,178	\$7.87	\$148,022	-\$5,156
		Lockhart	5,254	\$241,750	\$7.87	\$252,436	\$10,686
		Murrumbidgee	2,660	\$164,637	\$7.87	\$127,817	-\$36,820
		Murrumbidgee	2,693	\$158,579	\$7.87	\$129,367	-\$29,212
		Narrandera	3,761	\$193,342	\$7.87	\$180,678	-\$12,664
		Temora	3,965	\$207,592	\$7.87	\$190,514	-\$17,078
		Wagga Wagga	27,619	\$1,189,211	\$7.87	\$1,326,913	\$137,702
Country	South East Regional NSW	Goulburn Mulwaree	15,486	\$684,628	\$7.87	\$743,984	\$59,356
		Queanbeyan- Palerang	22,527	\$940,550	\$7.87	\$1,082,278	\$141,728
		Snowy Monaro Region	13,985	\$813,038	\$7.87	\$671,887	-\$141,151
		Snowy Valleys	9,275	\$672,658	\$7.87	\$445,615	-\$227,043
		Upper Lachlan	6,603	\$388,546	\$7.87	\$317,217	-\$71,329
		Yass Valley	7,700	\$370,238	\$7.87	\$369,933	-\$305
Country	Western NSW	Balranald	1,801	\$102,814	\$7.87	\$86,536	-\$16,279
		Bogan	2,132	\$121,474	\$7.87	\$102,428	-\$19,046
		Bourke	2,083	\$114,919	\$7.87	\$100,054	-\$14,865
		Brewarrina	1,193	\$69,205	\$7.87	\$57,319	-\$11,886
		Broken Hill	10,635	\$429,356	\$7.87	\$510,929	\$81,573
		Central Darling	1,919	\$103,595	\$7.87	\$92,205	-\$11,391
		Cobar	3,251	\$168,358	\$7.87	\$156,210	-\$12,148
		Wentworth	4,265	\$222,498	\$7.87	\$204,905	-\$17,594
		Total			584,368	\$27,489,621	

Revision of the Valuer General's pricing submission to IPART on 30 November 2018

Revised Table 11-7 Current Pricing Structure vs Differential Pricing by LGA (Coastal)

Region (1)	Contract Area (3)	LGA (25)	No of Property at 2019/20	Non-Diff Revenue (6 yrs)	Differential Pricing	Differential Revenue (6 yrs)	Variance
Coastal	North Coast NSW	Ballina	15,485	\$657,337	\$6.70	\$633,847	-\$23,490
		Bellingen	6,231	\$269,634	\$6.92	\$255,042	-\$14,592
		Byron	13,714	\$575,736	\$6.92	\$561,356	-\$14,380
		Clarence Valley	26,076	\$1,139,568	\$6.92	\$1,067,393	-\$72,175
		Coffs Harbour	28,107	\$1,125,345	\$6.92	\$1,150,536	\$25,191
		Kempsey	14,521	\$635,768	\$6.92	\$594,423	-\$41,345
		Kyogle	5,401	\$300,510	\$6.92	\$221,066	-\$79,444
		Lismore	18,339	\$836,356	\$6.92	\$750,676	-\$85,680
		Mid-Coast	51,595	\$2,167,091	\$6.92	\$2,111,999	-\$55,092
		Nambucca	9,466	\$402,073	\$6.92	\$387,475	-\$14,598
		Port Macquarie-Hastings	32,223	\$1,333,154	\$6.92	\$1,319,008	-\$14,146
		Richmond Valley	10,394	\$480,058	\$6.92	\$425,455	-\$54,603
		Tweed	31,259	\$1,293,482	\$6.92	\$1,279,543	-\$13,939
Coastal	Hunter Coast	Central Coast	126,566	\$4,902,312	\$6.92	\$5,180,878	\$278,566
		Lake Macquarie	81,552	\$3,195,949	\$6.92	\$3,338,246	\$142,297
		Newcastle	58,654	\$2,308,406	\$6.92	\$2,400,933	\$92,527
		Port Stephens	30,481	\$1,229,474	\$6.92	\$1,247,714	\$18,240
Coastal	South Coast NSW	Bega Valley	18,963	\$766,049	\$6.92	\$776,230	\$10,181
		Eurobodalla	24,563	\$1,001,985	\$6.92	\$1,005,470	\$3,485
		Kiama	9,883	\$405,056	\$6.92	\$404,566	-\$490
		Shellharbour	25,447	\$988,402	\$6.92	\$1,041,633	\$53,231
		Shoalhaven	58,733	\$2,288,169	\$6.92	\$2,404,194	\$116,025
		Wingecarribee	23,315	\$980,432	\$6.92	\$954,363	-\$26,069
		Wollondilly	18,387	\$737,108	\$6.92	\$752,658	\$15,550
		Wollongong	69,545	\$2,758,938	\$6.92	\$2,846,781	\$87,844
Total			808,897	\$32,778,389		\$33,111,484	\$333,095

