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FOR YOUR INFORMATION - TO HELP YOU DECIDE WHETHER TO
PARTICIPATE IN THIS RFT AND THEN BECOME A PROSPECTIVE
TENDERER**

Please read and Note:

This file is provided on the Commerce tenders web site when the Request For Tender (RFT) document is issued in Dmax Lite format.

This file contains (below) a brief scope statement and extracts from the RFT documents, but is not a complete RFT document and does not contain the responsible questions.

To participate in this tendering process you MUST first return to the Commerce tenders web site:

<https://tenders.nsw.gov.au/commerce>

Then from the RFT web page (see RFT number below) download a full copy of the RFT documents, including the responsible components, and also any addenda issued to date; and also during the tender period.

Copy/Save the RFT documents to your own computer drive or network location – the blue “DOWNLOAD A SOFT COPY” link at the bottom provides access to the page from which you can do this.

DmAX Lite Software

You will need to have a current licensed copy of the Dmax Lite 5.1 software to read, complete, and respond to the RFT with your tender. If you do not currently have such a licensed copy it can be optionally purchased and downloaded when downloading the full RFT documents from the tenders web site.



**NSW Procurement – Contracting Services is a Business Unit of the NSW
Department of Commerce**

**NSW Procurement – Contracting Services invites this tender for and on behalf
of the NSW Government State Contracts Control Board**

Request for Tender 0701778

Land Valuation Services for Government Taxing and Rating for the General Manager, Land and Property Information, Department of Lands

Part A: Tender Conditions – The Requirement and Specifications

Part B: Tender Conditions – The Tender Process

1 March 2008 to 28 February 2011

Tender Issue Date: 23 October 2007

Closing Date: 20 November 2007

Closing Time: 9:30 am Sydney Time

Note: In order to respond to this RFT tenderers must have a current license for DMax Lite software. Licenses can be purchased through NSW Procurement | eBusiness Solutions SupportDesk at:

eBS_SupportDesk@commerce.nsw.gov.au or 1800 003 985

at a cost of \$110 (inclusive of GST) (representing the DecisionMax license fee). This provides 12 months unlimited application to any Tender formatted in TenderMax Pro. It is anticipated that most RFTs released by the SCCB will be in this format.

Alternatively, in downloading this RFT you can follow the prompts to confirm your request and purchase of the DMax Lite software and be issued with your Digital Registering Key to commence preparing your tender submission in the appropriate format.

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For the purposes of this RFT, inquiries should be directed to the Contact Officer nominated in Part A of this RFT.

Other matters should be directed to:

Group General Manager
NSW Procurement – Contracting Services
NSW Department of Commerce
McKell Building
2-24 Rawson Place
Sydney NSW 2000
Tel: (02) 9372 7504
Fax: (02) 9372 7533

TENDER FOR THE PROVISION OF A TELEPHONE INFORMATION SERVICE FOR THE NSW DEPARTMENT OF LANDS

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PART A Tender Conditions - The Requirement and Specifications

1. Outline Description of the Requirement

1.1 Introduction

This Request For Tender ("RFT") is made by the State Contracts Control Board ("the Board") for the supply of the Deliverables defined in this RFT and detailed in the Specification.

The Board is responsible for the conduct of the tender process, assisted by NSW Procurement – Contracting Services.

1.2 Outline of the Requirement

1.2.1 This RFT covers the provision of valuation services in selected areas of New South Wales for a 3 year period. The areas are:

- Dubbo
- Blacktown
- Wollongong
- Newcastle
- Albury
- Central Coast

Valuations for all the above areas are to be conducted in accordance with the Valuation of Land Act 1916 as amended.

Each area consists of a number of Councils as detailed in Schedule 2 of Part D of this RFT.

Each area will be covered by a separate Contract. One Contractor will be appointed to each area.

Tenderers may tender for one or more of the six areas under this RFT.

1.2.2. The tender process aims to assist tenderers in preparing their Tender. The process will involve tenderers undertaking due diligence with the use of facilities of the appropriate local office of NSW Department of Lands. **Access to the resources of NSW Department of Lands will cease five (5) business days before the Tender Closing Time.**

Tenderers must refer requests for appointment to visit Department of Lands premises to:

Name: Liz Vaughan
Phone: 02-82587547
Fax: 02-82587473
E-mail: liz.vaughan@lands.nsw.gov.au

- 1.2.3 As a pre-condition of access to Department of Lands records, tenderers must sign and deliver to Department of Lands a confidentiality undertaking obtainable from the above contact.
- 1.2.4 Statistical information in relation to the total number of valuations per annum, supplementary valuations, active components, benchmark properties, residential and non-residential properties, etc are provided in Schedule 2 of Part D of this RFT for information purposes. The statistics are provided as a guide only to assist tenderers to prepare their Tender and are not to be taken as a guarantee of work.

2 Summary information for tenderers

2.1 Interpretation

- 2.1.1 Definitions of terms used in Parts A-C are contained in cl.6 of Part B

2.2 Structure of Request for Tender

- 2.2.1 This Tender is structured in the TenderMax Pro format.

TenderMax Pro is an e-sourcing application designed to fully automate the traditional paper-based tendering process introducing best practice processes in Electronic Tender production, submission and evaluation

- 2.2.2 This RFT is made up of four Parts as follows:

Tender Conditions

Part A: The Requirement and Specification;
Part B: The Tender Process;

Response to be completed by Tenderer

Part C: Tender Response, to be completed by the Tenderer.

Conditions of Contract

Part D: Agreement

Part C and other responses, once completed forms the Tender, and is to be submitted in accordance with Parts A, B and D.

2.3 Contact Officer

- 2.3.1 Refer requests for information or advice regarding this RFT to:

Name: Jerzy Kortynski
Phone: (02) 9372 7608
Fax: (02) 9372 7622
E-mail: jerzy.kortynski@commerce.nsw.gov.au

- 2.3.2 Any information given to a tenderer to clarify any aspect of this RFT will also be given to all other tenderers if in the Board's opinion the information would unfairly favour the inquiring tenderer over other tenderers.

2.4 Pre-Tender Briefings

2.4.1 Briefings will be held at venues to be advised, and at the times nominated, as follows:

Date	Location	Venue	Function Room	Time
Thursday 1st Nov	Sydney	Department of Lands, 1 Prince Albert Road, Queens Square, Sydney. NSW 2000	Legal Conference Room, Level 3	10 - 12 noon
Friday 2nd Nov	Newcastle	Lake Macquarie City Council, 126-138 Main Road, Speers Point, Lake Macquarie. NSW 2284.	Committee Room, First Floor	10 - 12 noon
Wednesday 7th Nov	Albury	Commercial Club (Albury) Ltd. 618 Dean Street, Albury. NSW 2640.	Banksia A Room (First Floor)	10 - 12 noon
Thursday 8 Nov	Dubbo	NSW State Government Offices, 37-39 Carrington Avenue, Dubbo NSW 2830.	Conference Room Ground Floor	1 - 3 pm

2.4.2 These briefings will discuss all aspects of this tender. It is highly desirable that all prospective tenderers attend a briefing in order that they fully acquaint themselves with the tender requirements. It is also expected that all tenderers will have thoroughly read this document prior to the briefing.

2.4.3 Tenderers should notify the Contact Officer shown in clause 2.3 by no later than the working day prior to the briefing they intend to attend.

2.5 Nature and duration of agreement

2.5.1 The Requirement is to be met by an agreement between the Principal and the successful tenderer(s) on the terms of Part D.

2.5.2 The agreement will be for a term of three (3) years and may be extended by a further term of up to two one-year extension periods at the sole discretion of the Principal.

2.6 Non-exclusive Standing Offer agreement

2.6.1 The Board reserves the right to appoint more than one Contractor to supply the Requirement or a part of the Requirement, at any time and from time to time.

2.6.2 The Board reserves the right to issue a further RFT during the term of the Standing Offer agreement for the additional intake of suppliers for the remaining term of the agreement for the supply of the Deliverables covered by this RFT.

2.6.3 Tenderers will have to meet the same terms and conditions and will be subject to the same evaluation criteria as for this RFT except for the tender issue and closing dates and the agreement period.

2.7 Eligibility to tender

- 2.7.1 Tenders must be submitted by a legal entity or, if a joint Tender, by legal entities, with the capacity to contract. The Board will only contract with the relevant legal entity or entities.
- 2.7.2 The Board may submit any financial information provided by the tenderer for independent financial assessment of the Tenderer's business.
- 2.7.3 The Board may ask a tenderer to provide evidence of its legal status or capacity to contract. If Tenders from entities propose to contract in their capacity as trustees, such evidence may include copies of the relevant trust deeds. Any evidence requested is to be provided within 3 working days of the request.
- 2.7.4 The Board reserves the right to reject any Tender if the Board judges the tenderer not to have appropriate financial assets.
- 2.7.5 If the Board judges the tenderer's financial position to be marginal, the Board reserves the right to make acceptance of any Tender conditional upon the tenderer entering into a bank or parent company guarantee, or an unconditional performance bond in a form satisfactory to the Board.
- 2.7.6 Tenderers must read, understand and comply with the requirements of the Commerce Business Ethics Statement, which is available at the link below. Tenderers must disclose any potential conflict of interests (including any relevant relationships) in the Tender Response.

The Board will consider any disclosure and will only enter into an agreement with tenderers that do not have improper conflict of interests. If the Board becomes aware of improper conflict of interests by a successful tenderer at the time an agreement has already been entered into the Board reserves the right to terminate the agreement.

<http://www.commerce.nsw.gov.au/About+Commerce/Business+ethics+statement/Business+ethics+statement.htm#commerce>

2.8 Other Eligibility Requirements

- 2.8.1 The Board will not enter into an agreement with a company that does not have an Australian Business Number and is not registered for GST. Normally, Tenderers must be registered for GST and state their ABN in their Tender Response.
- 2.8.2 Tenders from Tenderers that do not have an ABN and/or are not registered for GST, such as Tenderers commencing business in Australia, may be considered at the Board's discretion if the Tenderer demonstrates that it will obtain an ABN and GST registration before entering into an agreement with the Board. Such Tenderers must state how and when they intend to obtain an ABN and register for GST in their Tender Response.

2.9 Not Used

3. Submission of Tenders

3.1 General instructions for submission of Tenders

- 3.1.1 A Tender must be fully received by the Closing Date and Closing Time.
- 3.1.2 In order to prepare and lodge a response, tenderers must have a current license for the DMax Lite software being used. DMax Lite is the application required to participate and respond to any RFT published in the TenderMax Pro format.
- 3.1.3 A Tender must be lodged into the designated tender box/es, and must be lodged by **electronic lodgement** to the **electronic tender box for this RFT**, in accordance with Section 8 of this RFT, through the NSW Department of Commerce eTendering website at:

<https://tenders.nsw.gov.au/commerce>

Locate the web page for RFT 0701778 and follow the instructions, to lodge the tender through the blue LODGE A RESPONSE link

4. Evaluation of Tenders

4.1 General

- 4.1.1 Tenders will be assessed against the selection criteria listed below, which are not necessarily exhaustive, in order of significance or to be given equal weight.
- 4.1.2 The selection criteria for this RFT that do not relate to price will account for 70% of the total evaluation score. The selection criteria for this RFT that relate to price will account for 30% of the total evaluation score.
- 4.1.3 Information supplied by the tenderer in Part C will contribute to the assessment against each criterion. Tenderers are advised to respond clearly to all the selection criteria listed in this RFT.
- 4.1.4 If any criterion or sub-criterion is stated to be “mandatory” a failure by the Tender to fully comply with that criterion or sub-criterion will result in automatic exclusion of the Tender without further consideration. Mandatory criteria include those in which mandatory language such as “must” or “shall” is used.

4.2 Selection criteria

- (a) The tenderer's capability , including quality and availability of staff (and/or sub-contractors) proposed to conduct the work (Employment Management Plan). Weight – 15%
- (b) Contract Management Plan including draft Project Plan Weight – 12%
- (c) Valuation Methodology. Weight – 9%
- (d) Experience including performance against existing or recent public or private sector contracts. Weight – 11%
- (e) Tenderer's capacity and ability to take on additional work. Weight – 7%
- (f) Tenderer's application of information technology in the performance of the contract. Weight – 4%
- (g) Quality assurance, including any innovations that would improve the quality of the valuation service and outcomes. Weight – 12%
- (h) Degree of compliance with the specification and contractual requirements of this tender. Not Scored
- (i) Compliance with NSW Government procurement policy. Not Scored
- (j) Price. Weight –30%

It is the tenderers responsibility to read in Part C policy considerations relevant to this RFT. Tenderers are required to respond to the policy questions provided in Part C.

5. Preparation of Tender – Price Schedule

5.1 Price Schedule

5.1.1 Complete the Price Schedule at Part C3.

5.2 Calculating the Tender Price

5.2.1 The Tender Price must:

- (a) be in Australian dollars;
- (b) cover all costs of performing the agreement, including packing and delivery (if applicable);
- (c) include Goods and Services Tax if it is payable and all other applicable taxes, duties and charges at the rates applicable at the Closing Date and Time for Tenders;
- (d) include all costs associated with the preparation and submission of the Tender;

5.3 Price Variation

5.3.1 Years 1, 2 and 3

5.3.1.1 Tendered Prices are to be firm for the duration of the Contract.

5.3.2 Optional Years 4 and 5

- 5.3.2.1 Tendered Prices shall be variable with the Sydney CPI in accordance with clause (c), Schedule 3, Part D.

5.4 GST Free or Input Taxed Supplies

- 5.4.1 Tenderers must identify and state the value of any GST Free or Input Taxed Supplies to be made under the Contract.

5.5 Minimum Tender Validity Period

- 5.5.1 Tenders must remain open for acceptance for a period of at least six (6) months from the Closing Date and Time for Tenders. Tenderers must state in Part C if their Tenders will remain open for any longer period.

ANNEXURE 1 TO PART A: SPECIFICATION

See Part D Schedule 1

ANNEXURE 2 TO PART A: OTHER INFORMATION SUPPLIED BY THE BOARD

Not Used

PART B Tender Conditions -The Tender Process

6. Definitions of terms used in Parts A-C

- 6.1** Unless the context indicates otherwise, the following terms, where used in Parts A-C of this RFT, shall have the meanings set out below. Note the defined terms below will not all necessarily appear in this RFT.

“ABN” means an Australian Business Number as provided in the GST law.

“Addendum” means an addendum or addition to this RFT made by the Board before the Closing Date and Time under cl. 7.5.

“Alternative Tender” means a Non-Conforming Tender that is intended to offer a different method of meeting the object and intent of the Requirement.

“Board” means the State Contracts Control Board established under the *Public Sector Employment and Management Act 2002* whose responsibilities include:

- Inviting and accepting tenders;
- Determining the conditions under which tenders are invited or accepted;
- Entering into contracts on behalf of Departments and other public sector agencies ; and
- On-going contract administration and management,

and includes the duly authorised delegates of the Board, including officers of NSW Procurement – Contracting Services.

“Closing Date and Time” means the Closing Date and Time for receipt of tenders, specified on the cover sheet to this RFT.

“Code” means the NSW Government Code of Practice for Procurement as amended from time to time, together with any other codes of practice relating to procurement, including any amendments to such codes that may be applicable to the particular RFT. The code can be viewed and downloaded from:

http://www.treasury.nsw.gov.au/procurement/pdf/code_of_prac-curr.pdf

“Conforming Tender” means a Tender that:

- (a) conforms to the Requirement;
- (b) is in the prescribed form;
- (c) conforms to the terms and conditions of Part D, and
- (d) conforms to all of the other requirements of this RFT.

“Contractor” means the tenderer as a party to the proposed agreement.

“Deliverables” means the goods and services or goods or services sought under this RFT, as detailed in the Specification.

“Department” means New South Wales Department of Lands.

“Government Businesses” means in general, entities which:

- (a) have some form of public sector ownership;
- (b) are engaged in trading goods and/or services;
- (c) have a large measure of self sufficiency; and

- (d) are subject to Executive control.

In this context, the term Government business includes Public Trading Enterprises, State Owned Corporations and General Government Businesses.

“GST” is a goods and services tax and has the same meaning as in the GST Law.

“GST Free Supplies” and **“Input Taxed Supplies”** have the same meaning as in the GST Law.

“GST Law” means any law imposing a GST and includes *A New Tax System (Goods & Services Tax) Act 1999* (C'th) or if that Act does not exist, means any Act imposing, or relating, to a GST and any regulation made under those Acts.

“Lands” means the New South Wales Department of Lands.

“Late Tender” means a Tender received after the Closing Date and Time for tenders and includes a Tender, which is only partly received by the Closing Date and Time.

“Non-Conforming Tender” means a Tender that:

- (a) does not conform to the Requirement;
- (b) is not in the prescribed form;
- (c) does not substantially conform to any one or more of the terms and conditions of Part D, including a Tender which seeks to substantially qualify or amend these conditions, or
- (d) does not conform to any of the other requirements of this RFT.

“OHS&R” means occupational health, safety and rehabilitation.

“On Request Items” means any Deliverables nominated as On Request Items.

“Price” includes a price expressed as a lump sum or a rate per unit of quantity, calculated in accordance with cl.5.3.

“Price Schedule” means the list of Deliverables offered by the tenderer, together with the corresponding pricing information. The Price Schedule forms, or is to be attached to, Part C3 of the RFT.

“Principal” means the party named as Principal in the proposed agreement.

“Requirement” means the requirement for the Deliverables to be met by the Tender, outlined in cl.1 of the RFT and detailed in the Specification.

“RFT” means the Request for Tender.

“Specification” means the detailed description of the required goods and services or goods or services contained in Annexure 1 to Part A.

“NSW Procurement – Contracting Services” means a business unit of the NSW Department of Commerce representing the Board and authorised to arrange and administer contracts on behalf of the Board.

“Tender” means the offer to supply the Deliverables submitted in response to the RFT.

“Tender Price” means, in respect of each Deliverable offered, the Price nominated in the Price Schedule for that Deliverable.

7 Tender Process – General

7.1 Conformity of Tenders

- 7.1.1 The Board seeks Conforming Tenders.
- 7.1.2 Non-Conforming Tenders that do not include a fully completed Part C, in particular those Tenders which do not contain sufficient information to permit a proper evaluation to be conducted, or, in the case of electronic tenders, which cannot be effectively evaluated because the file has become corrupt, may be excluded from the tender process without further consideration at the Board's discretion.
- 7.1.3 Tenderers may, if they choose, submit an Alternative Tender. Tenderers are encouraged to offer options or solutions that contribute to the Principal's ability to carry out its business in a more cost-effective manner.
- 7.1.4 Alternative Tenders will only be considered if submitted in conjunction with a Conforming Tender.
- 7.1.5 The Board may assess an Alternative Tender against the evaluation criteria where submitted with a Conforming Tender.
- 7.1.6 An Alternative Tender must be clearly marked "Alternative Tender".
- 7.1.7 The Board expressly reserves the right to accept, in its discretion, either or both of the following:
 - (a) Any Alternative Tender or part of an Alternative Tender, where submitted with a Conforming Tender; and
 - (b) Any other Non-Conforming Tender or part of a Non-Conforming Tender (not, in either case, being an Alternative Tender or part of an Alternative Tender) that, in the Board's opinion, is substantially a Conforming Tender.

7.2 Prescribed form of Tender

- 7.2.1 The Tender, including any Alternative Tender, must comprise a completed Part C and any attachments to Part C, as may be necessary. Any attachments should be labelled to identify those clauses of the RFT to which they relate.
- 7.2.2 The Tender will be taken to be for the supply of the Requirement on the terms and conditions stated in Part D except to the extent that these are amended by the Tender.

7.3 General instructions for completion of Tenders

- 7.3.1 Prices, responses and other information provided in the Tender are to be in writing and in English.
- 7.3.2 Tenderers must complete ALL of Part C of this RFT, as directed and must not amend any of the questions provided.
- 7.3.3 Tenderers should notify the Contact Officer in writing on or before the Closing Date and Time if they find any discrepancy, error or omission in this RFT.

- 7.3.4 All tenders must be provided in the TenderMax Pro format, using DMax Lite software, and Part C must be included in one or more files with an extension of *.dtr.
- 7.3.5 Product samples, models and other supporting items that are required to be delivered must be identified in the tender and delivered in accordance with arrangements made with the Contact Officer before lodgement of tender.

7.4 Tenderers to inform themselves

7.4.1 Before submitting its Tender, a tenderer must:

- (a) Examine all information relevant to the risks and contingencies and other circumstances having an effect on its Tender; and
- (b) Satisfy itself:
 - (i) that the Tender, including the Tender Price is correct; and
 - (ii) that it is financially and practically viable for it to enter into and perform the proposed agreement.

7.4.2 The following must be considered:

- (a) The eTendering system is at peak use on the morning prior to Tenders closing.
 - 1) Due to communication traffic via this means of communication it may take longer to lodge a Tender near Closing Date and Closing Time than at other times.
 - 2) When lodging through the NSW Department of Commerce *eTendering* website, it is recommended that a Tender be lodged well in advance of the Closing Date and Closing Time.
- (b) The NSW Department of Commerce *eTendering* website may experience difficulties in accepting a large Tender. A tender lodged via the NSW Department of Commerce *eTendering* website should ideally be below 7 megabytes (MB) in total file size. Responses totalling more than 7MB may experience difficulties in lodgement. In this case Tenderers may break down the lodgement into smaller packages if clearly identified eg. package 1 of 3; 2 of 3; 3 of 3. A tenderer is referred to cl. 8.1.4(b) for instructions as to compressing electronically submitted Tenders.
 - (1) If submitting an electronic tender with supporting items:
 - a) The complete Tender, including the required supporting items unless otherwise directed, must be submitted by Closing Date and Closing Time, and
 - b) Supporting items should be clearly designated as "Supporting Items to..." the RFT to which they relate.
 - c) Supporting items not required to be lodged as part of the initial Tender by the RFT should not be lodged in the tender box, and arrangements should be made with the Contact Officer.

