

CM14.2. IPART Review of Prices for Valuer General's Services to Councils

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CONFIDENTIAL	No		
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Purpose of Report

The purpose of the report is to present to Council AlburyCity's submission to the Independent Pricing and Regulatory Tribunal (IPART) review of prices for land valuation services provided by the Valuer General.

Background

In May 2024 the IPART was requested, by the NSW Premier, to review the maximum prices that the Valuer General can charge councils for valuation services from 1 July 2025 (having undertaken a similar review in 2018 for the period commencing 1 July 2019).

The Valuer General's land valuations are used by local councils as the basis for calculating and issuing rates notices to ratepayers. Councils currently pay around one-third of the Valuer General's total costs of providing valuation services, with the remainder covered by Revenue NSW.

The Valuer General sets prices for a six (6) year period and has proposed a price increase of between 21% and 38% for land valuation services from 1 July 2025.

The Valuer General's proposed prices per property valuation for each zone are outlined in the table below.

Zone	Current price (2019-2025)	Proposed price (2024-2025)	Change from current determination (%)
Country	9.16	11.62	27%
Coastal	7.80	10.80	38%
Metro	7.20	9.44	31%
City of Sydney	14.89	18.09	21%

Issues

IPART was requested by the NSW Premier as part of its review to:

- Consider and identify the Valuer General's efficient costs of providing Monopoly Services over the relevant determination period or periods,

- Consider valuation service market-based factors over the determination period and identify where appropriate interim period adjustment parameters where unforeseen or unavoidable external costs may be incurred; and
- Consider the efficient allocation of the costs of the Monopoly Services between the users of those services in accordance with relevant economic and pricing principles.

On 8 October 2024, IPART called for submissions by 19 November 2024 from interested parties, including councils, ratepayers, users of land valuation services, valuation service providers and others, focusing on the key areas of:

- Efficient costs.
- Cost allocation between users.
- Pricing framework.
- Government regulation.
- Service quality.
- General section.

AlburyCity lodged its submission on 19 November 2024, with the key points being that:

- AlburyCity does not regard the Valuer General's pricing proposal as good value,
- Any price increase should be aligned to an adjustment to the rate peg. With the rate peg already set by IPART for 2025/26, any increase should be deferred to future years,
- The experience of landowners who have objected to the valuations issued by the Valuer General has been less than desirable. Frustrated landowners raised their concerns with AlburyCity regarding the inconsistency in how their objections were treated, with landowners questioning the justification, timeliness, fairness, and transparency of the process; and
- From AlburyCity's perspective it is unfortunate that Valuation NSW, being a monopoly service provider, is unwilling and not required to meet with landowners to discuss the justification for their valuation and their experience with the Valuer General's land valuation dispute process. Instead, Valuation NSW requires landowners to lodge an appeal to the Land and Environment Court of NSW at great expense.

A draft report is due to be handed down by IPART in February 2025, with a final report to follow in May 2025.

Risk

- **Business Risk** – The proposed cost increase charged by the Valuer General to AlburyCity will be 27% or \$61,000 per annum plus CPI for the 2025/26 financial year. These additional costs may impact our ability to maintain service levels provided to the community if they are unable to be recouped through the rate peg, which has already been set by IPART for the 2025/26 financial year.
- **Corporate Risk** – While councils utilise the Valuer General's land valuations as the basis for distributing rates, councils have no control over the Valuer General's unimproved land valuation assessment or objection process.
- **WHS and Public Risk** – No risks of significance have been identified.
- **Environmental Risk** – No risks of significance have been identified.
- **Delivery Program Risk** – No risks of significance have been identified.

Engagement

The draft submission was shared with AlburyCity Councillors and Executive for review and comment, with feedback incorporated into the final submission lodged with IPART.

AlburyCity also alerted a representative of Central Albury residents, who experienced frustrations over the past 12 to 18 months in relation to the Valuer General's valuation and dispute processes, to consider making a submission to IPART in relation to their experiences.

Conclusion

AlburyCity lodged a submission to IPART's Review of prices for land valuation services provided by the Valuer General on 19 November 2024.

The key points raised in the submission were that:

- AlburyCity does not regard the Valuer General's pricing proposal as good value,
- Any price increase should be aligned to an adjustment to the rate peg. With the rate peg already set by IPART for 2025/26, any increase should be deferred to future years,
- The experience of landowners who have objected to the valuations issued by the Valuer General has been less than desirable. Frustrated landowners raised their concerns with AlburyCity regarding the inconsistency in how their objections were treated, with landowners questioning the justification, timeliness, fairness, and transparency of the process; and
- From AlburyCity's perspective it is unfortunate that Valuation NSW, being a monopoly service provider, is unwilling and not required to meet with landowners to discuss the justification for their valuation and their experience with the Valuer General's land valuation dispute process. Instead, Valuation NSW requires landowners to lodge an appeal to the Land and Environment Court of NSW at great expense.

A draft report is due to be handed down by IPART in February 2025, with a final report to follow in May 2025.

Recommendation

That Council receives and notes AlburyCity's submission to IPART on the review of prices for land valuation services provided by the Valuer General.

Attachments

1. IPART Submission – Review of prices for land valuation services provided by the Valuer General (DOC24/280708)
2. IPART – Calls for submissions paper (DOC24/280201)
3. Valuer General – Pricing Proposal review (DOC24/280202)