Revised Table 11-8 Current Pricing Structure vs Differential Pricing by LGA (Metro)

Region (1)	Contract Area (5)	LGA (31)	No of Property at 2019/20	Non-Diff Revenue (6 yrs)	Differential Pricing	Differential Revenue (6 yrs)	Variance
Metro	Sydney Central	Burwood	7,830	\$314,523	\$6.18	\$295,695	-\$18,827
		Canada Bay	18,334	\$722,452	\$6.18	\$692,355	-\$30,097
		Canterbury-Bankstown	88,759	\$3,484,763	\$6.18	\$3,351,899	-\$132,863
		City of Parramatta (Cun	194,481	\$7,579,550	\$6.18	\$7,344,434	-\$235,116
		Cumberland*	0	\$0	\$6.18	\$0	\$0
		Inner West	51,986	\$2,140,916	\$6.18	\$1,963,228	-\$177,688
		Ku-ring-gai	33,923	\$1,290,820	\$6.18	\$1,281,080	-\$9,741
		Ryde	26,397	\$1,034,560	\$6.18	\$996,848	-\$37,712
		Strathfield	7,483	\$301,750	\$6.18	\$282,594	-\$19,156
	Sydney Coast North	Hunters Hill	3,765	\$148,867	\$6.18	\$142,173	-\$6,694
		Lane Cove	7,937	\$310,864	\$6.18	\$299,732	-\$11,131
		Mosman	6,974	\$275,403	\$6.18	\$263,361	-\$12,042
		North Sydney	10,520	\$462,927	\$6.18	\$397,269	-\$65,658
		Northern Beaches	68,992	\$2,667,222	\$6.18	\$2,605,425	-\$61,797
		Willoughby	17,527	\$703,778	\$6.18	\$661,887	-\$41,892
	Sydney Coast South	Bayside	33,190	\$1,335,701	\$6.18	\$1,253,392	-\$82,309
Georges River		36,109	\$1,397,101	\$6.18	\$1,363,611	-\$33,490	
Randwick		26,748	\$1,037,586	\$6.18	\$1,010,102	-\$27,484	
Sutherland		61,750	\$2,394,073	\$6.18	\$2,331,933	-\$62,140	
Waverley		13,324	\$515,470	\$6.18	\$503,185	-\$12,285	
Woollahra		13,566	\$532,413	\$6.18	\$512,325	-\$20,088	
Sydney North West	Blue Mountains	37,349	\$1,485,141	\$6.18	\$1,410,456	-\$74,685	
	Hawkesbury	24,763	\$989,020	\$6.18	\$935,150	-\$53,870	
	Hornsby*	0	\$0	\$6.18	\$0	\$0	
	The Hills Shire*	0	\$0	\$6.18	\$0	\$0	
Sydney West	Blacktown	110,625	\$4,282,087	\$6.18	\$4,177,668	-\$104,419	
	Camden	34,781	\$1,416,701	\$6.18	\$1,313,491	-\$103,210	
	Campbelltown	54,100	\$2,158,393	\$6.18	\$2,043,055	-\$115,338	
	Fairfield	53,756	\$2,159,267	\$6.18	\$2,030,068	-\$129,199	
	Liverpool	59,511	\$2,372,794	\$6.18	\$2,247,384	-\$125,411	
	Penrith	65,965	\$2,562,189	\$6.18	\$2,491,130	-\$71,059	
Total			1,170,443	\$46,076,333		\$44,200,931	-\$1,875,402

* all combined together under City of Parramatta (Cumberland)

Revised Table 11-9 Current Pricing Structure vs Differential Pricing by LGA (City of Sydney)

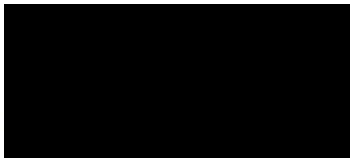
Region (1)	Contract Area (1)	LGA (1)	No of Property at 2019/20	Non-Diff Revenue (6 yrs)	Differential Pricing	Differential Revenue (6 yrs)	Variance
Sydney City	Sydney City	City of Sydney	28,247	\$1,244,641	\$12.79	\$2,206,985	\$962,344

Valuer General's declaration

In accordance with the Guidelines for Pricing Submissions, December 2017 (the Guidelines), of the Independent Pricing and Regulatory Tribunal of New South Wales, I declare that:

- a) The information provided in the *Revision of the Valuer General's pricing submission on 30 November 2018*, dated 27 March 2019 is the best available information of the financial and operational affairs of Valuation Services and has been checked in accordance with the Guidelines; and
- b) There are no circumstances of which I am aware that would render the information provided to be misleading or inaccurate.

Certified by the Valuer General:



Mr Michael Parker
Acting Valuer General
Office of the Valuer General

27 March 2019