- 7.4.3 A tenderer is not required to provide multiple copies of a Tender. Any “Alternative Tender” under clause 7.1 must be attached to the Conforming Tender at Part C of this RFT.
- 7.4.4 If a tenderer provides multiple lodgements, the latest tender received in a NSW Department of Commerce Tender Box will be the tender evaluated.

7.5 Addenda to RFT

- 7.5.1 If, for any reason the Board, at its sole discretion, requires the RFT to be amended before the Closing Date and Time, an Addendum will be issued.
- 7.5.2 In each case, an Addendum becomes part of the RFT.
- 7.5.3 The Board, during the tender period may issue Addenda altering the RFT. In such cases, it is the obligation of the tenderer to verify if any addenda were issued prior to closing date, even if a tender has already been submitted. They must obtain a copy of all addenda as given in clause 7.5.4 or 7.5.5 as applicable.
- 7.5.4 Tenderers must check the web site address, <https://tenders.nsw.gov.au/commerce> and download the Addendum.
- 7.5.5 Failure to complete tender response 16.3 in Part C may result in your tender not being considered.

7.6 Late Tenders

- 7.6.1 In accordance with the requirements of the NSW Government Code of Practice for Procurement, Late Tenders will not be considered except when the Board is satisfied that the delay is not the fault of the tendering party.

7.7 Extension of the Closing Date and Time

- 7.7.1 The Board may, in its discretion, extend the Closing Date and Time.

8. Tender Process – Submission of Tenders

8.1 Electronic Tenders to the NSW Department of Commerce *eTendering* website

- 8.1.1 A tenderer is required, to lodge its Tender electronically through the NSW Department of Commerce *eTendering* website at <https://tenders.nsw.gov.au/commerce>. A tender submitted electronically will be treated in accordance with the *Electronic Transactions Act 2000* (NSW), and given no lesser level of confidentiality, probity and attention than Tenders lodged by other means.
- 8.1.2 A tenderer, by electronically lodging a Tender, is taken to have accepted conditions shown in the Conditions of Tendering and on the NSW Department of Commerce *eTendering* website.
- 8.1.3 A tenderer must follow the following directions:
- (a) RFT for which electronic lodgement is available through the website can be identified by the blue “Lodge a Response” link on the web pages for the RFT.
 - (b) To lodge a Tender electronically, the files containing the Tender Response must be up-loaded through the website. Access to the up-

loading process is through the blue “Lodge a Response” link, then follow the steps and instructions on the NSW Department of Commerce *eTendering* website and any instructions which may have been supplied with the RFT.

8.1.4 A tenderer must observe the following format for lodgements:

- (a) An electronically lodged Tender must be lodged in a file format required by the RFT.
- (b) If a tenderer compresses files, it must be possible to decompress them using WinZip. A tenderer must not submit self-extracting (*.exe) zip files.
- (c) A tenderer must not change pre-existing text in the RFT other than to insert the required information.
- (d) The file/s name/s must have an extension and not have invalid characters or file names/loading pathnames too long for the system, as detailed on the NSW Department of Commerce *eTendering* website

8.1.5 Signatures are not required for a Tender submitted to the NSW Department of Commerce *eTendering* website. A tenderer must ensure that a Tender is authorised by the person or persons who may do so on behalf of the Tenderer and appropriately identify the person and indicate the person's approval of the information communicated.

8.1.6 Electronically submitted Tenders may be made corrupt or incomplete, for example by computer viruses. The Board may decline to consider for acceptance a Tender that cannot be effectively evaluated because it is incomplete or corrupt. Note that:

- (a) To reduce the likelihood of viruses, a tenderer must not include any macros, applets, or executable code or files in a Tender.
- (b) A tenderer should ensure that electronically submitted files are free from viruses by checking the files with an up to date virus-checking program before submission.

8.1.7 If a tenderer experiences any persistent difficulty with the NSW Department of Commerce *eTendering* website in submitting a Tender or otherwise, it is encouraged to advise the Contact Officer promptly in writing.

- (a) If there is a defect or failure of the NSW Department of Commerce *eTendering* website and the Board is advised, the Tender Closing Date and Closing Time may be extended provided that, in the view of the Board, the tender process will not be compromised by such an extension.

9. Tender Process – Evaluation of Tenders

9.1 Variation of Tenders

9.1.1 At any time before the Board accepts any Tender received in response to this RFT, a tenderer may, subject to cl.9.1.2, vary its Tender:

- (a) by providing the Board with further information by way of explanation or clarification;
- (b) by correcting a mistake or anomaly; or

- (c) by documenting agreed changes to the Tender negotiated under cl.10.2 of this Part.

9.1.2 Such a variation may be made either:

- (a) at the request of the Board, or
- (b) with the consent of the Board at the request of the tenderer;

but only if,

- (c) in the case of variation requested by the tenderer under cl.9.1.1(a)-(b), it appears to the Board reasonable in the circumstances to allow the tenderer to provide the information or correct the mistake or anomaly; or
- (d) in the case of variation under cl.9.1.1(c), the Board has confirmed that the draft-documented changes reflect what has been agreed.

9.1.3 If a Tender is varied in accordance with cl. 9.1.1(a) or (b), the Board will provide all other tenderers whose Tenders have similar characteristics with the opportunity of varying their Tenders in a similar way.

9.1.4 A variation of a Tender under cl. 9.1.1 will not be permitted if in the Board's view:

- (a) it would substantially alter the original Tender; or
- (b) in the case of variation under cl.9.1.1(a) or (b), it would result in the revising or expanding of a Tender in a way that would give a tenderer an unfair advantage over other tenderers.

9.2 Corrupt or unethical conduct

9.2.1 If a tenderer, or any of its officers, employees, agents or sub-contractors is found to have:

- (a) offered any inducement or reward to any public servant or employee, agent or subcontractor of the Board, the Client Agency or the NSW Government in connection with this RFT or the submitted Tender;
- (b) committed corrupt conduct in accordance with the provisions of the *Independent Commission Against Corruption Act 1988*, or
- (c) a record or alleged record of unethical behaviour,
- (d) not complied with the requirements of Commerce Business Ethics Statement available at:

<http://www.commerce.nsw.gov.au/About+Commerce/Business+ethics+statement/Business+ethics+statement.htm>

this may result in the Tender not receiving further consideration.

9.2.2 The Board may, in its discretion, invite a relevant tenderer to provide written comments within a specified time before the Board excludes the tenderer on this basis.

9.3 Exchange of information between government agencies

- 9.3.1 Lodgement of a Tender will itself be an authorisation by the tenderer to the Board to make available, on request, to any NSW government agency information, including but not limited to, information dealing with the tenderer's performance on any contract that may be awarded. Such information may be used by the recipient NSW Government agency for assessment of suitability for pre-qualification, selective tender lists, expressions of interest or the award of a contract or termination of contract.
- 9.3.2 The provision of the information by the Board to any other NSW Government agency is agreed by the tenderer to be a communication falling within section 22(1) of the *Defamation Act 1974* (NSW), and the tenderer shall have no claim against the Board and the State of New South Wales in respect of any matter arising out of the provision or receipt of such information, including any claim for loss to the tenderer arising out of the communication.
- 9.3.3 In the evaluation of Tenders, the Board may take into account any information about the tenderer that the Board receives from any source.
- 9.3.4 To avoid doubt, information that may be collected, exchanged and used in accordance with this provision includes "personal information" about the tenderer for the purposes of the *Privacy and Personal Information Protection Act 1998*. Lodgement of a Tender will be an authorisation by the tenderer to the Board to collect such information from third parties, and to use and exchange such information in accordance with this cl. 9.3.
- 9.3.5 The tenderer's attention is drawn to the *Freedom of Information Act 1989* which may confer rights, subject to the terms of that Act, to access, and to require the correction of, information held by certain agencies.
- 9.3.6 During the course of the agreement, the successful tenderer's performance will be monitored and assessed. Performance assessment reports, including substantiated reports of unsatisfactory performance, can be taken into account by NSW government agencies and may result in future opportunities for NSW government work being restricted or lost.

10. Outcomes

10.1 Acceptance or rejection of Tenders

- 10.1.1 The Board may accept all or any part or parts of any Tender or Tenders, including, in accordance with cl. 7.1, any Alternative Tender or other Non-Conforming Tender.
- 10.1.2 The Board is not bound to accept the lowest or any Tender.
- 10.1.3 If the Board rejects all the Tenders received it may:
- (a) invite fresh Tenders based on the same or different criteria (specifications and details contained in Alternative Tenders will not be used as the basis for the calling of new Tenders), or
 - (b) conduct post-tender negotiations in accordance with cl. 10.3.

10.2 Negotiations before determination of outcome

- 10.2.1 Before making any determination as to acceptance or rejection of Tenders the Board may, at its discretion, elect to conduct limited negotiation with preferred tenderers, including those who have submitted Alternative Tenders or who have submitted substantially Conforming Tenders, to mutually improve outcomes.
- 10.2.2 The Board will generally not enter into negotiations on the standard conditions of contract contained in Part D.

10.3 Post Tender negotiations in the event all Tenders are rejected

- 10.3.1 If the Board rejects all Tenders on the basis that all Tenders are Non-Conforming, but considers that conformity with the requirements of this RFT is achievable, it may enter into negotiations with the least non-conforming tenderer with a view to achieving a Conforming Tender and entering into an agreement. If such negotiations are unsuccessful the Board may then enter negotiations with the next most acceptable tenderer. This process may be repeated with each of the rejected Tenders in order of potential acceptability. However, the Board is not obliged to enter into negotiations with any tenderer.
- 10.3.2 The purpose of the negotiations will be advised by the Board and made clear to the participants before the commencement of negotiation. Negotiations will not seek to play off tenderers' prices against other tenderers' prices.

10.4 Custody of Tenders after receipt

- 10.4.1 All tenders lodged are kept in a NSW Department of Commerce Tender Box, which is a secure tender box, until after the Closing Date and Closing Time.
- 10.4.2 Tenders lodged electronically to the NSW Department of Commerce Tenders website will be treated in accordance with the *Electronic Transactions Act 2000* (NSW) and given no lesser level of confidentiality, probity and attention than Tenders lodged by other means.
 - (a) On receipt of Tenders lodged electronically to the NSW Department of Commerce *eTendering* website, Tenders are encrypted and stored in a secure "electronic tender box."
 - (a) For reasons of probity and security, NSW Department of Commerce is prevented from interrogating the electronic tender box to ascertain whether tenders have been received or for any reason, until after the Closing Date and Closing Time.
 - (b) The e-mail receipt that is sent to the Tenderer after successfully uploading and lodging the Tender electronically is the only evidence of Tender lodgement provided.

10.5 Ownership of Tenders

- 10.5.1 All Tenders become the property of the Board on submission.
- 10.5.2 The Board may make copies of the Tenders for any purpose related to this RFT.

10.6 Discontinuance of the Tender process

- 10.6.1 Where the Board determines that awarding a contract would not be in the public interest, the Board reserves the right to discontinue the tender process at any point, without making a determination regarding acceptance or rejection of Tenders.
- 10.6.2 The Board will not be liable for any losses suffered by a tenderer as a result of discontinuance of the tender process, including costs of tendering.

10.7 Notification of outcome

- 10.4.1 Following the Board's decision, all tenderers will be notified in writing of the outcome of their Tenders.

10.8 Complaints

- 10.8.1 It is the NSW Government's objective to ensure that industry is given every opportunity to win Government contracts. Should any entity feel that it has been unfairly excluded from tendering or unfairly disadvantaged by the Conditions in Part D or the Requirement, it is invited to write to:

Chairman, State Contracts Control Board
Level 22, McKell Building
2-24 Rawson Place
SYDNEY NSW 2000

10.9 Entry into agreement

- 10.9.1 The Board may enter into an agreement with the successful tenderer either by letter of acceptance or by execution of a formal agreement in terms of Part D. If the Board chooses to proceed by way of formal agreement it will indicate in any notification of acceptance that such acceptance will be formalised by execution of a formal agreement.

10.10 Disclosure of information concerning tenderers and outcome of the tender process

- 10.10.1 Details of tenderers and the outcome of the tender process may be disclosed in accordance with the NSW Government Tendering Guidelines, available at:
<http://www.dpws.nsw.gov.au/Government+Procurement/Procurement+Policy+Framework/NSW+Government+Tendering+Guidelines.htm>

An outline of these requirements can be found in Annexure 1 of Part B of this RFT.

10.11 Monitoring of Contractor Performance

- 10.11.1 During the course of the agreement the Contractor's performance will be monitored and assessed. For details refer to the NSW Government Procurement Guidelines on Service Provider performance management which is available on request from the Contact Officer, the NSW Department of Commerce or can be viewed and downloaded from

<http://www.ogp.commerce.nsw.gov.au/NR/rdonlyres/eucuz2722gdb54776cyhkw7ntoj4cpiw5iga5ztwvtvjethi2xjujwd4zrgsfte4cye7lgoqtlf4wxywdioutedaph/Service+Provider+Performance+Management.pdf>

- 10.11.2 The terms and conditions of the proposed agreement, set out in Part D, detail the performance criteria to be applied in the monitoring of Contractor performance.

ANNEXURE 1 TO PART B (Disclosure of Information)

Disclosure of information concerning tenderers and outcome of the tender process

1. In accordance with the NSW Government Tendering Guidelines referred to in clause 10.10.1 and found at <http://www.dpws.nsw.gov.au/Government+Procurement/Procurement+Policy+Framework/NSW+Government+Tendering+Guidelines.htm>, the following tender information is required to be disclosed:

Tender Type	Level of disclosure	Basis of disclosure
For all public calls for tender, expressions of interest or other such public calls which may result in a contract with the private sector.	<p>As a minimum:</p> <ul style="list-style-type: none"> a concise description of the proposed works, goods or services the subject of the tender call; the date responses to the tender call close and where responses are lodged; and location of the tender call documents. <p>The names and addresses of all entities which submit responses.</p>	<p>Routine public disclosure at the time tender calls are advertised.</p> <p>Routine public disclosure within 7 days of the date tender calls closed.</p>
In a multi-stage tender process.	The names and addresses of the shortlisted entities, except where such disclosure is likely to compromise the competitiveness of the subsequent tender process.	Routine public disclosure within 7 days of these entities being advised of their shortlisting.

2. In accordance with the NSW Government Tendering Guidelines referred to in clause 10.10.1 above, the following **contract** information is required to be disclosed:

Contract size and type	Level of disclosure	Basis of disclosure
<p>Class 1 contracts All government contracts with estimated value \$150,000 or above).</p>	<p>(a) The name and business address of the contractor;</p> <p>(b) Particulars of any related body corporate (within the meaning of the Corporations Act 2001 of the Commonwealth) in respect of the contractor, or any other private sector entity in which the contractor has an interest, that will be involved in carrying out any of the contractor's obligations under the contract or will receive a benefit under the contract;</p> <p>(c) The date on which the contract became effective and the duration of the contract;</p> <p>(d) Particulars of the project to be undertaken, the goods or services to be provided or the real property to be leased or transferred under the contract;</p> <p>(e) The estimated amount payable to the</p>	<p>Routine public disclosure within 60 days after the contract becomes effective.</p>

Contract size and type	Level of disclosure	Basis of disclosure
	<p>contractor under the contract;</p> <p>(f) A description of any provisions under which the amount payable to the contractor may be varied;</p> <p>(g) A description of any provisions with respect to the renegotiation of the contract;</p> <p>(h) In the case of a contract arising from a tendering process, the method of tendering and a summary of the criteria against which the various tenders were assessed; and</p> <p>(i) A description of any provisions under which it is agreed that the contractor is to receive payment for providing operational or maintenance services.</p>	
<p>Class 2 contracts Class 1 contracts (i.e government contracts with estimated value \$150,000 or above) which also:</p> <ul style="list-style-type: none"> - result from a direct negotiation where there has not been a tender process; or - have been the subject of a tender process and where the final contract terms and conditions are substantially negotiated with the successful tenderer (this includes alliance type contracts); or - involve operation or maintenance obligations for 10 years or longer; or - involve a privately financed project as defined by relevant Treasury guidelines; or - involve a transfer of land or other asset to a party in exchange for the transfer of land or other asset to an agency. 	<p>The information required for class 1 contracts and</p> <p>(a) Particulars of future transfers of significant assets to the State at zero, or nominal, cost to the State, including the date of their proposed transfer;</p> <p>(b) Particulars of future transfers of significant assets to the contractor, including the date of their proposed transfer;</p> <p>(c) The results of any cost-benefit analysis of the contract conducted by the agency;</p> <p>(d) The components and quantum of the public sector comparator if used;</p> <p>(e) Where relevant, a summary of information used in the contractor's full base case financial model (for example, the pricing formula for tolls or usage charges);</p> <p>(f) Where relevant, particulars of how risk, during the construction and operational phases of a contract to undertake a specific project (such as construction, infrastructure or property development), is to be apportioned between the parties, quantified (where practicable) in net present-value terms and specifying the major assumptions involved;</p> <p>(g) Particulars as to any significant guarantees or undertakings between the parties, including any guarantees or undertakings with respect to loan agreements entered into or proposed to be entered into; and</p> <p>(h) Particulars of any other key elements of the contract.</p>	<p>Routine public disclosure within 60 days after the contract becomes effective.</p>
<p>Class 3 contracts Class 2 contracts where the estimated value of the government contract is \$5 million or more.</p>	<p>The information for class 1 and 2 contracts and the complete contract, less confidential information.</p> <p>Note: if some or all of a class 3 contract is not disclosed for reasons of confidentiality, the agency is to disclose:</p> <ul style="list-style-type: none"> • the reasons for not publishing the contract or provisions; 	<p>Routine public disclosure within 60 days after the contract becomes effective.</p>

Contract size and type	Level of disclosure	Basis of disclosure
	<ul style="list-style-type: none">• a statement as to whether the contract or provisions will be published and, if so, when; and• where some but not all of the provisions of the contract have been disclosed, a general description of the types of provisions that have not been published.	

3. Requests for disclosure of additional contract information

Tenderers must acknowledge that any person may make a specific request to the State Contracts Control Board for any item of contract information contained in schedules 1 or 2, or for a copy of a contract, which is not required to be routinely disclosed under section 15A of the FOI Act. The State Contracts Control Board must provide the requested contract information or the requested copy of the contract to the requesting person (less any confidential information) within 60 days of receiving the request.

Where a copy of a contract has been requested and some or all of the contract is not provided for reasons of confidentiality, the State Contracts Control Board will disclose:

- the reasons for not providing;
- a statement as to whether the contract or provisions will be provided and, if so, when; and
- where some but not all of the provisions of the contract have been provided, a general description of the types of provisions that have not been provided.

4. Disclosure of amendments or variations to contract information under the FOI Act

The FOI Act requires that, if there is an amendment to the contract terms or a material variation made under the contract that changes information already routinely disclosed under the FOI Act, the State Contracts Control Board must ensure that the information concerning the change is routinely disclosed within 60 days after such amendment or variation becomes effective, less any confidential information. In the case of class 3 contracts, the full amendment or material variation, less any confidential information, must be disclosed within the 60 day timeframe.

5. Confidential information

None of the disclosure obligations contained in the FOI Act, or the requirements for disclosing tender information or a copy of a contract or information in relation to a contract under these guidelines, require the disclosure of:

- the commercial-in-confidence provisions of a contract (as defined in schedule 3 to the Freedom of Information Act) (the contractor's financing arrangements; the contractor's cost structure or profit margins; the contractor's full base case financial model; any intellectual property in which the contractor has an interest; or any matter whose disclosure would place the contractor at a substantial commercial disadvantage in relation to other contractors or potential contractors, whether at present or in the future.);
- details of any unsuccessful tender;
- any matter that could reasonably be expected to affect public safety or security; or
- information which would be exempt from disclosure if it were the subject of an application under the Freedom of Information Act.

Where such confidential information is withheld, the State Contracts Control Board must inform the requesting person that access to that information may be sought in accordance with the Freedom of

Information Act. This will enable a person seeking the information to have the appeal rights available under the Freedom of Information Act.

6. Tenderers are invited to nominate items they consider are confidential and why.

PRICE SCHEDULE

Contract Area		Estimated Time (in hours)	Tendered Price		
			Excluding GST	GST Component	Total Including GST
Dubbo	Annual Fee for Services		\$ per annum	\$ per annum	\$ per annum
	Appeals Service Fee		\$ per hour	\$ per hour	\$ per hour
Blacktown	Annual Fee for Services		\$ per annum	\$ per annum	\$ per annum
	Appeals Service Fee		\$ per hour	\$ per hour	\$ per hour
Wollongong	Annual Fee for Services		\$ per annum	\$ per annum	\$ per annum
	Appeals Service Fee		\$ per hour	\$ per hour	\$ per hour
Newcastle	Annual Fee for Services		\$ per annum	\$ per annum	\$ per annum
	Appeals Service Fee		\$ per hour	\$ per hour	\$ per hour
Albury	Annual Fee for Services		\$ per annum	\$ per annum	\$ per annum
	Appeals Service Fee		\$ per hour	\$ per hour	\$ per hour
Central Coast	Annual Fee for Services		\$ per annum	\$ per annum	\$ per annum
	Appeals Service Fee		\$ per hour	\$ per hour	\$ per hour



**NSW Procurement – Contracting Services is a Business Unit of the NSW
Department of Commerce**

Dated: <Insert Date>

General Manager, Land and Property Information, NSW Department of Lands

and

<Insert Contractor name>

DEED OF AGREEMENT FOR

**Land Valuation Services for Government Taxing and Rating for the General Manager,
Land and Property Information, Department of Lands**

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THIS DEED OF AGREEMENT is made on the ____ day of _____ 20__

BETWEEN

The General Manager, Land and Property Information, NSW Department of Lands for and on behalf of the Crown in right of the State of New South Wales, of McKell Building, 2-24 Rawson Place, Sydney, in the State of New South Wales on behalf of the General Manager, Land and Property Information ("the General Manager, Land and Property Information")

AND [insert name of contractor] of
..... [insert address] in the State of ("the Contractor")

1. DEFINITIONS AND INTERPRETATIONS

1.1 DEFINITIONS

1.1.1 In the Contract, unless the context otherwise requires:

"Act" means the Valuation of Land Act, 1916 (as amended).

