

Valuer General

Our ref: 24/00036

Ms Carmel Donnelly PSM
Chair
Independent Pricing and Regulatory Tribunal (IPART) NSW

15 March 2024

Subject: IPART review of the council financial model

Dear Ms Donnelly

I am writing regarding IPART's review of the council financial model and request for feedback on the Draft Terms of Reference. As you are aware, IPART's 2016 report on the review of the local government rating system as well as IPART's 2023 report on the review of the rate peg methodology included recommendations on the use of the capital improved value (CIV) method as the basis for levying rates.

Whilst I do not have specific feedback on the Draft Terms of Reference, should IPART consider the use of CIV during its review of the council financial model, I would welcome the opportunity to provide input and feedback on any such consideration.

As outlined in my submission to IPART's 2022-2023 review of rate peg methodology, I do not prefer either the use of unimproved land values or CIV for levying rates. However, I believe that any recommendation or decision to change the basis of valuation in NSW should carefully weigh any advantages against potential or known disadvantages, including implementation costs.

Valuation NSW (VNSW) is responsible for managing the valuation system on my behalf and recently conducted an initial feasibility review of the potential implications of implementing CIV. VNSW would be happy to discuss its findings should IPART consider the use of CIV during its review of the council financial model.

Should you wish to discuss this matter further, please contact my office at

[REDACTED]

Yours sincerely

[REDACTED]

Sally Dale
Valuer General