"API" means Australian Property Institute.

"Appeals Services" means the services specified as such in Schedule 1.

"Appeals Service Fee" means the fee specified as such in part (b) of Schedule 3.

"Base Date" means a date specified as such in Schedule 1.

"Benchmarking Services" means the services specified in Schedule 1.

"Business Day" means a day on which trading banks are open for general banking business in Sydney.

"Coding Services" means the services specified in Schedule 1.

"Commencement Date" means 1 March 2007.

"Confidential Information" means information of every kind concerning or in any way relating to the business transactions, methods, records, forms, charges, financial affairs, employee data, financial and business data, technical data, intellectual property and trade secrets of the Valuer-General and specifically includes the Property Information, the Procedures Manual, the Methodology, the terms and conditions of this Contract and all methods and processes used by the Valuer-General in making a Valuation.

"Contract" means the agreement concluded between the General Manager, Land and Property Information and the Contractor, including all special conditions, specifications, annexures and appendices and other documents incorporated with and forming part of the Contract.

"Contract Manager" means the person appointed by the General Manager, Land and Property Information pursuant to clause 7.6.

"Contract Services Manager" means the person appointed as such by the Contractor pursuant to clause 6.10 of this Part.

“Contractor” means the organisation who by the Contract undertakes to supply valuation services in the valuation areas required by the Contract and, where the Contractor is an individual or a partnership, the expression shall include the personal representatives of that individual or of the partners as the case may be and the expression shall also include any person to whom the benefit of the Contract may be assigned by the Contractor with the consent of the General Manager, Land and Property Information.

“Country Areas” means the areas of Dubbo, and Albury.

“Delegate” means the person for the time being holding or performing the duties of General Manager, Land and Property Information, Department of Lands, and includes an officer who is authorised by the said person to perform the functions of the Delegate.

“Fee” or “Fees” means the Contract prices referred to in clause (a) and/or (b) of Schedule 3, as applicable.

“General Valuations” means valuations in all local government areas will be valued on an annual basis as at 1 July each year. All valuations prepared under the contract each year will be of an equivalent standard and accuracy that is able to be adequately defended on objection and appeal.

“GST” means any tax on goods and/or services, including any value added tax, broadbased consumption tax or other similar tax introduced in Australia. In respect only of GST the expressions “adjustment note”, “consideration”, “GST”, “input tax credit”, “recipient”, “supply”, and “tax invoice” have the meanings given to those expressions in the A New Tax System (Goods and Services Tax) Act 1999 and the expression “net dollar margin” has the meaning given to that expression in the guidelines in force under Section 75AV of the Trade Practices Act 1974 of the Commonwealth.

“Individually Verified Valuation” means a valuation made using the methodology which has been individually determined or verified without the benefit of an inspection.

“Insolvency Event” means:

- (a) in respect of a corporation:
 - (i) where a summons is presented, an order made or an effective resolution is passed (and such summons, order or resolution is not withdrawn, dismissed or rescinded within five (5) Business Days of its presentation or creation) for the winding up, insolvency, administration, reorganisation, reconstruction or dissolution of that corporation;
 - (ii) where a liquidator, provisional liquidator, controller or managing controller, trustee, agent for a mortgagee in possession or similar officer is appointed in respect of all or any part of the assets or undertaking of that corporation and such appointment is not rescinded or revoked within five (5) Business Days;
 - (iii) where pursuant to the provisions of the Corporations Law, that corporation enters or executes a deed of company arrangement or an inspector is appointed to investigate the affairs of that corporation; or
 - (iv) where that corporation stops or suspends payments to its creditors generally or is unable, or admits its inability to pay its debts as they fall due or enters into or seeks to enter into any composition or other arrangements with its creditors; and

- (b) in respect of a natural person:
- (i) where that person is declared bankrupt; or
 - (ii) where that person enters a scheme of arrangement with its creditors; or
 - (iii) where that person makes any assignment for the benefit of its creditors.

“Inspection” means that the inspection was undertaken for the purpose of the valuation being made.

“Intellectual Property” means all copyright, patents, registered and unregistered trademarks, registered designs, trade secrets and know-how and all other intellectual property as defined in Article 2 of the Convention Establishing the World Intellectual Property Organisation of January 1996.

“Interest” means unit which captures any forms of equity, management and control of the Contractor.

“Key Personnel” means those persons specified in Schedule 6 and such other persons as the General Manager, Land and Property Information and the Contractor may agree in writing will be Key Personnel for the purposes of this Contract.

“Land and Property Information” means Land and Property Information, a business unit of Department of Lands.

“Licences” means every licence, permit, registration or other authority whatsoever necessary to properly and efficiently provide the Services.

“Local Government Area” means a part of the Valuation Area and is each local government area (whether or not constituted as a city) as constituted under Division 1 of Part 1 of Chapter 9 of the Local Government Act 1993 or as taken to be constituted under the Local Government Act pursuant to Schedule 6 (21) of the Local Government Act and having boundaries as at the date of this Contract as determined and altered under Division 1 of Part 1 of Chapter 9 of the Local Government Act and named as at the date of this Contract as specified in Schedule 2.

“Market Analysis Services” means the services specified in Schedule 1.

“Methodology” means the method of making a valuation or a Valuation Recommendation as set out in Schedule 4 and, if the component method is nominated, it means the method of valuing Property whereby Properties to be valued are attributed to components and the valuation of Properties with the same component are varied by the same proportion or amount (as the case may be) unless otherwise determined by the party performing the valuation or Valuation Recommendation and at all times such methods will be formulated and used in accordance with this Contract. The valuation methodology is established to value an estate or interest in land pursuant to the Valuation of Land Act 1916.

“Metropolitan Areas” means the areas of Blacktown, Wollongong, Newcastle and Central Coast.

“Migration Plan” means the plan referred to in clause 14 of this part.

“OVG” means the Office of the Valuer-General.

“Personal Information” means any information about a person whose identity is apparent, or can be reasonably ascertained, from the information or opinion.

“Proceeding” includes any claim, suit or litigation whether:

- (a) criminal, administrative or by way of arbitration; or
- (b) before any court, tribunal, governmental board, commission, authority, agency, department or officer.

“Procedures Manual” means the manual appearing in Schedule 10 which has been devised by the General Manager, Land and Property Information containing specifications and procedures relating to the Services, as altered from time to time by the General Manager, Land and Property Information by notice to the Contractor.

“Property” means an estate or interest in land in New South Wales.

“Property Information” means the information maintained and supplied by the General Manager, Land and Property Information, whether stored on Valnet 2 or another medium concerning real property in New South Wales including, but not limited to:

- (a) property descriptions and addresses;
- (b) ownership of Property;
- (c) zoning of Property;
- (d) values of Property; and
- (e) sales records including prices of Property.

“Reascertainment” means a valuation made in accordance with Section 14A(6) of the Valuation of Land Act, 1916.

“Relevant Persons” means all Representatives of the Contractor and professional advisers of such persons including the legal personal representatives, successors and permitted assigns to whom the Contractor discloses or proposes to disclose the Confidential Information, each of whom shall have first executed an acknowledgment in the form set out in Schedule 8.

“Representative” means any officer, employee, agent, contractor or sub-contractor of a party but in the case of the Valuer-General and the General Manager, Land and Property Information, does not include the Contractor.

“Services” means, without limiting the generality of the expression, the provision of land valuation including the following:

- (a) Coding Services;
- (b) Market Analysis and Benchmarking Services;
- (c) Valuation Recommendation Services;
- (d) Provisional Component Update Factor Report;
- (e) Valuation Inquiry and Appeals Services;
- (f) Supplementary Valuation Services; and

(g) All other services (if any) specified in the Contract;

as detailed in Schedule 1.

“Specifications” means the Services, and the performance levels and standards in respect of the Services, as specified in Schedules 1 and 10.

“State” means state of New South Wales.

“Sub-Contractor” means a person who furnishes equipment or Services to the Contractor either directly or through another Sub-Contractor for use under the Contract.

“Supplementary Valuation” means any valuation (other than a General Valuation) made or required to be made by the Valuer-General pursuant to the Act, the Tax Acts, the Local Government Act, the Heritage Act or any other statute.

“Supplementary Valuation Recommendation” means a Valuation Recommendation (other than a General Valuation Recommendation) provided by the Contractor to the General Manager, Land and Property Information for the purpose of the Valuer-General making a Supplementary Valuation.

“Supplementary Valuation Services” means the provision of Supplementary Valuation Recommendation by the Contractor as specified in Schedule 1.

“System Enhancements” means the system enhancements referred to in Schedule 5.

“Tax Acts” means the Land Tax Management Act, 1956 (as amended) and the Land Tax Act 1956 (as amended).

“Term” means the period of the Contract from 1 March 2008 to 28 February 2011 and includes any extension of this period in accordance with clause 4.2.2.

“Transition Plan” means the plan referred to in clause 3 complying with the requirements set out in Schedule 7.

“Valnet 2” means the computer application used by the General Manager, Land and Property Information and his Representatives to maintain property and valuation data including contractor recommendations, changes of address, ownerships and property descriptions.

“ValMap” means the computer application used by the General Manager, Land and Property Information and his Representatives to search and display linked valuation and spatial data.

“Valuation” means a valuation made by the Valuer-General for the purpose of the furnishing valuation list pursuant to Section 48 of the Act.

“Valuations” means Valuations and Supplementary Valuations made by the Valuer-General.

“Valuation Area” means an area for which the Contractor will provide valuation services to the General Manager, Land and Property Information.

“Valuation Inquiry Services” means the services specified as such in Schedule 1.

“Valuation Recommendation” means the provision of a Valuation Recommendation by the Contractor to the General Manager, Land and Property Information for the purpose of the Valuer-General making a Valuation.

“Valuation Recommendation Services” means the provision of Valuation Recommendations and Supplementary Valuation Recommendations by the Contractor to the General Manager, Land and Property Information.

“Valuer-General” means the person appointed as such pursuant to the Valuation of Land Act 1916.

“Warranties” means the representations on the part of the Contractor set out in this Contract.

“Year” means each calendar year during the Term commencing on 1 March and expiring on 28 February (or 29 February in a leap year).

1.2 INTERPRETATIONS

1.2.1 In the Contract, unless the context otherwise requires:

- monetary references shall be references to Australian currency;
- the clause headings or sub-headings and the index to this Contract are for convenience only and shall not be used in the interpretation or construction of the Contract;
- a cross-reference to a clause number shall be a reference to all of its sub-clauses;
- words importing the singular shall be deemed to include the plural and vice versa;
- words importing the masculine gender shall be deemed to include the feminine or neuter gender;
- a reference to a person shall include a body corporate or corporation as well as an individual;
- a person includes its legal personal representatives, successors and assigns;
- a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- a right includes a benefit, remedy, discretion, authority or power;
- an obligation includes a warranty or representation and a reference to a failure to observe or perform an obligation includes a breach of warranty or representation;
- provision or terms of this contract or another document, contract, understanding or arrangement include a reference to both express and implied provision and terms;
- time is local time in Sydney;
- writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes facsimile transmissions and e-mails; and
- any thing (including, with limitation, any amount) is a reference to the whole or any part of it and reference to a group of things or persons is a reference to any one or more of them.

2. OBJECTIVES

- 2.1 The Contractor agrees to cooperate with the General Manager, Land and Property Information to ensure that the Services are provided in accordance with the Contract in a manner which is designed to achieve the objectives of the Valuer-General, namely:
- (a) the competitive and commercial supply of valuations to public including lowering the cost of services to end users;
 - (b) to make accurate and complete Valuations;
 - (c) a high level of probity and quality control to support the continuing use of mass valuation as a tax base of the New South Wales Government;
 - (d) the ongoing improvement in the quality of rating and taxing valuations and property data; and
 - (e) to improve public confidence in the valuation system.

3. TRANSITION PLAN

- 3.1 The Contractor, in consultation with and subject to the approval of the General Manager, Land and Property Information, (which approval will not be unreasonably withheld) will develop and the parties will implement a Transition Plan in order to facilitate the orderly and efficient transition of the Services to the Contractor at the Commencement Date (refer Schedule 7).

4. COMMENCEMENT AND TERM

4.1 Commencement

- 4.1.1 Unless the parties otherwise agree, the Contractor shall commence provision of the Services on the commencement date specified in item 4 of Schedule 1.

4.2 Term

- 4.2.1 The duration of the Contract shall be three years unless terminated earlier or extended in accordance with the provisions of this Contract.
- 4.2.2 Upon satisfactory performance of the Services required in the Contract, and at the sole discretion of General Manager, Land and Property Information, the Contractor may be offered an option to extend the Contract by up to two one year periods.

5. SERVICES

5.1 Provision of Services

- 5.1.1 Except as provided for in clause 5.4.1, the Contractor agrees to provide the General Manager, Land and Property Information with all of the Services within the Valuation Area.
- 5.1.2 All valuations prepared under the Contract each year will be of an equivalent standard and accuracy that is able to be adequately defended on objection and appeal.

5.2 Specifications

- 5.2.1 The Contractor will provide the Services in accordance with the Specifications and otherwise in accordance with the provisions of the Contract. The Contractor acknowledges that the provision of the Services in accordance with the Specifications is an essential term of this Contract. Compliance by the Contractor with the Specifications shall not relieve the Contractor from any of its other obligations or liabilities pursuant to this Contract.

5.3 Rectification

- 5.3.1 The Contractor shall rectify without cost to the General Manager, Land and Property Information any failure by it to comply with its obligations to perform Services in accordance with this Contract as soon as practicable after becoming aware of that failure and shall notify the General Manager, Land and Property Information of any such failure at the time it becomes aware of it (unless the General Manager, Land and Property Information made the Contractor aware of its failure). The correction of any failure by the Contractor shall not limit other obligations or liabilities pursuant to this Contract.

5.4 Non-exclusivity

- 5.4.1 The Contractor is not appointed the exclusive provider of the Services in the Valuation Area or elsewhere nor is it the exclusive provider of any other services to the General Manager, Land and Property Information. The General Manager, Land and Property Information may acquire the Services or any other services from any other source or perform such services (including the Services) himself, as the General Manager, Land and Property Information sees fit.

5.5 Co-operation

- 5.5.1 The Contractor will co-operate with any other person appointed by the General Manager, Land and Property Information to perform any Services to ensure the efficient performance by the Valuer-General of his functions. The Contractor shall co-operate with the General Manager, Land and Property Information or other service providers in such manner as may be required by the General Manager, Land and Property Information from time to time to ensure that Valuation Recommendations in relation to parts of the Valuation Area proximate to any other land in New South Wales are consistent with the Valuation Recommendations or the valuations made for such proximate land.

5.6 Variation of Scope

- 5.6.1 The General Manager, Land and Property Information may on the recommendation of the Contractor or otherwise by notice in writing to the Contractor vary the Services provided pursuant to this Contract provided that any such variation is limited to alteration of the scope, timing or nature of the Services to be provided and does not require the provision of any additional services.
- 5.6.2 Where the General Manager, Land and Property Information varies the Services then the Contractor may propose to the General Manager, Land and Property Information in writing an alteration to the Fees payable. If the parties have not resolved the Contractor's proposal within twenty one days of the date of its notice to the General Manager, Land and Property Information, then either party may seek to have the Contractor's proposal mediated by following the procedures set out in clause 17.3 of this Contract.
- 5.6.3 A change to the boundaries of the Local Government Areas in the Valuation Area shall not constitute a variation to the scope of Services unless the number of properties in the

Valuation Area changes by more than $\pm 5\%$ from the number of properties specified in Schedule 2.

5.7 Complying Valuations

5.7.1 The Contractor shall:

- (a) provide Valuation Recommendations which comply with the requirements of the Act and any other applicable law when General Valuations are made pursuant to the Act; and
- (b) provide Supplementary Valuation Recommendations which comply with the requirements of the Act or of the legislation pursuant to which a Supplementary Valuation is required to be made and any other applicable law when Supplementary Valuations are made.

5.8 Service Obligations

5.8.1 The Contractor must, during the Term:

- (a) maintain appropriate facilities, staff and other resources necessary to perform its obligations pursuant to this Contract;
- (b) provide the Services diligently, efficiently and professionally and to the standard of care and skill of a person experienced in the provision of valuation services;
- (c) ensure that all of its Representatives engaged in the provision of the Services are suitably qualified and experienced and act with appropriate skills and ability in accordance with accepted professional standards for persons acting in that capacity and at least one of its Representatives at all times during the Term shall be a practising real estate valuer within the meaning of the Valuer Registration Act 1975;
- (d) comply with the provisions of the Procedures Manual and otherwise follow all orders and instructions of the General Manager, Land and Property Information in respect of the performance by the Contractor of its obligations pursuant to this Contract;
- (e) act lawfully and in good faith to the General Manager, Land and Property Information, at all times upholding and enhancing the reputation of the Valuer-General and the Government of New South Wales;
- (f) furnish to the General Manager, Land and Property Information, upon request, such reports as the General Manager, Land and Property Information reasonably requires in connection to this Contract;
- (g) immediately notify the General Manager, Land and Property Information of any circumstance of which the Contractor becomes aware which has or is likely to affect the Contractor's ability to perform its obligations pursuant to this Contract and the proposed steps to be taken by the Contractor to remedy this circumstance;
- (h) use any facilities or equipment provided by the General Manager, Land and Property Information only for the purpose of providing the Services and as efficiently as possible so as to minimise the cost of such use; and
- (i) keep complete, true and accurate records in such detail and format as the General Manager, Land and Property Information may reasonably require

from time to time relating to the provision of the Services and retain such records for a period of seven (7) years and allow the General Manager, Land and Property Information on reasonable notice to the Contractor to examine and make copies of any and all such records.

5.9 Methodology

- 5.9.1 The Contractor shall provide the Coding Services, Market Analysis Services, Benchmarking Services, Provisional Valuation Recommendation Services, Valuation Inquiry and Appeals Services and the Valuation Recommendation Services using the Methodology to provide accurate and complete Valuation Recommendations to enable the Valuer-General to make accurate Valuations.

5.10 Alterations to Methodology

- 5.10.1 The Contractor shall, if it considers it will enhance the provision of the Services to the General Manager, Land and Property Information, propose any alterations or additions to the Methodology for consideration by the General Manager, Land and Property Information.

6. CONTRACTOR'S OBLIGATIONS

6.1 To be Informed

- 6.1.1 The Contractor must use all reasonable endeavours to inform itself and keep informed of all factors affecting the value of land within its Valuation Area, including, but not limited to, sales of land and property, changes to land uses and land use controls and demonstrated changes in market preferences. In addition, the Contractor must use all reasonable endeavours to inform itself and keep informed of the requirements of the General Manager, Land and Property Information and must regularly consult with the General Manager, Land and Property Information in accordance with the Procedures Manual. The General Manager, Land and Property Information will consult with the Contractor and notify the Contractor of any changes made to the Procedures Manual.

6.2 Representative

- 6.2.1 If the General Manager, Land and Property Information is of the reasonable opinion that any Representative of the Contractor is not providing the Services in a satisfactory manner the General Manager, Land and Property Information may require the Contractor to do anything required to rectify that situation including replacing any Representative with a person approved by the General Manager, Land and Property Information (such approval will not be unreasonably withheld).

6.3 Data Discrepancies

- 6.3.1 Where the Contractor believes there are any errors or omission in the Property Information it shall as soon as reasonably practical notify the General Manager, Land and Property Information of those errors and omission providing where possible the information it believes to be correct.

6.4 Conflict of Interest

- 6.4.1 The Contractor shall not have any actual or potential conflict of interest which will arise in relation to its provision of the Services. Where the Contractor believes any potential or actual conflict of interest has arisen or is likely to arise then, without limiting its obligations or liabilities pursuant to this Contract, it shall promptly notify the General Manager, Land and Property Information accordingly and shall comply with any directions of the General Manager, Land and Property Information.

6.5 Access to Premises

- 6.5.1 The Contractor must at all times allow the General Manager, Land and Property Information or his Representatives access to the Contractor's premises upon reasonable notice to the Contractor and permit the General Manager, Land and Property Information or his Representatives to inspect such premises and interview Representatives of the Contractor in relation to the provision of the Services.

6.6 Entry to Official Establishments

- 6.6.1 All persons entering official establishments are required to be approved and conform with the regulations regarding security and discipline within the area as may be laid down by the Government.

6.7 Damage to Property

- 6.7.1 If, in the performance of the Contractor's obligations herein, the Contractor or any servant or agent of the Contractor by any act or omission damages or causes to be damaged any property of the Office of the General Manager, Land and Property Information, then the Contractor shall pay the costs of repairing and making good such damage which may be suffered or incurred by reason of such property having been so damaged.

6.8 Workers Compensation, Public Liability and Indemnity Insurances

- 6.8.1 The Contractor shall insure itself and keep itself insured during the period of the Contract with an approved insurance office to the full extent against its liability to its employees employed in the performance of the Contract under the laws in force in the State or Valuation Area in which the Contract is being performed relating to Workers' Compensation.
- 6.8.2 The Contractor shall effect and maintain at its own expense for the Term, public liability insurance for an amount not less than \$5,000,000 and professional indemnity insurance for an amount not less than \$1,000,000, with an insurer approved by the General Manager, Land and Property Information in writing and otherwise on such terms and conditions required by the General Manager, Land and Property Information.
- 6.8.3 The Contractor shall release and indemnify the Valuer-General and the General Manager, Land and Property Information and all officers, servants, agents and employees of the Valuer-General and the General Manager, Land and Property Information against all payments which may be made jointly or severally for any loss, injury or damage which may in any way be sustained by the Contractor or the Contractor's servants, employees, or agents.

6.9 Evidence of Insurance

- 6.9.1 The Contractor will provide to the General Manager, Land and Property Information, when requested, evidence that all insurances to be effected by the Contractor pursuant to this Contract are current and comply with the provisions of this Contract and will provide the General Manager, Land and Property Information with at least 30 days notice in writing prior to any cancellation or lapsing of such insurances.

6.10 Contract Services Manager

- 6.10.1 Before the Commencement Date the Contractor shall designate a person to be the Contract Services Manager and may replace the person so designated by notice in writing to the General Manager, Land and Property Information at any time (except with

a person already removed as Contract Services Manager at the request of the Valuer-General or the General Manager, Land and Property Information).

- 6.10.2 Any information, instruction or other communication given or made to the Contract Services Manager by the General Manager, Land and Property Information will be deemed to have been given to the Contractor.
- 6.10.3 The Contract Services Manager shall be the representative of the Contractor responsible to ensure that the Contractor provides the Services in accordance with the provisions of this Contract and the Contractor warrants that the Contract Services Manager has the appropriate competence and ability to do so. The General Manager, Land and Property Information shall have the right to demand the replacement of the Contract Services Manager if he considers the Contract Services Manager is not capable of undertaking the tasks required of him and, if such demand is made, the Contractor will as soon as practicable replace the Contract Services Manager with another person approved by the General Manager, Land and Property Information; such approval will not be unreasonably withheld.
- 6.10.4 The Contractor shall ensure that the Contract Services Manager is available for consultation with the General Manager, Land and Property Information at all reasonable times.
- 6.10.5 The Contract Services Manager shall consult with the Contract Manager and with Representatives of the General Manager, Land and Property Information as often as may be reasonably necessary to ensure the efficient provision of the Services in accordance with this Contract.
- 6.10.6 If the Contractor at any time becomes aware of any act or omission or any proposed act or omission by the General Manager, Land and Property Information or his Representatives which hinders or prevents, or may hinder or prevent, the Contractor from providing the Services in accordance with the terms of this Contract, the Contract Services Manager shall immediately so inform the Contract Manager. The provision of information under this clause shall not in any way release the Contractor from any of the Contractor's obligations or liabilities pursuant to this Contract.

6.11 Intellectual Property Rights To Be Obtained

- 6.11.1 The Contractor shall:
- (a) at its own cost, ensure that it has all necessary rights and Licences to intellectual property subsisting in any matter, thing or process (including but not limited to, hardware and software) used or to be used by it in providing Services to the General Manager, Land and Property Information and Valuer-General under this Contract; and
 - (b) indemnify the Valuer-General and the General Manager, Land and Property Information and their Representatives against all losses, damages, liabilities, claims and expenses reasonably incurred by any of them arising out of any breach by the Contractor of sub-clause 6.11.1 (a) or any claim, action or proceedings by a person ("third party claim") alleging that any matter, thing or process (including, but not limited to, hardware and software) used or to be used by it in providing Services to the General Manager, Land and Property Information under this Contract infringes the intellectual property of that third party.

6.12 Key Personnel

- 6.12.1 The Contractor will ensure that only Key Personnel formulate Valuation Recommendations to be provided by it to the General Manager, Land and Property

Information. The Contractor shall also ensure that all Key Personnel perform their duties in accordance with the terms and conditions of this Contract, which includes provision of their services in line with the times allocated in Schedule 6.

6.12.2 Any new valuation staff proposed by the Contractor to deliver the Services from the Commencement Date are to be appointed by the Contractor within 4 weeks of formal notification of award of a Contract, unless otherwise agreed with the General Manager, Land and Property Information.

6.12.3 Any proposed changes to Key Personnel, including any changes required under Clause 6.2.1, require the agreement of the General Manager, Land and Property Information.

6.13 Government Taxes, Duties and Charges

6.13.1 Subject to the provisions of this clause, all taxes, duties and charges imposed or levied in Australia or overseas in connection with the performance of this Contract shall be borne by the Contractor as the case requires.

6.14 Compliance With Statutory Obligations

6.14.1 The Contractor warrants, in relation to any services that may be provided in pursuance of the Contract, that the Contractor, and any person associated with the Contractor and involved in the provision of those services, shall have complied with any requirement imposed upon the Contractor or that person or both, as the case may be, by or under any Act of New South Wales or of any other part of the Commonwealth in relation to the provision of services of that kind.

6.14.2 Without limiting the generality of Clause 6.14.1, the warranty described in that paragraph shall extend to compliance with the provisions of the Occupational Health and Safety Act, 2000 (NSW) and any regulation made under that Act.

6.14.3 In Clause 6.14.1, reference to a person associated with the Contractor is a reference to -

- (i) any person who was, at the time of involvement in the provision of the services, a partner of the Contractor;
- (ii) a company that was, at that time, one in respect of which the Contractor controlled the composition of the Board of directors, or was in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the company, or held more than one-half of the issued share capital of the company (excluding any part of that issued share capital that carried no right to participate beyond a specified amount in a distribution of either profits or capital);
- (iii) a company that, at that time, was (where the Contractor is a corporation) a subsidiary or the holding company of the Contractor within the meaning of the Corporations Law; or
- (iv) an agent of, or Sub-Contractor to, the Contractor.

6.15 Mistakes In Information

6.15.1 The Contractor will remain responsible and will reimburse the General Manager, Land and Property Information for all costs, expenses, losses or damage incurred by the General Manager, Land and Property Information (including, without limitation, staff time, travel expenses, printing costs, contractor and third party valuation costs) arising in connection with any discrepancies, errors or omissions in data, documentation or other information supplied in writing by the Contractor, whether they have been approved by the General Manager, Land and Property Information or not, provided that such

discrepancies, errors or omissions are not due to inaccurate data or information supplied in writing to the Contractor by the General Manager, Land and Property Information. The Contractor will reimburse the General Manager, Land and Property Information within 14 days of the General Manager, Land and Property Information providing notice of the amount to be reimbursed.

- 6.15.2 The General Manager, Land and Property Information shall be responsible for and shall pay any extra cost directly occasioned by any inaccurate data or information supplied in writing to the Contractor by the General Manager, Land and Property Information.

6.16 Negation of Employment

- 6.16.1 The Contractor shall not represent itself, and ensure that its employees do not represent themselves, as being employees or agents of the Office of the Valuer-General or the General Manager, Land and Property Information.

6.17 Payment of Wages and Allowances

- 6.17.1 The Contractor shall ensure that all persons employed by it in or in connection with the Services are paid wages and allowances of every kind required to be paid by or under the relevant agreement, award, determination or order that is in force in the State or Valuation Area of the Commonwealth in which the Services are being provided.
- 6.17.2 It shall be a precondition, notwithstanding any other provision of this Contract, that wherever requested by the Valuer-General, the General Manager, Land and Property Information or the Government, that the Contractor shall give the Valuer-General, the General Manager, Land and Property Information or their nominated representative, as appropriate, a statutory declaration to the effect that no wages are due and owing by the Contractor in respect of work undertaken pursuant to this Contract.

6.18 Procedures Manual

- 6.18.1 The General Manager, Land and Property Information requires the Contractor to undertake appropriate quality control processes, including statistical tests and analyses designed to measure the accuracy and quality of recommended valuations, in accordance with the Procedures Manual.

7. GENERAL MANAGER, LAND AND PROPERTY INFORMATION'S OBLIGATIONS

7.1 Payment

- 7.1.1 Provided that at all times the Contractor complies with its obligations pursuant to this Contract, the General Manager, Land and Property Information must pay the Contractor the Fees specified in Schedule 3 on a monthly basis in equal instalments i.e. annual price divided by 12.

7.2 Property Information

- 7.2.1 The General Manager, Land and Property Information shall within four (4) weeks of the Commencement Date and also within two (2) weeks after each anniversary of the Contract during the Term, provide the Contractor with the Property Information for the Valuation Area in the extract file format specified in Schedule 5.

7.3 Regular Provision of Property Information

- 7.3.1 The General Manager, Land and Property Information shall provide on a monthly basis during the Term all alterations to the Property Information in the Valuation Area recorded on Valnet 2 in the preceding month.

7.4 Sales Code Information

- 7.4.1 For the purpose of the Contractor providing the Coding Services, the General Manager, Land and Property Information shall provide in the Sales Data file format specified in Schedule 5, relevant details of sales in the Valuation Area, including purchaser, sale price, contract date, and transfer date, within fourteen (14) days of the end of the calendar month in which such information was received.

7.5 Provision of Other Information

- 7.5.1 In addition, the General Manager, Land and Property Information may provide the Contractor access to systems to enable searches of land titles, sales, spatial data and images. The General Manager, Land and Property Information may also provide spatial data in a form determined by the General Manager, Land and Property Information to enable the Contractor to establish and maintain spatial systems for the purpose of this Contract. This additional data forms part of the Confidential Information. Provision of this access and data is at the discretion of the General Manager, Land and Property Information and is subject to system availability.
- 7.5.2 The General Manager, Land and Property Information will provide to the Contractor copies of relevant planning instruments for the purposes of this Contract. Where the Contractor identifies the need for additional or updated planning information, the Contractor may request the General Manager, Land and Property Information to obtain that information. Planning information provided pursuant to this clause will remain the property of the Valuer-General.
- 7.5.3 The provisions of Clauses 7.5.1 and 7.5.2 in no way limits the requirement for the Contractor to keep itself informed as required by Clause 6.1.1 of this Contract.

7.6 Contract Manager

- 7.6.1 The General Manager, Land and Property Information will provide a Contract Manager. The Contract Manager will liaise between the General Manager, Land and Property Information and the Contractor. The General Manager, Land and Property Information may remove and appoint a replacement person to be Contract Manager from time to time at their discretion.

7.7 Property Access

- 7.7.1 The Valuer-General may, at his discretion, authorise the Contractor or a director, employee or agent of the Contractor to exercise the powers set out in Section 74 of the Act. Any authorisation so given by the Valuer-General shall be in writing and may be revoked by the Valuer-General at any time by giving notice to the Contractor and, in any event, all authorisations pursuant to this clause are deemed revoked upon the termination of this Contract or at the end of the Term (whichever first occurs) without the Valuer-General being required to give notice.

7.8 Protection from Liability

- 7.8.1 The Valuer-General may, at his discretion, by notice to the Contractor provide that the Contractor or any representative of the Contractor is performing a function pursuant to the Act as a delegate of, or under the direction of the Valuer-General for the purpose of clause 9 of Schedule 1 of the Act. Except in relation to any notice so given, the Contractor and any Representative of the Contractor is taken not to be exercising functions under the Act as a delegate of, or under the direction of, the Valuer-General. The Valuer-General may at any time revoke any notice so given and any notice given shall automatically terminate without the Valuer-General being required to give notice upon the termination of this Contract or at the end of the Term (whichever first occurs).

7.9 Step-In Rights

- 7.9.1 If the Contractor fails to provide any Services in accordance with this Contract the General Manager, Land and Property Information may by notice to the Contractor elect to perform or have performed such Services and should the service be of a higher cost than that stipulated in the Contract, the Contractor will pay the General Manager, Land and Property Information all the General Manager, Land and Property Information's additional costs incurred in providing the Services or in having them provided.
- 7.9.2 The Contractor agrees that where the General Manager, Land and Property Information elects to perform or have performed such services pursuant to this clause, the Contractor shall provide all necessary support to allow the Services to be efficiently performed.

7.10 Contractor's System

- 7.10.1 If, in the opinion of the General Manager, Land and Property Information, the systems (computer or otherwise) that are used by the Contractor to perform the Services are not of such quality as to allow the Services to be properly performed, this shall be regarded as a material breach of the Contract and will be dealt with in accordance with Clause 13.
- 7.10.2 The General Manager, Land and Property Information may, upon reasonable notice to the Contractor, have access to the systems (computer or otherwise) that are used by the Contractor to perform the Services for the purposes of reviewing compliance by the Contractor with the terms of this Contract and to assess the quality of such systems.

7.11 Performance Monitoring

- 7.11.1 The General Manager, Land and Property Information will employ a performance scorecard during the term of this Contract. This is designed to objectively evaluate the Contractor's performance over the duration of the Contract.
- 7.11.2 Without limiting the generality of clause 7.11.1, the Contractor must meet with the General Manager, Land and Property Information from time to time, as reasonably directed by the General Manager, Land and Property Information, to evaluate and monitor performance of this Contract by the Contractor on the basis of the criteria listed below or otherwise as agreed by the parties:
- Quality of service delivered
 - Time management
 - Management and suitability of key personnel
 - Management of sub-contractors, consultants and other service providers
 - Contract administration and management
 - Management of employees and industrial relations
 - Industry and workforce management
 - OHS&R Management

8. INTELLECTUAL PROPERTY

- 8.1 Except as expressly provided for in this Contract, nothing in this Contract shall create or transfer any of the Valuer-General's intellectual property rights in:
- (a) the Confidential Information;
 - (b) Valnet 2, ValMap or any other Department of Lands system; and

- (c) any modification, adaptation or development of any matter, thing, process (including hardware and software) undertaken by the Contractor at the request and cost of the General Manager, Land and Property Information or otherwise in connection with the provision of Services pursuant to this Contract.

9. CONFIDENTIALITY

9.1 Disclosure to Relevant Persons

9.1.1 The Contractor shall not disclose or provide, or allow to be disclosed or provided, the Confidential Information to any person at any time other than a Relevant Person, to the extent that the Relevant Person has a need to know such information and to whom such disclosure is strictly necessary to enable the Relevant Person to perform its duties for the purpose of providing the Services. In connection with this undertaking the Contractor shall:

- (a) not permit any Relevant Person to whom the Confidential Information is disclosed to disclose the Confidential Information to any person, firm or company other than in accordance with the terms on which such Confidential Information is disclosed by the General Manager, Land and Property Information.
- (b) ensure that each Relevant Person to whom the Confidential Information is disclosed uses all reasonable endeavours to protect and preserve the confidential nature and secrecy of the Confidential Information; and
- (c) keep the General Manager, Land and Property Information informed of the names of the Relevant Persons who may have access to the Confidential Information and, upon request by the General Manager, Land and Property Information, provide the General Manager, Land and Property Information with a certified list of the name of the Relevant Persons who have or may have access to the Confidential Information.

9.2 Retrieval from Relevant Persons

9.2.1 The Contractor shall:

- (a) notify the General Manager, Land and Property Information immediately if any Relevant Person who has had access to any Confidential Information:
 - (i) leaves the employ or service of the Contractor, or
 - (ii) no longer has a need to know the Confidential Information to enable them to perform their duties; and
- (b) immediately retrieve from the Relevant Person mentioned in clause 9.2.1 (a) any Confidential Information received by that Relevant Person including any and all copies.

9.3 Return of Confidential Information

9.3.1 At any time at the request of the General Manager, Land and Property Information the Contractor shall at the cost of the Contractor deliver all Confidential Information and any and all derivatives of the Confidential Information to the General Manager, Land and Property Information.

9.3.2 If requested by the General Manager, Land and Property Information, the Contractor shall, instead of delivering the Confidential Information to the General Manager, Land and Property Information according to clause 9.3.1, immediately destroy the Confidential Information and erase all electronic databases and computer records comprising the Confidential Information and (in the case of destruction or erasure) certify to the General Manager, Land and Property Information that:

- (a) the Confidential Information has been destroyed or erased and the date of destruction or erasure; and
- (b) no written or other record of the Confidential information has been retained by the Contractor except for copies that are required by law to be retained by the Contractor.

9.4 Reservation of Rights by General Manager, Land and Property Information

9.4.1 The General Manager, Land and Property Information may:

- (a) require the Contractor to:
 - (i) deny access to or refuse to grant consent for the disclosure of Confidential Information to any Relevant Person; and
 - (ii) retrieve from such Relevant Person any Confidential Information received, provided written notification has been given by the General Manager, Land and Property Information to the Contractor that the Relevant Person is to be denied access to any Confidential Information; and
- (b) supply the Confidential Information to third parties.

9.5 Confidentiality

9.5.1 The Contractor shall keep the Confidential Information confidential at all times and except as provided in this Contract, shall not allow the Confidential Information to be used for any purpose other than the purpose of providing the Services.

9.6 Removal of the Confidential Information

9.6.1 The Contractor shall not at any time, without the General Manager, Land and Property Information's prior written consent, copy or take extracts from the Confidential Information except for the purpose of providing the Services.

9.7 Storage of the Confidential Information.

9.7.1 The Contractor shall

- (a) adopt and maintain all precautions that are specified in writing by the General Manager, Land and Property Information from time to time in the Procedures Manual and as are prudent or in order to safeguard the confidentiality of the Confidential Information and to prevent the disclosure of Confidential Information to persons other than those to whom such disclosure is permitted by this Contract and, where no such precautions are specified by the General Manager, Land and Property Information, clearly mark all Confidential Information as "confidential" and that it is contrary to this Contract to disclose or use the Confidential Information without the prior written consent of the General Manager, Land and Property Information unless such disclosure or use is in accordance with this Contract; and

- (b) ensure that the Confidential Information is safely and securely stored having regard to its extraordinary sensitivity and actual or potential value.

9.8 Non-Conferral of Other Rights

9.8.1 The Contractor acknowledges that:

- (a) the Confidential Information remains at all times the exclusive property of the Valuer-General; and
- (b) nothing in this Contract is to be construed as granting to the contractor any:
 - (i) rights to have Confidential Information (other than Property Information) disclosed or provided to it by the Valuer-General; or
 - (ii) rights other than those expressly provided in this Contract including, without limitation, any proprietary interest in any property relating to the Confidential Information.

9.9 Breach and Mandatory Disclosure

9.9.1 The Contractor shall notify the General Manager, Land and Property Information immediately:

- (a) the Contractor becomes aware of a suspected or actual breach of this clause by any person and shall take all reasonable steps, at its own expense, required to prevent or stop the suspected or actual breach; or
- (b) if the Contractor is compelled by law to disclose any of the Confidential Information, in which case the Contractor shall:
 - (i) where reasonable, assist and permit the General Manager, Land and Property Information to oppose or restrict disclosure of the Confidential Information; and
 - (ii) to the extent practicable, make disclosure on terms which preserve the strictest confidentiality of the Confidential Information.

9.10 Continuing Obligations of the Contractor

9.10.1 Each obligation of the Contractor contained in this clause is a continuing obligation, separate and independent from the other obligations of the Contractor and applies at all times and survives any termination or expiration of this Contract. All the rights for the benefit and in favour of the General Manager, Land and Property Information confirmed by this Contract apply at all times and survive any termination or expiration of this Contract. The return to the General Manager, Land and Property Information, destruction or erasure of the Confidential Information does not release the Contractor and the Relevant Persons from their obligations under this Contract and, in the case of Relevant Persons, their undertakings.

9.11 Damages Not Sufficient

9.11.1 The Contractor acknowledges that:

- (a) any breach of this Contract may result in the General Manager, Land and Property Information suffering substantial loss and that damages are not necessarily a sufficient remedy for the General Manager, Land and Property Information; and

- (b) if a threatened or actual breach of this clause occurs by the Contractor, the General Manager, Land and Property Information is entitled, without prejudice, to seek an injunction restraining the Contractor from committing any breach or further breach of this clause, without showing or proving any actual loss sustained by the General Manager, Land and Property Information.

9.12 Appointment and Powers

9.12.1 The Contractor irrevocably appoints the General Manager, Land and Property Information its attorney with the right:

- (a) at any time to:
 - (i) perform and observe the obligations of the Contractor under this clause;
 - (ii) do everything which in the attorney's reasonable opinion is necessary or expedient to enable the exercise of any right of the General Manager, Land and Property Information in relation to this clause; and
 - (iii) appoint, substitute and otherwise delegate its powers (including this power of delegation).
- (b) to do everything that the Contractor may lawfully authorise an agent to do in relation to this clause.

9.12.2 Any attorney may exercise its power notwithstanding that the exercise of the power constitutes a conflict of interest or duty. The Contractor ratifies any exercise of a power by an attorney. This power of attorney is granted to secure the performance of the obligations of the Contractor owed to the General Manager, Land and Property Information under this clause.

9.13 Publicity

9.13.1 The Contractor may not make any public statement in connection with any of the contents of this Contract or any other agreement collateral to this Contract, or any of the commercial bases thereof, or any information relating to the negotiations concerning this Contract, the execution of this Contract and the performance of this Contract or the internal affairs of the Valuer-General and the General Manager, Land and Property Information or any other information which may have come to the Contractor's knowledge in the course of such negotiations, or otherwise concerning the operations, dealings, transactions, contracts, commercial or financial arrangements or affairs of the Valuer-General and the General Manager, Land and Property Information.

9.13.2 The Valuer-General reserves the right to publish such information as he sees fit including but not limited to project plans, Contractor reports, Contractor performance scorecards and data analysis.

10. PRIVACY

10.1 Personal Information

10.1.1 Without limiting the Contractor's obligations pursuant to clause 9 the Contractor:

- (a) acknowledges that Personal Information held or learnt by the Contractor or any of its Representatives or other persons under its control or direction in

connection with this Contract is of particular sensitivity to the General Manager, Land and Property Information;

- (b) acknowledges that it has read and understood the Privacy and Personal Information Protection Act 1998;
- (c) must ensure that it and any of its Representatives or other persons under its control or direction comply with the Information Privacy Principles and Part IIIA of the Privacy Act 1988 (Cth);
- (d) acknowledges that the General Manager, Land and Property Information may, from time to time, direct the Contractor to implement security procedures regarding the acquisition, use and storage of Personal Information and inspect the security procedures implemented by the Contractor;
- (e) must ensure that it and any of its Representatives or other persons under its control or direction having access to or possession of Personal Information complies with the security procedures as determined by the General Manager, Land and Property Information from time to time or as set out in the Procedures Manual; and
- (f) must immediately notify the General Manager, Land and Property Information if the Contractor becomes aware of any breach of this clause by it or any of its Representatives and other persons under its control or direction.

10.2 Obligations Survive

10.2.1 The obligations under this clause 10 survive termination of this Contract.

11. ACKNOWLEDGMENT AND WARRANTIES

11.1 Acknowledgments

11.1.1 The Contractor acknowledges that:

- (a) it has relied on its own independent review and appraisal of the subject matter of this Contract;
- (b) the General Manager, Land and Property Information makes no warranties or representations with respect to the subject matter of this Contract;
- (c) the Contractor is solely responsible for ensuring:
 - (i) that all staff, premises, equipment and software used by the Contractor are suitable and capable of delivering the Services; and
 - (ii) that all ancillary services and equipment necessary for the proper provision of Services are available and that the Contractor has legal and physical control over them in order to ensure that it can deliver the Services.
- (d) it shall be deemed to have satisfied itself and to have made its own independent enquiries and investigations as to all matters disclosed, referred to, or arising from any information received by it from the General Manager,

Land and Property Information or his representatives and shall not make any claim or demand with respect to such matters;

- (e) it does not rely on any inference that may be drawn from any record or statement as to the affairs of the General Manager, Land and Property Information;
- (f) it does not rely on any account, letter, document, correspondence or arrangements whether oral or in writing as adding to or amending the terms and arrangements set out in this Contract and that the conditions and stipulations in this Contract constitute the only Contract between the parties;
- (g) it is fully aware of the contents of this Contract and the documents referred to in this Contract and has read and fully understood all such documents; and
- (h) to the fullest extent possible the Contractor waives any possible cause of action or rights it may have under or in respect of Part V of the Trade Practices Act 1974 or any other legislation which is to any extent similar to such Part V or any portion of such legislation touching or concerning anything subject or incidental to this Contract and releases and indemnifies to the fullest extent possible the General Manager, Land and Property Information and all persons or entities associated with the General Manager, Land and Property Information from and against any claim or liability arising out of or incidental to any such cause of action or right or any like cause of action or right of any other person or entity whatsoever.

11.2 Warranties by the Contractor

11.2.1 The Contractor warrants that:

- (a) it is legally established and validly existing under the laws of a jurisdiction within Australia and has corporate power to own property, enter into contracts and is duly qualified and authorised to carry on business in New South Wales, and in so far as is relevant in any other State or Valuation Area of the Commonwealth of Australia;
- (b) the Contractor is empowered by its memorandum and articles of association or by appropriate statutory authorisation to enter into a Contract and to do all things which it can reasonably contemplate will be required of it under the Contract;
- (c) all such things have been done or will be done as may be necessary to render the Contract legally enforceable in accordance with its terms and fully valid and binding on the Contractor;
- (d) all authorisations, registrations, consents, approvals, licences or permits required by any governmental body or under any government legislation or regulations which are or will be required in connection with the execution and delivery of, performance of obligations under or validity or enforceability of the Contract, have been or will be obtained or effected and are or will be in force and effect and true copies thereof (where applicable) have been delivered to the General Manager, Land and Property Information;
- (e) no proceeding is presently taking place, pending, or to the knowledge of the Contractor threatened against the Contractor which could have an adverse affect on the business, assets or financial condition of the Contractor;
- (f) the Contractor will immediately notify the General Manager, Land and Property Information of the occurrence of, or a pending or threatened

occurrence of, any event which may cause or constitute a breach of any of the representations, warranties, or covenants contained or made in connection with this Contract, including, without limiting the generality thereof, any event which may result in material adverse change in the business of the Contractor;

- (g) all accounts, balance sheets and other accounting and financial information furnished or to be furnished to the General Manager, Land and Property Information are true and correct in every material particular as at the date to which they respectively relate and are not misleading or deceptive in any respect. Further, the Contractor has disclosed to the General Manager, Land and Property Information details of material, conditional or contingent liabilities of the Contractor existing or arising at the date of its Contract;
- (h) all financial projections and information insofar as such information may be expressed as a matter of opinion in relation to the financial position and prospects of the Contractor whether given before or subsequent to the date of this Contract will be given after diligent inquiry and investigation on the part of the Contractor and there will be no material adverse change in the financial position or prospects of the Contractor subsequent to the date to which the relevant financial projections and information relate;
- (i) the Contractor is not in default under any agreement, undertaking or instrument to which it is a party or by which it may be bound, such default being material in the context of this Contract, and no event has occurred which with the giving of notice or lapse of time would constitute such a material default under or in respect of any such agreement, undertaking or instrument and to the best of its knowledge and belief the Contractor is not in default in any material respect under any statute, regulation, decree, order, rule or legislation of any jurisdiction or any governmental body or authority or instrumentality having jurisdiction over the Contractor, the consequences of which in any such case could affect the ability of the Contractor to comply with or perform its obligations under this Contract;
- (j) the Contractor is not aware of any act, matter or thing or circumstance by reason of which the Contractor will not be able to perform any obligations arising out of this Contract;
- (k) the Services will be rendered with due care and skill, and in a proper and workmanlike manner, and any materials supplied in connection with the Services will be reasonably fit for the purpose for which they are supplied; and
- (l) it has the level of skill, knowledge, resources and ability which may be expected of a person experienced in the provision of services of the same complexity on the same scale as the Services.

12. INDEMNITY

12.1 Indemnity

- 12.1.1 The Contractor will indemnify the General Manager, Land and Property Information and its representatives against all losses, damages, liabilities, claims and expenses (including but not limited to legal costs) incurred by the General Manager, Land and Property Information arising out of or in connection with:

- (a) any breach by the Contractor or any of its Representatives of any of the Warranties;
- (b) any other breach of this Contract by the Contractor or any of its Representatives; and
- (c) any injury to persons and any loss or damage to the General Manager, Land and Property Information or a third party's property, real or personal, caused by any act or omission of the Contractor or its Representatives, except to the extent that the Contractor establishes that the loss, damage, liability, claim or expense is directly attributable to the negligent or wrongful act of the General Manager, Land and Property Information or his Representatives.

12.1.2 The Contractor's liability under this clause is limited to losses that are directly attributable to the Contractor's breach.

12.2 Survival of Indemnities

12.2.1 Each indemnity in this Contract is a continuing obligation, separate and independent from the other obligations of the parties and survives termination of this Contract.

13. DEFAULT AND TERMINATION

13.1 Right to Terminate

13.1.1 The General Manager, Land and Property Information may at any time terminate this Contract with immediate effect by giving notice in writing to the Contractor if:

- (a) unless otherwise agreed in writing, the Contractor fails to commence provision of services on the Commencement Date;
- (b) the Contractor breaches any of its material obligations under this Contract (which includes, but is not limited to, clauses 5.2, 5.3, 5.7, 5.8, 5.9, 6.4, 6.5, 6.9, 6.10, 7.8, 7.9, 7.10.1, 9, 10, 15 and 16) and fails to remedy such breach within five (5) Business Days of service of a notice from the General Manager, Land and Property Information specifying such breach;
- (c) an Insolvency Event occurs in relation to the Contractor;
- (d) there is a material adverse change in the financial capability of the Contractor; or
- (e) there is a change in control of the Contractor without the prior written approval of the General Manager, Land and Property Information.

13.1.2 The Contractor may terminate this Contract with immediate effect by giving notice in writing to the General Manager, Land and Property Information if:

- (a) the General Manager, Land and Property Information fails to pay any part of the Fees within 21 days of the due date for payment; or
- (b) the General Manager, Land and Property Information commits any substantial breach of its obligations (other than non-payment of Fees) under this Contract.

13.2 Termination for Alteration to System

- 13.2.1 The General Manager, Land and Property Information may, after the first anniversary of the date of this Contract if he forms the opinion, acting reasonably, that the provision of valuations for the rating and taxing of land in New South Wales has materially altered, terminate this Contract by giving twelve months notice to the Contractor.

13.3 Preservation of Rights

- 13.3.1 Termination of this Contract for any reason shall not extinguish or otherwise affect:

- (a) any rights of either party against the other which:
 - (i) accrued prior to the time of the termination; or
 - (ii) otherwise relate to or may arise at any future time from any breach or non-observance of obligations under this Contract which arose prior to the time of the termination; or
- (b) the provision of this Contract which by their nature survive termination.

13.4 Obligations Upon Termination or Expiry

- 13.4.1 Upon termination (wholly or partly) of this Contract, whether arising from the exercise of rights pursuant to this clause or the expiration of the Term, the Contractor shall promptly:

- (a) do all things, execute all documents and provide the General Manager, Land and Property Information with all assistance, information, forms, templates and documents which the General Manager, Land and Property Information considers necessary or desirable to enable services similar to the Services to be performed in a manner which ensures orderly transition and continuity of service.
- (b) perform all obligations set out in the Migration Plan;
- (c) allow the General Manager, Land and Property Information to audit the Contractor's compliance with this clause and the Migration Plan;
- (d) take all steps necessary to transfer to the General Manager, Land and Property Information (or a nominee of the General Manager, Land and Property Information) any software licences required by the General Manager, Land and Property Information;
- (e) take all steps necessary to transfer to the Valuer-General and the General Manager, Land and Property Information (or a nominee of the General Manager, Land and Property Information) any software maintenance agreements required by the General Manager, Land and Property Information;
- (f) deliver (and not retain any copies) to the General Manager, Land and Property Information all material forms of:
 - (i) Confidential Information;
 - (ii) other property of the Valuer-General and the General Manager, Land and Property Information relating to the Services; and

in the possession, power or control of the Contractor or any of its Representatives including all backup copies thereof (whether or not those

material forms were created by the Valuer-General and the General Manager, Land and Property Information or their Representatives); and

- (g) cease accessing any of the General Manager, Land and Property Information's systems, electronic or communication links.
- 13.4.2 Notwithstanding the provision of sub-clause 13.4.1 the Contractor shall if the General Manager, Land and Property Information requests, continue for a period not exceeding six (6) months to supply the Services to the General Manager, Land and Property Information after the termination or expiry of the Term on the terms and conditions of this Contract until such time as the General Manager, Land and Property Information advises the Contractor that it is no longer required to do so.
- 13.4.3 The Contractor shall bear the costs of the Contractor in connection with effecting the transition of the Services to the General Manager, Land and Property Information or its nominee pursuant to this provision.
- 13.4.4 If this Contract is terminated by the General Manager, Land and Property Information as a result of default by the Contractor, all costs, losses and expenses incurred by the General Manager, Land and Property Information as a result of the termination shall be borne by the Contractor. The General Manager, Land and Property Information shall take reasonable steps to mitigate such costs, losses and expenses.

14. MIGRATION PLAN

- 14.1 Not less than three (3) months before the expiration of the Term the parties shall develop and implement the Migration Plan to enable the orderly transfer of the Services at the end of the Term from the Contractor to the General Manager, Land and Property Information or another party designated by the General Manager, Land and Property Information. The Migration Plan shall comply with the requirements set out in Schedule 9.

15. PERFORMANCE AND FIDELITY BOND

- 15.1 The Contractor shall deliver to the General Manager, Land and Property Information within thirty (30) days of the date of this Contract either a first demand performance bond issued by a trading bank acceptable to the General Manager, Land and Property Information or a fidelity bond or both for an amount equal to 15% of the annual fee and otherwise on terms and conditions acceptable to the General Manager, Land and Property Information to secure the due and punctual performance by the Contractor of its obligations pursuant to this Contract. This bond is to remain in force for a period of six (6) months following the expiry or termination of this Contract.

16. ASSIGNMENT AND SUB-CONTRACT

16.1 Assignment

- 16.1.1 The Contractor may not transfer, assign, charge, mortgage or encumber any of its rights pursuant to this Contract without the prior written consent of the General Manager, Land and Property Information, which may be granted or withheld at the General Manager, Land and Property Information's discretion.

16.2 Sub-Contracting

- 16.2.1 The Contractor may not sub-contract the provision of all or any part of the Services without the prior written approval of the General Manager, Land and Property

Information, which may be granted or withheld at the General Manager, Land and Property Information's discretion.

16.2.2 If the Contractor proposes to enter into a sub-contract, it shall:

- (a) obtain from the Sub-Contractor, and provide to the General Manager, Land and Property Information an original signed confidentiality undertaking in a form required by the General Manager, Land and Property Information;
- (b) ensure that the sub-contract includes and is consistent with all relevant terms of this Contract including, but not limited to, those relating to sub-contracting and confidentiality; and
- (c) provide the General Manager, Land and Property Information with a copy of the proposed sub-contract.

16.2.3 Neither the approval by the General Manager, Land and Property Information of a sub-contract nor the entry by the Contractor into a sub-contract:

- (a) will create a contractual relationship between the General Manager, Land and Property Information and the Sub-Contractor; or
- (b) will relieve the Contractor from liability for the performance of any obligations under this Contract.

16.2.4 The Contractor will be responsible and liable for all acts and omission of the Sub-Contractor.

17. DISPUTES RESOLUTION

17.1 Efforts to Resolve Disputes

17.1.1 The parties will use all reasonable efforts in good faith to resolve any dispute which arises between them in connection with this Contract.

17.2 Negotiation

17.2.1 In the event of a dispute arising either the Contract Services Manager or the Contract Manager may give to the other a notice providing details of the dispute. The Contract Services Manager and the Contract Manager will endeavour to resolve the dispute within five (5) Business Days of the notice being given.

17.2.2 If the Contract Services Manager or the Contract Manager do not resolve the dispute within that time, the dispute shall be referred to the General Manager, Land and Property Information and a senior representative of the Contractor, who will endeavour to resolve the dispute within five (5) Business Days or such other period as is agreed by the parties.

17.2.3 If after a period of five (5) Business Days or such longer period as the General Manager, Land and Property Information and the senior representative of the Contractor may have agreed, the parties have not been able to resolve the dispute, the dispute shall be referred to mediation in accordance with clause 17.3 of this section.

17.3 Mediation

17.3.1 Any dispute, difference or claim arising between the parties to this Contract as to the construction of this Contract or as to any matter or thing of whatsoever nature which has

not been resolved pursuant to clause 17.2 of this section, shall be referred to mediation as follows:

- (a) either party shall give to the other notice in writing ("the Mediation Notice") stating that the dispute will within ten (10) days from date of receipt of the Mediation Notice (unless the dispute is meanwhile resolved) be referred for mediation to the Australian Commercial Dispute Centre Limited ("ACDC") at Sydney.
- (b) if after the expiration of ten (10) days from the receipt of the Mediation Notice, the dispute has not been resolved, then the party giving the Mediation Notice shall:
 - (i) refer the dispute to ACDC requesting its assistance in the resolution of the dispute by:
 - (A) facilitating the appointment of a suitable Mediator who shall be agreed by the parties or, failing such agreement, the Mediator shall be appointed by the ACDC, and
 - (B) arranging a conference between the parties in the presence of that Mediator with a view to the resolution of the dispute;
 - (ii) notify the other party in writing that it has referred the dispute to ACDC, such notice requiring the party to nominate a representative who has the seniority and knowledge of the dispute which is necessary to reach a resolution; and
 - (iii) together with the notification referred to in clause 17.3.1(b)(ii) above, notify the other party of the representative which the party servicing the Mediation Notice has nominated and confirm that that representative has the seniority and knowledge of the dispute which is necessary to reach a resolution with the other party.
- (c) The representatives nominated by the parties in accordance with clauses 17.3.1(b)(ii) and 17.3.1(b)(iii) shall attend at any conference arranged by ACDC for the purpose of the attempted resolution of the dispute.
- (d) At any mediation conference arranged by ACDC in accordance with this clause:
 - (i) the mediation shall be conducted in accordance with such procedures and rules as may be agreed between the parties and, failing agreement, in accordance with the Mediation Rules of the ACDC in force at the date of this Contract; and
 - (ii) evidence of anything said, documents presented to, admissions made or matters raised in the course of any such conference shall be confidential to the parties and the Mediator and shall not, unless both parties consent, be admissible at any subsequent hearing, arbitration or litigation proceedings.
- (e) Failing any agreement to the contrary between the parties, the cost of the mediation, including any fees charged by ACDC, shall be shared equally between the parties.

- (f) In the event that the dispute has not been resolved within twenty eight (28) days (or such other period as is agreed in writing between the parties) after the appointment of the Mediator, either party may by written notice to the other party, terminate the mediation.

17.4 Proceeding with the Contract

- 17.4.1 Notwithstanding the reference of a dispute to mediation in accordance with clause 17.3, the parties shall continue to perform their obligations, and be entitled to exercise their rights, under this Contract. Such mediation shall not affect the availability to the General Manager, Land and Property Information of any security provided by the Contractor in terms of this Contract.

17.5 Legal Proceedings

- 17.5.1 A party may not commence legal proceedings (except proceedings seeking interlocutory relief) in respect of a dispute unless the dispute has first been referred to mediation in accordance with clause 17.3.

18. FORCE MAJEURE

18.1 Mitigation of Force Majeure

- 18.1.1 A party affected by an event of Force Majeure must give to the other party particulars of the event of Force Majeure within 24 hours of becoming aware of the occurrence of that event and take reasonable steps to remove or mitigate the effect of the relevant event of Force Majeure (including, in the case of the Contractor, allowing the General Manager, Land and Property Information to perform or arrange the performance of the affected Services at the cost of the Contractor).

18.2 Suspension of Obligations

- 18.2.1 An obligation of a party under this Contract shall be suspended during the time and to the extent that the party is prevented from or delayed in complying with that obligation by an event of Force Majeure.

18.3 Termination

- 18.3.1 If the Contractor's obligation to provide any Services to the General Manager, Land and Property Information is suspended for a period of more than fifteen (15) days, the General Manager, Land and Property Information may terminate this Contract by giving not less than fifteen (15) days notice to the Contractor.

19. MISCELLANEOUS

19.1 Contractor's On-Costs

- 19.1.1 The General Manager, Land and Property Information of NSW shall not be liable for any of the Contractor's employee "on-costs", such as, but not exclusively, wages, salaries, holiday pay or allowances, sick pay, Workers Compensation, PAYE tax, payroll tax, fringe benefits tax, training levy or any other tax or levy voluntarily undertaken by or imposed (either by statute or otherwise) on the Contractor.

19.2 Set Off

- 19.2.1 At the General Manager, Land and Property Information's discretion the General Manager, Land and Property Information may after giving notice to the Contractor set off or deduct from any amount payable by it to the Contractor or claim under any performance or fidelity bond provided by the Contractor, any amounts payable by the Contractor to the General Manager, Land and Property Information including any damages, costs and expenses recoverable by the General Manager, Land and Property Information from the Contractor in consequence of a breach by the Contractor including, without limitation, amounts payable by the Contractor pursuant to clause 6.15.1.
- 19.2.2 A certificate of the General Manager, Land and Property Information as to the amount for the time being due from the Contractor to the General Manager, Land and Property Information will be conclusive evidence for all purposes against the Contractor in the absence of the manifest error.

19.3 Stamp Duty

- 19.3.1 The Contractor shall, as between the parties, be liable for and duly pay all stamp duty (including any fine or penalty) on or relating to this Contract (if any) and any document executed under it.
- 19.3.2 If a party other than the Contractor pays any stamp duty (including any fine or penalty) on or relating to this Contract or any document executed under it, the Contractor shall pay that amount to that party upon demand.

19.4 Legal Costs

- 19.4.1 Subject to any express provision in this Contract to the contrary, each party shall bear its own legal and other costs and expenses relating directly or indirectly to the preparation of, and performance of its obligations under, this Contract.

19.5 Amendment

- 19.5.1 This Contract may only be varied or replaced by a document in writing duly executed by the parties.

19.6 Waiver and Exercise of Rights

- 19.6.1 A single or partial exercise or waiver of a right relating to this Contract does not prevent any other exercise of that right or the exercise of any other right.
- 19.6.2 A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

19.7 Rights Cumulative

- 19.7.1 Subject to any express provision in this Contract to the Contrary, the rights of a party under this Contract are cumulative and are in addition to any other right of that party.

19.8 Approvals and Consent

- 19.8.1 Subject to any express provision in this Contract to the Contrary, a party may conditionally or unconditionally give or withhold any consent to be given under this Contract and is not obliged to give its reasons for doing so.

19.9 Further Assurance

19.9.1 Each party shall promptly execute all documents and do all things that any other party from time to time reasonably requires of it to effect, perfect or complete the provisions of the Contract and any transaction contemplated by it.

19.10 Governing Law

19.10.1 This Contract is governed by and is to be construed in accordance with the laws applicable in New South Wales.

19.11 Jurisdiction

19.11.1 Each party:

- (a) irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and any courts which have jurisdiction hear appeals from any of those courts; and
- (b) waives any right to object to any proceedings being brought in those courts for any reason.

19.12 Assignment

19.12.1 No party may mortgage, charge or create any other security interest in relation to any right under this Contract without the prior written consent of the other parties.

19.13 Counterparts

19.13.1 This Contract may consist of a number of counterparts and if so the counterparts taken together constitute one and the same instrument.

19.14 Computation of Time

19.14.1 Except in relation to the provision of clause 20, where time is to be reckoned by reference to a day or event, that day or the day of that event is excluded.

19.15 Joint and Several Liability

19.15.1 An obligation of two or more persons binds them jointly and severally.

19.16 Effect of Execution

19.16.1 This Contract is not binding on any party unless it or a counterpart has been duly executed by, or on behalf of, each person named as a party to the Contract.

19.17 Time of the Essence

19.17.1 Time shall be of the essence in the performance by the Contractor of its obligations pursuant to this Contract.

19.18 Goods and Services Tax (GST)

19.18.1 In this clause the expression "adjustment note", "consideration", "GST", "input tax credit", "recipient", "supply", and "tax invoice" have the meanings given to those expressions in the A New Tax System (Goods and Services Tax) Act 1999 and the expression "net dollar margin" has the meaning given to that expression in the guidelines in force under Section 75AV of the Trade Practices Act 1974 of the Commonwealth.

- 19.18.2 Unless otherwise expressly stated, all prices or other sums payable or consideration to be provided in this Contract are inclusive of GST.
- 19.18.3 If there is any abolition or reduction of any tax or other statutory charge associated with the imposition of or any change in GST, or if there is a reduction in the rate of GST or the application of GST, which directly or indirectly affects the net dollar margin of the supplier or the amount payable by the recipient in respect of any supply made under this agreement, the consideration payable for the supply will be reduced so that the net dollar margin of the supplier in respect of the supply remains the same. If requested in writing, a supplier must provide reasonable evidence to demonstrate that it has complied with its obligations under this clause.
- 19.18.4 Where the recipient is required to pay for or reimburse an expense or outgoing of the supplier under this Contract, the amount to be paid by the recipient is the amount of the expense or outgoing less any input tax credit in respect of such expense or outgoing that the supplier is entitled to.
- 19.18.5 If a GST inclusive price is charged or varied, the supplier shall provide to the recipient a tax invoice or adjustment note as appropriate. The recipient is not required to make the relevant payment until this requirement has been met.

20. NOTICES

20.1 General

- 20.1.1 A notice, demand, certification or other communication under this Contract:

- (a) is to be given in writing and in the English language; and
- (b) may be given by an agent of the sender.

20.2 Method of Service

- 20.2.1 In addition to any means authorised by law a communication may be given by:

- (a) being delivered personally;
- (b) being left at the party's last known address for service;
- (c) being sent to the party's last known address for service by pre-paid ordinary mail or if the address is outside Australia, by pre-paid air mail;
- (d) facsimile to the party's last known facsimile number; or
- (e) an e-mail to the party's last known e-mail address.

20.3 Address for Service

- 20.3.1 The address, phone, facsimile numbers, and email address initially, in the case of the General Manager, Land and Property Information are:

Office of the General Manager, Land and Property Information
1 Prince Albert Road
Queens Square
SYDNEY NSW 2000

Tel: (02) 92367607

Fax: (02) 92367611

Attention: The General Manager, Land and Property Information

20.3.2 The address, phone, facsimile numbers, and email address initially, in the case of the Contractor are:

20.3.3 A party may from time to time change its address or numbers for service by notice to the other party.

20.4 Service by Post

20.4.1 A communication given by post is taken to be received:

- (a) if posted within Australia to an Australian address three Business Days after posting; and
- (b) in any other case, seven Business Days after posting.

20.5 Service by Facsimile or E-mail

20.5.1 A communication given by facsimile is taken to be received when the sender's facsimile machine produces a transmission report stating that the facsimile was successfully transmitted to the addressee's facsimile number. A communication given by e-mail is taken to be received at the time the e-mail message is first received by the other party in a complete, accessible and legible form.

20.6 Form Received

20.6.1 A communication given by facsimile is taken to be given in the form transmitted unless the message is not fully received in legible form and the addressee immediately notifies the sender of that fact.

20.7 Process Service

20.7.1 Any process or other document relating to litigation, administrative or arbitral proceedings in relation to this Contract may be served by any method contemplated by this clause in addition to any means authorised by law.

20.8 Service After Hours

20.8.1 If a communication to a party is received by it:

- (a) after 5.00pm in the place of receipt; or
- (b) on a day which is not a Business Day,

it is taken to have been received at the commencement of the next Business Day.

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Schedule 1: Specification

The Contractor is to provide all services in accordance with this Contract and the Procedures Manual.

1. PROJECT MANAGEMENT SERVICES

- 1.1 The Contractor is to manage its services to ensure they are provided to the required standard and within the required time frames.
- 1.2 The Contractor will, in consultation with the Contract Manager, develop a detailed Project Plan for the provision of the Services for each Local Government Area for the period from 1 March to the last day of February each year. Each Project Plan is to include specific delivery dates for the services in the Local Government Area. The Project Plan shall not include dates later than those indicated in the table at 11.2 in this Schedule and is to be provided no later than 15 March each year.
- 1.3 The Contractor and the Contract Manager will have regular contact, especially during the period May to October. The Contractor is to report against the Project Plan in a Progress Report for each Local Government Area by the 20th of each month. The February Progress Report is to be more substantial and provide an overview of the services for the preceding year.

2. MARKET ANALYSIS SERVICES

- 2.1 All sales and other information that assist in establishing or verifying land values as at 1 July must be analysed.
- 2.2 The Contractor shall provide to the Contract Manager for each Local Government Area by the dates specified in the agreed Project Plan:
 - (i) Progressive Sales Reporting is to be provided on an ongoing basis throughout the whole contract year. The Project Plan is to describe when detailed sales reports will be provided to the Contract Manager.
 - (ii) Regular Sales Analysis Meetings will be scheduled with the Contract Manager or their delegate to:
 - discuss the analysis of sales
 - inspect Contractor's sales and development costs file for content
 - review analysis practices and procedures for accuracy and consistency.
 - (iii) A Market Analysis Overview at the option of the Contract Manager. The Market Analysis Overview is a specific sales tour to provide LPI with an overview of the market analysis in a district and the proposed basis of values in an LGA.
 - (iv) Detailed Sales Reports in the format and containing the information specified in the Procedures Manual are to be loaded into Valnet by the Contractor in accordance with the agreed schedule for Progressive Sales Reporting.
 - (v) Commercial and Industrial Rental Analysis in areas where there is inadequate sales evidence to confidently establish the level of commercial and industrial values. In these cases rentals should also be used as a basis for comparison to localities or valuation dates where sales evidence is available. Rentals may also be used as the basis for feasibility studies to establish land values.

- (vi) Market Data Files in the upload file format specified in Schedule 5 summarising sales analyses are to be delivered to the Contract Manager on a monthly basis unless otherwise agreed with the Contract Manager.

3. PROVISIONAL VALUATION RECOMMENDATION SERVICES

- 3.1 During the month of September but no later than the date specified in this Schedule the Contractor shall prepare and deliver to the Contract Manager, Provisional Valuation Recommendations for each Local Government Area in the values upload file format detailed in Schedule .A3. The file is to contain a land value for each property in the Local Government Area. The Contractor shall also provide at this time a Market Data File in the upload file format specified in Schedule 5. This file is to contain whatever details are available at the time of delivery.
- 3.2 The Contractor will not be required to provide Provisional Valuation Recommendation Services for any Local Government Areas where General Valuation Recommendations have previously been provided for that valuing year.

4. GENERAL VALUATION RECOMMENDATION SERVICES

- 4.1 The Contractor shall prepare and deliver to the Contract Manager the General Valuation Recommendations for all properties in a Local Government area as at the applicable 1 July based on the market analysis and applying the methodology as approved by the General Manager, Land and Property Information. General Valuation Recommendations are to be provided on a progressive basis but not later than the date specified in this Schedule, in the upload file format specified in Schedule 5.
- 4.2 The Contract Manager may request partial downloads for each Local Government Area during the General Valuation Recommendation process.
- 4.3 The Contractor is responsible for the coordination of values across component, local government and Contract area boundaries. To facilitate this process, the Contract Manager may require the Contractor to attend market conferences and meetings to review and coordinate value levels. The Contract Manager may also require the Contractor to make presentations or conduct physical inspections with the Contract Manager to confirm that the general valuation recommendations are soundly based. These services shall be at the cost of the Contractor.
- 4.4 The Contract Manager may require valuation recommendations to be reviewed or amended. Where reviews or amendments are requested as part of the general valuation process, any amended valuations must be returned by the date specified in this schedule. At other times reviews or amendments are to be completed and returned in compliance with the time frame for Valuation Inquiry Services, unless otherwise agreed.
- 4.5 The Contractor is to provide a Final Report for each Local Government Area to the Contract Manager within 14 days after the agreed date for the provision of final amendments to General Valuation Recommendations.

5. QUALITY ASSURANCE SERVICES

- 5.1 The Contractor is responsible for the quality control of the valuations and must report in the Valuation Analysis Report the details of actions taken to ensure quality is achieved.
- 5.2 The Valuation Analysis Report is a comprehensive report that details the quality assurance measures taken by the Contractor and is to comprise the following parts:
- Statistical measures reporting
 - Component Data Analysis

- Quality Statement

5.3 General Valuation recommendations will not be accepted until the Quality Statement is received to the standard and quality detailed in the Procedures Manual.

5.4 Statistical measures are required to meet the following parameters:

Measure	Valnet Zone Code	Parameter
Coefficient of Dispersion (COD)	A	< 10
Coefficient of Dispersion (COD)	B, C, I & R	< 15
Price Related Differential (PRD)	A, B, C, I & R	0.98 to 1.03
Mean Value Price Ratio (MVP)	A, B, C, I & R	85% to 100%
Comparison of Average Value Changes	All zones	-5% to 5%

5.5 As part of the contract monitoring process the Contract Manager will complete a quarterly Contractor Performance Scorecard for each Valuation Area. The Contractor is to provide a response to each scorecard within 10 working days of its publication.

6. LAND VALUE VERIFICATION, COMPONENT REVIEW AND BENCHMARKING SERVICES

6.1 The Contractor is to maintain a Component classification for every property in accordance with the Procedures Manual regardless of the Valuation Methodology.

6.2 The Contractor is to develop a staged program to review the structure and description of all Components and to 'inspect' and/or 'individually verify' all valuations within the Valuation Area in accordance with the Procedures Manual over a five year period commencing 1 March 2008. Therefore, for the period of this Contract, 20% of Components and 20% of land values within the Valuation Area shall be reviewed each year. Land value verifications are to be done on a Component by Component basis. The program is to be developed in consultation with the Contract Manager and is to be detailed in the Project Plan.

6.3 In conjunction with the Component review existing Benchmarks are to be reviewed and Reference Benchmarks are to be identified for each Component as it is reviewed regardless of the Methodology being applied.

6.4 Each Component is to have one Benchmark and a number of additional identified Reference Benchmarks. Benchmarks and Reference Benchmarks are to be selected based on the requirements outlined in the Procedures Manual. The number of required Reference Benchmarks is determined by the following table.

	Component Size (N = Number of Properties)			
QRP	N ≤ 100	101 ≤ N ≤ 500	501 ≤ N ≤ 5,000	N > 5,000
QRP ≤ 20%	1	1	2	3
20% < QRP ≤ 50%	1	2	3	4
QRP > 50%	2	3	4	4

7. SUPPLEMENTARY VALUATION SERVICES

7.1 The Contractor is to provide Supplementary Valuations for property subdivisions, amalgamations, boundary changes, etc., for both rating and taxing purposes.

For Metropolitan Areas:

7.2 The Contractor will within 30 days (and at an average of 20 days or less) of notice from the General Manager, Land and Property Information in the form specified in the Procedures

Manual requesting a Supplementary Valuation of a Property, provide a Supplementary Valuation Recommendation for that Property.

- 7.3 The Contractor will not be in breach of this Contract if in any year of the Term [commencing on the date or the anniversary of the date of this Contract (as the case may be)] it provides 10% of the Supplementary Valuation Recommendations for that year after their due date, provided that no Supplementary Valuation Recommendation is made later than 45 days after the date of the notice from the General Manager, Land and Property Information.
- 7.4 The General Manager, Land and Property Information may request up to 5% of supplementaries in a year to be given priority. These Supplementary Valuation Recommendations are to be completed within 10 days of notice from the General Manager, Land and Property Information.
- 7.5 The Contractor will be responsible for completing all Supplementary Valuations delivered via the normal mechanism prior to the end of the contract term.

For Country Areas:

- 7.6 The Contractor will within 45 days (and at an average of 30 days or less) of notice from the General Manager, Land and Property Information in the form specified in the Procedures Manual requesting a Supplementary Valuation of a Property, provide a Supplementary Valuation Recommendation for that Property.
- 7.7 The Contractor will not be in breach of this Contract if in any year of the Term [commencing on the date or the anniversary of the date of this Contract (as the case may be)] it provides 10% of the Supplementary Valuation Recommendations for that year after their due date, provided that no Supplementary Valuation Recommendation is made later than 60 days after the date of the notice from the General Manager, Land and Property Information.
- 7.8 The General Manager, Land and Property Information may request up to 5% of supplementaries in a year to be given priority. These Supplementary Valuation Recommendations are to be completed within 10 days of notice from the General Manager, Land and Property Information.
- 7.9 The Contractor will be responsible for completing all Supplementary Valuations delivered via the normal mechanism prior to the end of the contract term.

New Planning Instruments

- 7.9 The Contractor is required to advise the General Manager, Land and Property Information of new planning instruments and their effect on value levels as they occur.
- 7.10 Where the Contractor advises that a new planning instrument has a material effect on value levels the General Manager, Land and Property Information will prepare and forward Supplementary Valuation Requests to the Contractor, for properties subject to zoning changes.

8. VALUATION INQUIRY SERVICES

- 8.1 The Contractor shall provide, within 5 working days of the request, or such other time as may be agreed with the Contract Manager, all records or information required by the General Manager, Land and Property Information for the purpose of determining any objection or enquiry.
- 8.2 The Contractor may be requested to advise whether certain factors either have or have not been considered and provide advice as to what impact, if any, these factors would have on the valuation.

- 8.3 In addition, the Contractor may be required to attend public meetings and/or consultations with land holders to discuss valuation services provided by the Contractor to the extent of up to thirty-five hours per annum. Attendance at meetings beyond this time may be arranged by negotiation. In order to meet public and/or client needs these meetings may be held outside normal business hours. The Contractor is to meet its own costs for attendance at meetings within the Valuation Area. The General Manager, Land and Property Information will meet reasonable additional travel expenses in the event of meetings being held outside the Valuation Area.
- 8.4 The Contractor will be responsible for the provision of appropriate materials, which may include maps, summaries, and other materials to describe the valuations and the evidence upon which they are based.

9. APPEALS SERVICES

- 9.1 The Contractor shall prepare reports and make itself available to attend any proceedings in any tribunal or court as an expert witness in relation to a Valuation based upon the Contractor's Valuation Recommendation. The Contractor shall also provide all other assistance reasonably required by the General Manager, Land and Property Information in relation thereto.

10. CODING SERVICES

- 10.1 The Contractor shall within 15 days of receipt of a Sales Data File from the General Manager, Land and Property Information in the format specified in Schedule 5 provide Sales Codes for all those Properties in the upload file format for Sales Code Files from Valuation Contractors specified in Schedule 5. The file is to be loaded directly to Valnet 2 by the Contractor. The Contractor is responsible for rectifying any data load errors.
- 10.2 Where the Contractor subsequently analyses a sale for which Coding Services have previously been provided the Contractor is to review, and if necessary correct, the code for the sale as part of the analysis process.

11. TIMING OF DELIVERY OF SERVICES

- 11.1 Following consultation and with the agreement of the Contract Manager the Contractor will provide a schedule for the delivery of the Services in each Local Government area as set out below. This schedule shall be substantially in accordance with the draft project plan submitted in the tender response.
- 11.2 Where a Contractor has multiple Local Government Areas the valuation recommendations and reports are to be delivered progressively in a balanced program as determined between the Contractor and the Contract Manager. It will not be acceptable for the Contractor to provide all valuation recommendations or reports for a Valuation Area in a single week. However, the Contractor shall provide the Services for all Local Government Areas by not later than the dates shown below.

Service	Due Date
Project Plan	15 th March.
Progress Report	20 th of each month
Provisional Valuation Recommendation Services	15 th September
General Valuation Recommendation	15 th October

Service	Due Date
Services	
Valuation Analysis Report	15 th October
Final amendments to General Valuation Recommendations	Last working day of October
Final Report	14 days after the agreed date for Final Amendments to Valuation Recommendations
Valuation Inquiry Services	5 working days after the request
Contractor Performance Scorecard Response	10 working days after publication by the Contract Manager.

12. ADDITIONAL SPECIFICATIONS

- 12.1 The Contractor will provide Valuation Recommendations to the General Manager, Land and Property Information in the file format as contained in Schedule 5. The Valuer-General will continue to issue valuation lists to Councils, notices to owners in Council areas and provide valuations to the Office of State Revenue.
- 12.2 The Contractor is required to provide the specified valuation services in line with its proposed contract management plans and valuation approaches. Under the Contract the Contractor will have discretion as to the manner in which the valuation tasks are to be performed and the use of resources, including personnel, in performing such tasks. However, where delegation of power by the Valuer-General is required, the conduct of such valuation tasks will be as agreed with the Valuer-General.
- 12.3 The Contractor shall comply with relevant legislation and case law pertaining to rating and taxing valuations when undertaking the services. The Contractor shall also have regard to any practice statements and standards endorsed by the Australian Property Institute (API).
- 12.4 In addition to the above requirements, the Contractor shall:
- comply with any standards or directions which may be agreed with the General Manager, Land and Property Information for the purpose of quality assurance of the valuation services provided; and
 - provide relevant information and analysis that will be required by the General Manager, Land and Property Information in reviewing valuation notifications and/or handling valuation appeals at the Court where available.
- 12.5 The General Manager, Land and Property Information will assist the Contractor by providing it with valuation information, where available, including past valuations, matched property sales, lists of properties for supplementary valuation, property data files as contained in Schedule 5 and other materials owned by the Valuer-General or Land and Property Information that are relevant to the Contractor carrying out the valuation services. Notwithstanding this assistance, the Contractor will be responsible for ensuring the accuracy of the information provided and its relevance to the performance of the valuation services.

Schedule 2: Contract Areas and Statistical Data

Contract Area	Council Name
Albury	ALBURY COROWA GREATER HUME GUNDAGAI LOCKHART TUMBARUMBA TUMUT URANA
Blacktown	BLACKTOWN FAIRFIELD HOLROYD
Central Coast	GOSFORD WYONG
Dubbo	DUBBO GILGANDRA MID WESTERN REGIONAL NARROMINE PARKES WARRUMBUNGLE WELLINGTON
Newcastle	LAKE MACQUARIE NEWCASTLE
Wollongong	SHELLHARBOUR WOLLONGONG

Statistical Data

		As at 30 June, 2007				For Period 1 March, 2004 to 28 February, 2007						
Contract Area	Council Name	No of Props *	Res *	Non Res *	M	Components #	Benchmarks #	No of Land Tax #	Supps #	NOV'S #	L & E Court #	Sales #
Albury	ALBURY	19,889	19,159	730	Y	88	215	1,298	1,644	2,588	-	6,513
Albury	COROWA	5,960	5,312	648	Y	54	137	250	504	7,824	-	1,854
Albury	GREATER HUME	6,250	3,176	3,074	Y	103	203	119	791	6,699	-	1,571
Albury	GUNDAGAI	2,470	1,823	647	Y	21	69	56	435	2,755	-	686
Albury	LOCKHART	2,495	1,008	1,487	Y	27	63	47	200	2,669	-	515
Albury	TUMBARUMBA	2,488	1,268	1,220	Y	43	122	96	348	468	-	626
Albury	TUMUT	6,098	4,377	1,721	Y	73	175	202	555	6,692	-	1,480
Albury	URANA	1,342	680	662	Y	12	32	25	91	1,432	-	310
Blacktown	BLACKTOWN	91,838	86,535	5,303	Y	44	74	6,810	4,229	94,951	-	23,403
Blacktown	FAIRFIELD	51,978	47,637	4,341	Y	41	99	4,742	1,291	53,159	3	12,127
Blacktown	HOLROYD	26,401	24,667	1,734	Y	31	82	2,988	1,613	27,512	1	7,783
Central Coast	GOSFORD	62,874	53,945	8,929	Y	154	235	8,184	1,450	64,303	12	17,702
Central Coast	WYONG	58,698	54,829	3,869	Y	147	196	7,082	2,986	60,911	4	16,533
Dubbo	DUBBO	15,928	13,876	2,052	Y	86	224	818	1,178	17,121	-	4,901
Dubbo	GILGANDRA	2,473	1,313	1,160	Y	29	48	54	172	2,656	-	656
Dubbo	MID WESTERN	12,322	9,471	2,851	Y	65	81	567	1,339	4,660	-	3,475
Dubbo	REGIONAL	3,404	2,135	1,269	Y	26	54	73	259	3,715	-	903
Dubbo	NARROMINE	7,891	5,672	2,219	Y	46	149	296	560	8,382	-	2,066
Dubbo	PARKES	6,243	3,839	2,404	Y	44	54	115	451	6,805	-	1,655
Dubbo	WARRUMBUNGLE	4,719	3,016	1,703	Y	36	69	102	335	5,012	-	1,151
Dubbo	WELLINGTON	75,371	70,009	5,362	Y	214	242	6,156	3,175	78,060	1	18,335
Newcastle	LAKE MACQUARIE	55,781	51,285	4,496	Y	165	199	6,251	1,911	57,598	1	17,091
Newcastle	NEWCASTLE	22,395	20,725	1,670	Y	68	156	1,595	984	23,368	-	5,759
Wollongong	SHELLHARBOUR	65,661	59,626	6,035	Y	99	119	5,990	2,108	67,870	9	17,858
Wollongong	WOLLONGONG	610,969	545,383	65,586	Y	1,716	3,097	53,916	28,609	607,210	31	164,953

- As at June, 2007-10-16
- # As at 05 September 2007

Schedule 3: Fees

- (a) The Fees, as detailed in Price Schedule below, shall commence and accrue from the Commencement Date.

The Annual Fee for Services will be divided into twelve equal instalments and each instalment will be payable monthly in arrears, unless agreed otherwise with the General Manager, Land and Property Information.

- (b) The General Manager, Land and Property Information may pay the Contractor an Appeals Service Fee if the Contractor is required to prepare a statement of evidence and/or attend any proceedings in any Tribunal or Court as part of the Appeals Services. The Appeals Service Fee will be the agreed amount specified in the Price Schedule below for every complete hour preparing a statement of evidence and/or attendance at a Court or Tribunal plus all reasonable and actual expenses incurred in relation to attendance at the Court or Tribunal. The hourly rate specified in the Price Schedule below is limited to the valuer's time and is to include an allowance for any support/administration time involved in preparing a statement of evidence. For the avoidance of doubt, all other preparation or other time whether spent before or after attendance at Court or a Tribunal may not be charged as part of the Appeals Service Fee.
- (c) For Years 1, 2 and 3 of the Contract the Fees in the Price Schedule below shall be firm. In the event that the option/s to extend the Term in accordance with clause 4.2.2 of the Contract is/are exercised, the Fees shall be subject to adjustment by the variation in the Sydney CPI (September quarter) and that applying in the last quarter of Years 3 or 4 of the Contract as appropriate, effective on Day 1 of the period of extension.

PRICE SCHEDULE (To be Inserted)

Contract Area		Tendered Price		
		Excluding GST	GST Component	Total Including GST
	Annual Fee for Services	\$ per annum	\$ per annum	\$ per annum
	Appeals Service Fee	\$ per hour	\$ per hour	\$ per hour

Schedule 4: Methodology

To be Inserted

Schedule 5: Valuation Contractor File Specifications

(Refer Clause 7 and Schedules 1 & 2 of Part D - Data File Forms)

1. District Property Data File to Valuation Contractors

EXTRACT FILE FORMAT

The Property Information shall be supplied to the Contractor by electronic delivery in the format specified below.

This file structure will be used to supply the Annual Download of all property records, and periodic "Supplementary" files comprising both Requests for Supplementary Valuations and Completed Supplementary Valuations. The 2 character "Supplementary Code" will identify the required action.

The Annual Download will only contain "completed" supplementary actions – properties pending cancellation WILL be included, and any pending new properties WILL NOT be included.

The "Legislative Basis for Land Value" and Values fields in Record Types "D" and "E" will usually be Null in the case of Requests for Supplementary Valuations. The format of the "B" record has been amended to include the details of the LAST verification for the property as advised by the Contractor.

The format of the 'C' record has been altered to allow for the storing of more than one lease per individual lot – the file and now includes a "G" record.

Record Type "F" will not exist for Annual Downloads or for Completed Supplementary Valuations.

The Valuer-General may by giving notice to the Contractor alter the extract file format. Until the Valuer-General gives such notification, the extract file format is as follows.

File Structure:

File will be in Delimited flat ASCII.

Record type 'A': is a header record and will be the first record in the file. It is to include date and time of lodgement and user id of lodger.

Record type 'B': will contain Property details.

Record type 'C': will contain Property Description and Owner details.

Record type 'D': will contain Local Government Valuation details. Values will generally be "Null" for Requests for Supplementary Valuations.

Record type 'E': will contain Land Tax Valuation details. Values will generally be "Null" for Requests for Supplementary Valuations.

Record Type 'F': will contain details regarding an individual workflow – will not be present for completed WF's or for Annual Downloads.

Record Type 'G': will contain details of any lease that attach to individual to records shown in the 'C' record.

Record type 'Z': will be a trailer record and is to be the last record in the file. It is to include a property count and a total record count.

Records 'A' and 'Z' to be included in the total record count.

Fields are to be returned in the same order as defined in the following pages.

*Each field is delimited by a **semi-colon**. Fields that do not contain data are represented by ;*

The last field for a record has a trailing delimiter (;).

Record Type	Field Type	Maximum Field Size	Req'd Field	Comments
RECORD A				Header Record
Record Type	A	1	Y	'A'
District Code	A	3	Y	e.g. '077'
District Name	A	30	Y	
Download Date / Time	Date	16	Y	The Date / Time for the creation of this file. Format is CCYYMMDD HH24:MI
Submitter's Userid	A	35	Y	
Sequence Number	N	8	N	Sequential Starting at 1000
RECORD B				Will contain Property details.
Record Type	A	1	Y	'B'
District Code	A	3	Y	e.g. '077'
Property Id.	N	10	Y	
Unit Number	A	10	N	Concatenation of Unit Number and Unit Suffix, separated by a space.
Property Name	A	40	N	
House Number 1 Prefix	A	1	N	e.g. "A" in House No. A123
House Number 1	N	6	N	e.g. "123" in House No. 123 – 125
House Number 1 Suffix	A	1	N	e.g. "A" in House No. 123A
House Number 2 Prefix	A	1	N	e.g. "A" in House No. 123 – A125
House Number 2	N	6	N	e.g. "125" in House No. 123 – 125
House Number 2 Suffix	A	1	N	e.g. "A" in House No. 123 – 125A
Street Name	A	38	N	Concatenated Street Name, Street Type, Street Suffix and Location Descriptor e.g. Green Lane NW.
Suburb	A	30	N	
Postcode	N	4	N	
Current set of owners	A	250	Y	First 250 characters only.
Area	N	7.3	N	e.g. 7777777.333
Area Units	A	1	N	'M' = [Square] Metres, 'H' = Hectares
Area Source	A	8	N	A code describing the area source for the property – Valid codes are:- PLAN, CALC, UNDET.
Frontage	N	4.3	N	e.g. 4444.333
Frontage Type	A	8	N	
Back	N	4.3	N	e.g. 4444.333
Back Type	A	8	N	
1st Boundary	N	4.3	N	e.g. 4444.333
1 st Boundary Type	A	8	N	
2nd Boundary	N	4.3	N	e.g. 4444.333
2 nd Boundary Type	A	8	N	
Zone code	A	1	N	Null for Apportionments.
Component code	A	2	N	Null for Apportionments.
Apportionment Parent Property Id.	N	10	N	Property Id. of parent or main record.
Land Tax Liable Flag	A	1	N	L = Land tax Liable, P = Premium Property Tax Liable, Else Null.
State Heritage Listing Number	A	10	N	
Strata Property Flag	A	1	N	

Verification Type	A	8	N	Optional Field - Allowable values – INSPECTD - Inspected VERIFIED – Individually verified
Verification date	Date	8	N	Format is CCYYMMDD
Base Date Verified	Date	8	N	Format is CCYYMMDD
Change Date / Time	Date	16	N	The latest Change Date / Time for data in this record. Format is CCYYMMDD HH24:MI
Workflow Id.	N	10	N	Number for the Supplementary Action. Null for Annual Property data Downloads.
Supplementary Code	A	2	N	A code describing the action to be taken or that has been taken on the Supplementary. Null for Annual Property data Downloads.
RECORD C				Will contain property description details. A separate record will be provided for each lot or non-lot plan land description record for the property.
Record Type	A	1	Y	'C'
District Code	A	3	Y	e.g. '077'
Property Id.	N	10	Y	
Lot Number	A	5	N	
Lot Type	A	8	N	"Part" or "Whole"
Plan Type	A	2	N	"DP" or "SP"
Plan Number	N	8	N	
Section Number	A	4	N	
Non-Lot Plan Land Description	A	4000	N	Unformatted text.
Property_Lot_ID	N	10	Y	A unique identifier of the lot row – links to G record.
Change Date / Time	Date	16	N	The latest Change Date / Time for data in this record. Format is CCYYMMDD HH24:MI
Workflow Id.	N	10	N	Number for the Supplementary Action. Null for Annual Property data Downloads.
Supplementary Code	A	2	N	A code describing the action to be taken or that has been taken on the Supplementary. Null for Annual Property data Downloads.
RECORD D				Will contain Local Government Valuation details.
Record Type	A	1	Y	'D'
District Code	A	3	Y	e.g. '077'
Property Id.	N	10	Y	
LG Base Date	Date	8	Y	Format is CCYYMMDD.
Authority code	A	10	N	The Valuation of Land Act section number that provides the authority for making the land value.
Date Valuation Made	Date	8	N	Format is CCYYMMDD
Land Value	N	12	N	
Land Value Basis	A	10	N	The Valuation of Land Act section number that determines the basis for making the land value.
Rating Factor / Prescribed Lease	N	12	N	Will always be NULL – field no longer used.
Heritage Value	N	12	N	
Mixed Development Apportionment Factor	N	2	N	
Mixed Use Apportionment Factor	N	2	N	

Stratum Allowance	N	12	N	
On-Site Allowance	N	12	N	
Off-Site Allowance	N	12	N	
Joint Water Supply Allowance	N	12	N	Will always be NULL – field no longer used.
Subdivider's Allowance	N	12	N	0 is valid value.
Unutilised Value Allowance - S. 62K	N	12	N	
Attributable Part – S. 585	N	12	N	
Coal Mine Value	N	12	N	Will always be NULL – field no longer used.
Coal Mine Allowance	N	12	N	
Change Date / Time	Date	16	N	The latest Change Date / Time for data in this record. Format is CCYYMMDD HH24:MI
Workflow Id.	N	10	N	Number for the Supplementary Action. Null for Annual Property data Downloads.
Supplementary Code	A	2	N	A code describing the action to be taken or that has been taken on the Supplementary. Null for Annual Property data Downloads.
RECORD E				Will contain Land Tax Valuation details.
Record Type	A	1	Y	'E'
District Code	A	3	Y	e.g. '077'
Property Id.	N	10	Y	
LT Base Date	Date	8	Y	Format is CCYYMMDD
Authority code	A	10	N	The Valuation of Land Act section number that provides the authority for making the land value.
Date Valuation Made	Date	8	N	Format is CCYYMMDD. (Formerly the Relevant Date)
Land Value	N	12	N	
Land Value Basis	A	10	N	The Valuation of Land Act section number that determines the basis for making the land value.
Rating Factor / Prescribed Lease	N	12	N	Will always be NULL – field no longer used.
Heritage Value	N	12	N	
Mixed Development Apportionment Factor	N	2	N	
Mixed Use Apportionment Factor	N	2	N	
Stratum Allowance	N	12	N	
On-Site Allowance	N	12	N	
Off-Site Allowance	N	12	N	
Rent Protected Value	N	12	N	Will always be NULL – field no longer used.
Joint Water Supply Allowance	N	12	N	Will always be NULL – field no longer used.
Subdivider's Allowance	N	12	N	0 is valid value.
Unutilised Value Allowance - S. 62K	N	12	N	
Attributable Part – S. 585	N	12	N	
Coal Mine Value	N	12	N	Will always be NULL – field no longer used.
Coal Mine Allowance	N	12	N	
Change Date / Time	Date	16	N	The latest Change Date / Time for data in this record. Format is CCYYMMDD HH24:MI
Workflow Id.	N	10	N	Number for the Supplementary Action. Null for Annual Property data Downloads.
Supplementary Code	A	2	N	A code describing the action to be taken or that has been taken on the Supplementary. Null for Annual Property data Downloads.

RECORD F				Will contain workflow details – will only apply to requests for Supplementary Valuations
Record Type	A	1	Y	F
District Code	A	3	Y	e.g. '077'
Workflow Id	N	10	Y	
Urgency Flag	A	1	Y	'Y' or 'N'
Workflow Comments / Instructions	A	1000	N	Instructions / Comments regarding the WF
RECORD G				Lease Details
Record Type	A	1	Y	'G'
District Code	A	3	Y	e.g. '077'
Property Id.	N	10	Y	
Property_Lot_ID	N	10	Y	Unique identifier for lot record in C record .
Lease Type	A	8	Y	
Lease Number	A	40	Y	
Change Date / Time	Date	16	N	The latest Change Date / Time for data in this record. Format is CCYYMMDD HH24:MI
Workflow Id.	N	10	N	Number for the Supplementary Action. Null for Annual Property data Downloads.
Supplementary Code	A	2	N	A code describing the action to be taken or that has been taken on the Supplementary. Null for Annual Property data Downloads.
RECORD Z				Trailer record
Record Type	A	1	Y	'Z'
Total records	N	12	Y	Includes 'A' and 'Z' records.
Total "B" records	N	12	Y	
Total "C" records	N	12	Y	
Total "D" records	N	12	Y	
Total "E" records	N	12	Y	
Total "F" records	N	12	Y	
Total "G" records	N	12	Y	

2. Component Data File to Valuation Contractors

EXTRACT FILE FORMAT

The Component Information shall be supplied to the Contractor by electronic delivery in the format specified below.

The Valuer-General may by giving notice to the Contractor alter the extract file format. Until the Valuer-General gives such notification, the extract file format is as follows.

File Structure:

File will be in Delimited flat ASCII.

Record type 'A': is a header record and will be the first record in the file.

Record type 'B': will contain Component Code details. Now includes the last "Non Homogenous" indicator provided by the Contractor, AND the date of the last Component Review undertaken by a Contractor.

Record type 'Z': will be a trailer record and is to be the last record in the file. It includes a total record count.

Records 'A' and 'Z' are included in the total record count.

Each field is delimited by a semi-colon.

The last field for a record has a trailing delimiter (;).

Record Type	Field Type	Maximum Field Size	Req'd Field	Comments
RECORD A				Header Record
Record Type	A	1	Y	'A'
District Code	A	3	Y	e.g. '077'
Download Date / Time	Date	16	Y	The Date / Time for the creation of this file. Format is CCYYMMDD HH24:MI
Submitter's Userid	A	35	N	
RECORD B				Contains Component Code Values record.
Record Type	A	1	Y	'B'
District Code	A	3	Y	e.g. '077'
Zone Code	A	1	Y	
Component Code	A	2	Y	
Component Description	A	60	Y	
Change Date / Time	Date	16	N	The latest Change Date / Time for data in this record. Format is CCYYMMDD HH24:MI
Non-Homogenous Indicator	Yes/No	1	Y	Mandatory – "Y" or "N"
Component Review Date	Date	8	N	Date of Last Component Review CCYYMMDD
RECORD Z				Trailer record
Record Type	A	1	Y	'Z'
Total Records	N	12	Y	Includes 'A' and 'Z' records.
Total 'B' Records	N	12	Y	

3. Sales Data File to Valuation Contractors

EXTRACT FILE FORMAT

The Sales Information shall be supplied to the Contractor by electronic delivery in the format specified below.

The Valuer-General may by giving notice to the Contractor alter the extract file format. Until the Valuer-General gives such notification, the extract file format is as follows.

File Structure:

File will be in Delimited flat ASCII.

Record type 'A': is a header record and will be the first record in the file. It is to include date and time of lodgement and user id of lodger.

Record type 'B': will contain property address and sales information.

Record type 'C': will contain Property description details.

Record type 'D': will contain Owner details.

Record type 'Z': will be a trailer record and is to be the last record in the file. It is to include a property count and a total record count.

Records 'A' and 'Z' to be included in the total record count.

Each field is delimited by a semi-colon. Fields that do not contain data are represented by ;.

The last field for a record has a trailing delimiter (;).

Record Type	Field Type	Maximum Field Size	Req'd Field	Comments
RECORD A				Header Record
Record Type	A	1	Y	'A'
District Code	A	3	Y	e.g. '077'
Download Date / Time	Date	16	Y	The Date / Time for the creation of this file. Format is CCYYMMDD HH24:MI
Submitter's Userid	A	35	N	
RECORD B				
Record Type	A	1		'B'
District Code	A	3	Y	e.g. '077'
Property Id.	N	10	Y	Property Id. of the underlying property.
Sale Counter	N	7	Y	Unique for file.
Download Date / Time	Date	16	Y	The Date / Time for the creation of this file. Format is CCYYMMDD HH24:MI
Property Name	A	40	N	
Property Unit Number	A	10	N	Concatenation of Unit Number and Unit Suffix, separated by a space.
Property House Number	A	10	N	Concatenation of House Number Prefix, House Number & House Number Suffix eg A125B.
Property Street Name	A	38	N	Concatenated Street Name, Street Type, Street Suffix and Location Descriptor e.g. Green Lane NW
Property Locality	A	40	N	
Property Post Code	N	4	N	
Area	N	7.3	N	e.g. 7777777.333

Area Type	A	1	N	M = square metres, H = hectares
Contract Date	Date	8	Y	Format is CCYYMMDD
Settlement Date	Date	8	Y	Format is CCYYMMDD
Purchase Price	N	12	N	
Zoning	A	1	N	
Nature of Property	A	1	Y	V = Vacant, R = Residence, 3 = Other
Primary Purpose	A	20	N	Description for when Nature of Property = 3
Strata Lot Number	A	5	N	Lot number for Strata Properties
Component code	A	2	N	
Sale Code	A	3	N	
% Interest of Sale	A	3	N	Null if 100%
Dealing Number	A	9	Y	
RECORD C				Note: There may be multiple "C" records for a property.
Record Type	A	1	Y	'C'
District Code	A	3	Y	e.g. '077'
Property Id.	N	10	Y	Property Id. of the underlying property.
Sale Counter	N	7	Y	
Download Date / Time	Date	16	Y	The Date / Time for the creation of this file. Format is CCYYMMDD HH24:MI
Property Legal Description	A	70	Y	Concatenated property description cut @ 70 characters. If more than one "C" record they join without a space. Multiple "C" records will be sent in order of extraction.
RECORD D				
Record Type	A	1	Y	'D'
District Code	A	3	Y	e.g. '077'
Property Id.	N	10	Y	Property Id. of the underlying property.
Sale Counter	N	7	Y	
Download Date / Time	Date	16	Y	The Date / Time for the creation of this file. Format is CCYYMMDD HH24:MI
Purchaser – Vendor	A	1	Y	P = Purchaser, V = Vendor
Owner Type	A	1	Y	
Owner Interest	A	1	Y	1 = Sole Owner, 2 = Joint, 3 = Tenancy, 4 = Lessee
Owner Surname	A	115	Y	Company name if Owner is not an Individual
Owner Given Names	A	60	N	Blank for companies
Owner Titles	A	10	N	Blank for Companies
RECORD Z				Trailer record
Record Type	A	1	Y	'Z'
Total Records	N	12	Y	Includes 'A' and 'Z' records
Total "B" records.	N	12	Y	
Total "C" records.	N	12	Y	
Total "D" records.	N	12	Y	

4. Supplementary and Future Values Files From Contractors

The Values Information shall be supplied by the Contractor by electronic delivery in the format specified below.

This file format is to be used for the **upload of both Supplementary and Annual (i.e. Future) Values**. The electronic information shall be in the format specified below.

File Structure:

File will be in Delimited flat ASCII.

Record type 'A': is a header record and will be the first record in the file. It is to include date and time of extraction and identification code of the Contractor.

Record type 'B': will contain new value details.

For uploads of Supplementary Valuations multiple "B" records are to be provided – one for each Base Date required. From the time that a final upload of annual values has been provided supplementary valuations are to include values for the requested base dates as well as the "future" base date (i.e. the newly completed base date valuations.) This means that during that period it may be necessary to return up to 3 "B" records for a property. This process is to continue until notification that the district has been completed and converted to a "current" status and that certain base dates are no longer required. Following notification the base dates specified on the notification are to be provided regardless of which base dates were downloaded with the "pending" supplementary request.

The new file layout provides for the provision of verified values directly by contractors. A verified value is to be identified by a Workflow_ID of 9999999999 (10 9's) and in this case the Valuation Methodology field is MANDATORY, and must be either "INSPECTD" or "VERIFIED" – if INSPECTD, the VERIFICATION DATE is mandatory.

If a Land Values that is supplied by way of a normal Supplementary action is also VERIFIED, it is to be returned with the original Workflow_ID for the Supplementary action.

If a VERIFIED Land Value is supplied as part of the ongoing verification process, it is to be returned with a Workflow_ID of 9999999999.

Record type = 'Z': will be a trailer record and is to be the last record in the file. It is to include a total record count.

Records 'A' and 'Z' to be included in the total record count.

Fields are to be returned in the same order as defined in the following pages.

Each field is delimited by a semi-colon. Fields that do not contain data are represented by ;.

The last field for a record has a trailing delimiter (;).

Record Type	Field Type	Maximum Field Size	Req'd Field	Comments
RECORD A				Header record.
Record Type	A	1	Y	'A'
District Code	A	3	Y	e.g. '077'
District Name	A	80	Y	
Extract Date / Time	Date	16	Y	Format is CCYYMMDD HH24:MI
Contractor Code	N	8	Y	
Base Date	Date	8	Y	Format is CCYYMMDD – Null for supplementary values.

RECORD B				New Values Record
Record Type	A	1	Y	'B'
District Code	A	3	Y	e.g. '077'
Property Id. / Apportionment Id.	N	10	Y	e.g. 12500
Base Date	Date	8	Y	Format is CCYYMMDD
Contractor Code	N	8	Y	
Authority Code	A	10	Y	
Relevant Date	Date	8	Y	Format is CCYYMMDD
Land Value	N	12	Y	
Legislative Basis For Land Value	A	10	Y	
Heritage Value	N	12	N	
Mixed Development Apportionment Factor	N	2	N	
Mixed Use Apportionment Factor	N	2	N	Value must be between 1 & 99 – no decimal
Stratum Allowance	N	12	N	
On-Site Allowance	N	12	N	
Off-Site Allowance	N	12	N	
Subdivider's Allowance	N	12	N	0 is valid value.
Coal Mine Allowance	N	12	N	
Unutilised Value Allowance - S. 62K	N	12	N	0 is valid value. Only to be provided on supplementary request.
Attributable Part – S. 585	N	12	N	0 is valid value. Only to be provided on supplementary request.
Component Code	A	2	Y	
Zone Code	A	1	Y	
Valuer's Comment	A	250	N	This field is to contain any comments the valuer may wish to make regarding errors in supp. preparation, additional property details such as house numbers or the valuation itself. These comments will not be stored in the Valnet II data base but, following the load process, will be reported for action as required.
Workflow Id.	N	10	N	Number for the supplementary action as provided on the supplementary data download. If value supplied is for a VERIFIED value, the ID must = 9999999999 Null for annual property data uploads.
Valuation Methodology	A	8	Y	Mandatory Field - Allowable values – INSPECTD - Inspected VERIFIED – Individually verified COMPFACT – updated by component factor OTHRFACT – updated by other factor ATTRMATX – updated based on property elements
Verification date	Date	8	N	Optional Field – Mandatory if Valuation Methodology = INSPECTD or VERIFIED If INSPECTD, date should be date of actual inspection Format CCYYMMDD

RECORD Z				Trailer record
Record Type	A	1	Y	'Z'
Total upload records	N	12	Y	Includes 'A' and 'Z' records.
Total upload "B" records	N	12	Y	

5. Market Data Files From Contractor

The Market Data Information shall be supplied by the Contractor by electronic delivery in the format specified below.

File Structure:

File will be in Delimited flat ASCII.

Record type 'A': is a header record and will be the first record in the file. It is to include date and time of extraction and identification code of the Contractor.

Record type 'B': will contain Component details. There can be more than one 'B' record. This record will also contain a new field "Component Review Date" – contractors are required to regularly review the structure of components – this field is to contain the date of the last component review. The component factor field is now THREE decimal places.

Record type 'C': will contain Property Benchmark details. There can be more than one 'C' record for a 'B' record and the link is provided by the Component Code.

Record type 'D': is a record to link Sales Data to Benchmarks. There may be more than one 'D' record for either a 'C' or an 'E' record and the link is provided by the Benchmark Property Id.

Record type 'E': will contain Sales analysis details for selected properties. This record only needs to be returned ONCE per file – it can be linked to MANY 'C' records via the 'D' record.

Record type 'Z': will be a trailer record and is to be the last record in the file. It is to include a total record count.

Record type 'A' and 'Z' are included in the total record count.

Fields are to be returned in the same order as defined in the following pages.

Each field is delimited by a semi-colon. Fields that do not contain data are represented by ;.

The last field for a record has a trailing delimiter (;).

Record Type	Field Type	Maximum Field Size	Req'd Field	Comments
RECORD A				Header record.
Record Type	A	1	Y	'A'
District Code	A	3	Y	e.g. '077'
Base Date	Date	8	Y	Format is CCYYMMDD
Download Date	Date	16	Y	Format is CCYYMMDD HH24:MI
Contractor Id.	N	10	Y	
RECORD B				Component details.
Record Type	A	1	Y	'B'
District Code	A	3	Y	e.g. '077'
Base Date	Date	8	Y	Format is CCYYMMDD
Prior Base Date	Date	8	Y	Format is CCYYMMDD
Zone Code	A	1	Y	
Component code	A	2	Y	
Component description	A	60	Y	
Component factor	N	1.3	Y	e.g. 1.333
Component rationale	A	4000	Y	Commentary on the valuation of the component including strength of market and reliability of evidence.
Component Algorithm	A	40	N	Mandatory field if "Component Factor" is not provided. Algorithm for value calculations where a Component Factor is not used.
Valuer's Name	A	20	Y	The name of the valuer that completed the component.
Valuer's Registration No.	A	6	Y	
Component Review Date	Date	8	N	Optional field - to show last date

				component structure has been reviewed – format CCYYMMDD
Non-Homogenous Indicator	Yes / No	1	Y	Mandatory – “Y” or “N”
RECORD C				Benchmark details.
Record Type	A	1	Y	'C'
District Code	A	3	Y	e.g. '077'
Base Date	Date	8	Y	Format is CCYYMMDD
Prior Base Date	Date	8	Y	Format is CCYYMMDD
Component Code	A	2	Y	
Benchmark Property Id.	N	10	Y	Valnet Property Id. of the benchmark e.g. 12500'.
Benchmark Prior LV	N	12	Y	
Benchmark LV	N	12	Y	
Benchmark Comment	A	4000	Y	
Benchmark Classification	A	1	Y	Allowable values - P or R P – Primary benchmark property R – Reference benchmark property
RECORD D				Sales Used for Benchmarks
Record Type	A	1	Y	'D'
Benchmark District Code	A	3	Y	e.g. '077'
Base Date	Date	8	Y	Format is CCYYMMDD
Benchmark Property Id.	N	10	Y	e.g. 12500
Analysed Sale ID	N	16	Y	Must be unique for a contractor
Valuer's comment	A	4000	Y	Describes how sale relates to benchmark.
RECORD E				Contractor Analysed Property Sales
Record Type	A	1	Y	'E'
Sale District Code	A	3	Y	e.g. '077'
Base Date	Date	8	Y	Format is CCYYMMDD
Prior Base Date	Date	8	Y	Format is CCYYMMDD
Analysed Sale ID	N	16	Y	Must be unique for a contractor.
Sale Property Id.	N	10	Y	Valnet Property Id. of sale property.
Sale Property Unit Number	A	10	N	
Sale Property House Number	A	10	N	
Sale Property Street	A	38	N	
Sale Property Locality	A	40	N	
Analysed LV @ Contract Date	N	12	Y	Must equate to Purchase Price minus Negative Adjustments to Purchase Price plus Positive Adjustments to Purchase Price
Adjusted LV @ Base Date	N	12	Y	Mandatory field if market indicator is “Y”
Analysed Sale Dealing Number	A	9	Y	If available.
Sale Area	N	7.3	N	e.g. 7777777.333
Sale Area Type	A	1	N	'M' = [Square] Metres or 'H' = Hectares.
Zone	A	1	N	Zone Code of the Sale Property.
Component Code	A	2	Y	Component Code of the Sale Property
Contract Date	Date	8	Y	Format is CCYYMMDD
Development Approval	A	1	N	Y or N
Sale Dimensions	A	30	N	
Environmental Constraints	A	1	N	Y or N

GST Paid	A	1	N	Y or N
Legal Description	A	4000	Y	
LV @ Prior Base Date	N	12	Y	
Negative Adjustments to Purchase Price	N	12	N	
Number Of Analysis Units	N	6.3	N	e.g. 666666.333
Positive Adjustments to Purch. Price	N	12	N	
Purchase Price	N	12	Y	
Purchaser's Name	A	50	Y	
Sales Code	A	3	Y	
Sales Summary Comment	A	4000	Y	Altered from 70 - 29/10/01 - GN
Settlement Date	Date	8	N	Format is CCYYMMDD
Units of Analysis Type	A	20	N	Units other than area used for analysis; for example townhouses, DSE's etc
Vendor's Name	A	50	N	
Valuer's Name	A	20	Y	The name of the valuer that completed the component.
Valuer's Registration No.	A	6	Y	
Market Indicator	Yes / No	1	Y	Indicates whether sale is a market sale and will to be included in statistical analysis – Mandatory – “Y” or “N”
RECORD Z				Trailer record
Record Type	A	1	Y	'Z'
Total upload records	N	12	Y	Includes 'A' and 'Z' records.
Total upload “B” records	N	12	Y	
Total upload “C” records	N	12	Y	
Total upload “D” records	N	12	Y	
Total upload “E” records	N	12	Y	

6. Sales Code Files from Valuation Contractors

The Sales Code Information shall be supplied by the Contractor by electronic delivery in the format specified below.

File Structure:

File will be in Delimited flat ASCII.

Fields are to be returned in the same order as defined in the following table.

*Each field is delimited by a “**comma**”. Fields that do not contain data are represented by „.*

The preferred format is for data to be provided for Dealing Number.

Sales Codes may be amended. In these cases they are to be resupplied.

The last field for a record has a trailing delimiter (,).

Record Type	Field Type	Maximum Field Size	Req'd Field	Comments
Property Id	N	10	Y	Mandatory field.
Sales Code	A	3	Y	Mandatory field.
Dealing Number	A	9	N	Mutually exclusive with fields 4, 5 and 6
Purchase Price	N	12	N	Mandatory if Dealing Number is Null.
Contract Date	Date	10	N	Format is DD/MM/CCYY. Mandatory if Dealing Number is Null.
Settlement Date	Date	10	N	Format is DD/MM/CCYY. Mandatory if Dealing Number is Null.

7. Component Code Update File from Valuation Contractors

The Component Code Information shall be supplied to the Contractor by electronic delivery in the format specified below.

Component Codes can be updated by contractors in two ways – via the “B” record in the Future Values load file or via THIS file.

All new components must already exist in Valnet, before this file can be loaded.

File Structure:

File will be in Delimited flat ASCII.

*Fields are to be returned in the same order as defined in the following table.
Each field is delimited by a **semi-colon**.*

The last field for a record does not have a trailing delimiter

Record Type	Field Type	Maximum Field Size	Req'd Field	Comments
RECORD A				Header record.
Record Type	A	1	Y	“A”
Date	Date	16	Y	File creation date / time YYYYMMDD HH24:MI
RECORD B				Provisional Component Factor Record
Record Type	A	1	Y	“B”
District Code	A	3	Y	Current district code eg '001'
Property Id	N	10	Y	
Current Zone Code	A	1	Y	
Current Component Code	A	2	Y	
New Zone Code	A	1	Y	
New Component Code	A	2	Y	
Valid From Date	Date	8	Y	YYYYMMDD
RECORD Z				Trailer record
Record Type	A	1	Y	“Z”
Total Count of B records	N	10	Y	Count of B records

8. Detailed Electronic Sales Analysis File from Valuation Contractors

The Property Information shall be supplied by the Contractor by electronic delivery in the format specified below.

Each “detailed” sales analysis is to be a **SINGLE PDF** file per sale.

The quality and size of images only needs to be sufficient for LPI purposes, all images and pdf files **should** be supplied at the smallest reasonable size setting to facilitate loading and storage

The detailed sales analyses are to be supplied to LPI, by the contractor in the following format.

This data can be loaded at any time during the year.

File Structure / Process:

The loading of these will be undertaken directly by Contractors, through the Valnet 2i interface.

Multiple sales analyses can be loaded as part of the one process by grouping the single PDF files into a single ZIP file.

File Layout for loading analysed Sales

*The file to be loaded **MUST** be a ZIP file.*

*The File Name can be any name, but the Zip file name **MUST NOT** contain spaces.*

*The zip file **must** contain subfolders, each related to a single property, that conform to the following naming convention:*

XXX_PPPPP_AAAAAA_CCYYMMDD

Where XXX is the district code, PPPPP the property number, AAAAA the analysed sale id and CCYYMMDD the date the detailed sales analysis was produced.

Each subfolder is to contain one single PDF data file.

The PDF file name is to be AAAAAA_CCYYMMDD where AAAAA is the Analysed Sale ID and CCYYMMDD is the DATE the PDF file was produced.

For example:

```
analysed_sales_upload_20060909.zip
|
|---- 091_123458_987654_20060731
|   |
|   |----987654_20060731.pdf
|
|---- 014_876541_123456_20060209
|   |
|   |---- 12456_20060209.pdf
|
|---- 003_878859_1269877_20060209
```

|
`---- 1269877_20060209.pdf

Subfolders may not contain further folders. Any files in the zip file at the root level, ie not in subfolders, will be ignored.

The maximum size of the ZIPPED file is 16Mb – this is due to LPI web server restrictions.

Any revision or additional information is to be contained in a new file containing the whole of the sales analysis data for a particular property – this new PDF file should have a “slightly different” file name from that originally supplied (in these cases only the **DATE** segment of the file name will be different).

8. Rounding Table

8.1 Values are to be rounded in accordance with the following table:

Value	Rounded to Whole
1 to 100	1
101 to 10,000	10
10,001 to 100,000	100
100,001 to 1, 000,000	1,000
1,000,001 to 10,000,000	10,000
10,000,001 to 100,000,000	100,000
100,000,001 and over	1,000,000

With all values at the mid point and below being rounded down.

Schedule 6: Key Personnel

To be Inserted

Schedule 7: Transition Plan

(Refer Clause 3 of Part D)

The objective of the Transition Plan is to enable the orderly transition of the Services from the General Manager, Land and Property Information to the Contractor at the Commencement Date.

The Contractor, in consultation with the General Manager, Land and Property Information, shall provide a plan for the transition of each service that includes a description of the major activities to enable the Contractor to provide the Services from the Commencement Date, and also provide a time estimate for each.

The Transition Plan should address the following non-exhaustive list of issues. The Contractor should identify any additional areas if required for orderly transition.

It should be noted that this plan should address what needs to be done. Any costs, fees or charges should be reflected in the tender price.

1. Time required for transition.
2. Transfer of intellectual property rights associated with the use of the Methodology.
3. Ownership of physical assets.
4. Purchase, if any required, of software/hardware/communication equipment or services.
5. Transfer or acquisition of licenses.
6. Work in progress.
7. Transfer of Sub-Contractor arrangements (if any).
8. Provision of customer files and documents where applicable.
9. Security of data and information.
10. Confidentiality undertakings.
11. Access to appropriate premises.
12. Transfer of Lands data.
13. Transfer of supply contracts.

Schedule 8: Relevant Person

Schedule 9: Migration Plan

Schedule 10: Rating and Taxing Valuation Procedures Manual

Rating and Taxing Valuation Procedures Manual

Purpose: This manual describes the requirements of LPI and the Valuer General for rating and taxing valuation services. The manual outlines the principles to be followed for the analysis and application of sales along with the reporting and approval requirements of the valuation contracts for Contractors and details the processes to be followed in accordance with the Valuation of Land Act 1916. It is to be read in conjunction with the provisions in each Contract Agreement for the Provision of Land Valuation services for Government Rating and Taxing.

The manual also describes additional specific procedures to be followed where valuations are produced through use of the 'Component Method' of mass valuation or derivatives thereof.

Responsibility: The Contract Services Manager must ensure that all staff covered by the Contract have access to an up to date version of this Procedures Manual and that they are aware of its contents.

All staff are to comply with the Australian Property Institute's Professional Practice Guide's Code of Ethics, Rules of Conduct and relevant Practice Standards and Guidance Notes.

Version:	Draft 6.0	Previous Version:	5.3
Approved:		Approving Officer:	Simon Gilkes Chief Valuer
Reason for Version Change:	Annual review, realignment with Contract services and consolidation of Valuer General's Policies, Chief Valuer's Memoranda and Technical Instructions.		
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CAUTION: This document is only as current as the date of printing. For current documentation see G:/LPI/Info_Sourcing/ISO/Common/Instructions and Procedures/Procedures/Current Procedures

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Introduction

In NSW rates and taxes are based on land values determined under the Valuation of Land Act. All properties in NSW are valued each year for rating and land tax purposes. All valuations are issued to the Office of State Revenue for land tax. Valuations are also issued to councils either each year or every 2nd, 3rd or 4th year.

Land values are used to levy substantial portions of state and local government revenue and individual land owners may be subject to significant financial liabilities as a result. Consequently these services are the subject of substantial public and media interest and must be carried out to the highest professional standards.

A land value is the market value of the land assuming it was vacant. The Contractor is responsible for selecting and advising the most appropriate method of valuation and may apply mass valuation processes where they are suitable. However, mass valuation techniques have limitations particularly in their continued application over time and for the valuation of properties that are few in number or sensitive to localised changes. The overriding requirement is that each land value must be capable of being individually tested and supported against all the available market evidence.

There is clear separation of accountabilities between the valuation and regulation processes. The Contractor is responsible for the management and quality assurance of all valuation services to ensure valuation recommendations and reports are provided to the required standard and by the contracted and agreed delivery dates. They are also required to report on all stages of the valuation process and be able to provide evidence of each of the steps, as required.

LPI is responsible for the overall management of the valuation system. LPI will monitor Contractor performance and audit the valuation processes and recommendations to ensure compliance with contract, Valuer General and Valuation of Land Act requirements.

The Valuer General sets policies and standards for the valuation system. The Valuer General oversees LPI's management of the system and monitors valuation quality on a whole of state basis.

Contract Standards

Performance Standards

The Contractor is required to make accurate and complete Valuations on behalf of the Valuer General.

The Service Obligations in the contract require the Contractor to provide services diligently, efficiently, professionally and to a high standard of care. These standards are to be maintained at all times.

Professional Standards

The Service Obligations in the Contract require that the Contractor and its representatives are all suitably qualified and experienced and have the appropriate skills and ability to conduct the valuations in accordance with professional standards. Explanation and guidance to the level of professional standards expected can be found in the Australian Property Institute's (API) Professional Practice Guide, Fifth Edition .

When conducting valuations, Valuers are to comply with API Practice Standards, 'ANZVGN1 – Valuations Procedures Real Property' and ANZVGN4 – Valuation for Rating and Taxing.'

It is important to note that Practice Standards in the API Professional Practice Guide are mandatory. Whilst Guidance Notes are not compulsory, they represent 'good practice' and should be followed.

Project Management

The Contractor is to manage its services to ensure they are provided to the required standard and within the required time frames. In consultation with the Contract Manager, the Contractor is to develop a detailed Project Plan which will provide the framework for the provision of the Services and regular progress reporting.

Project Plan

The Project Plan is to be a comprehensive and structured work plan providing the framework for the provision and management of services within each Local Government Area for the period from 1 March to the last day of February each year. The Project Plan is to be detailed enough to provide guidance to any new staff employed on the Contract during the year and to help to ensure service consistency.

The project plan is to include:

- Program Information (for 12 months March to February)
 - Details of the allocation of staff to the contract for the 12 month period.
 - Specific delivery dates for all Services in each Local Government Area in compliance with Schedule 1 of the Contract and specifically including:
 - Dates for regular sales analysis meetings.
 - Date(s) for the market analysis overview.
 - Dates for the completion and delivery of Provisional Valuation Recommendations, General Valuation Recommendations and associated reports.
 - A schedule of Components to be reviewed per month.
 - A program, including proposed numbers per month, for the provision of sales analysis in each zone category for each Local Government Area.
 - A program, including proposed numbers per month, for the inspection and/or individual verification of land values.
 - A brief analysis of potential risks to the plan and an outline of relevant risk mitigation strategies.
- Valuation Information
 - The approach to updating and recording added values and cost analysis.
 - Town Planning - A summary of development standards in the current scheme & their effect on Land Values.
 - The method of dealing with land values amended on objection or reascertainment.

- The approach to adjusting sales to 1 July.
- A description of the method of sales analysis for the Local Government Area.
- The Quality Assurance processes to be applied in the Local Government Area.
- Specific or unusual elements of the Contractor's Methodology relevant to the particular Local Government Area.
- Any further information that the Contractor considers relevant to the valuation process over the next 12 months.

The Project Plan will be monitored monthly and progress will be recorded and compared with the baseline schedule as a basis of status reporting on the Contract to the Contract Manager. The Project Plan is a 'living document' and may be altered through consultation between the Contractor and the Contract Manager as circumstances arise throughout the year. As necessary, plan may be amended to cater for changing circumstances, identify slippages and develop strategies to ensure accurate and timely delivery of the Contract requirements. The Project Plan, completed and approved by the Contract Manager, is required by the date specified in Schedule 1 of the contract.

Progress Reports

The Contractor is to supply a Progress Report for each Local Government Area to the Contract Manager by the 20th of each month.

The Progress Report is to detail (with numbers where possible):

- Monthly performance against the agreed service targets in the Project Plan.
- Contract Year to date (i.e. since 1 March) performance against the agreed service targets in the Project Plan.
- Significant new market intelligence and any emerging market trends.
- Significant anomalies or potentially contentious issues identified, together with a recommendation for their resolution.
- Any proposed changes to contract staffing.
- Any variations from the agreed Project Plan.
- Changes that may be required to the Project Plan to complete the program.

February Progress Report

The February Progress Report is to be more substantial and provide an overview of the services in the Local Government Area over the preceding year.

In addition to the normal Progress Report requirements the February report is to describe:

- Major market trends identified during the year.
- Significant improvements in service and/or valuation quality achieved during the year.
- Issues to be addressed in the Project Plan for the coming year.

Contractor Performance Scorecards

A Contractor Performance Scorecard will be produced for each Valuation Area in Valnet on a quarterly basis; on 1 March, 1 June, 1 September, 1 December.

Contractor Performance Scorecards provide for the recording of a range of objective production data, performance assessment and narrative comments describing the quality of the Contractor's performance. Comments are to reflect both positive and negative elements of performance and will remain on the scorecard throughout the entire contract period.

The scorecard will issue to the Contractor for review in Valnet2i. The Contractor is to submit scorecard comments within the time detailed in Schedule 1 of the Contract.

Contractor Performance Scorecards may be referred to as evidence of Contractor performance in future tender evaluations.

Market Analysis

The most important part of the valuation process is the interpretation of the market as at 1 July. No amount of valuation skill will overcome an inadequate analysis of the market.

Market Analysis includes sales, rental analysis and feasibility studies.

Market Analysis Records

All market analysis is to be fully documented and rationalised. Contractors should note that all materials collected or produced in providing the Contract services may be published or discovered. Consequently all materials must be produced to proper professional standards. Details of the Market Analysis information to be kept and electronically transferred to LPI are located in Appendix B.

Sales Analysis

All sales that assist in establishing or verifying land values as at 1 July must be analysed. Sales analysis is to cover the breadth of the market and is not to be limited to sales relating to Benchmark properties or vacant land. It is expected that all relevant sales in Business, Industrial and broad area Rural will be analysed. Where the Contractor chooses not to analyse a sale the Contractor may be required to explain why analysing the sale will not assist in determining land values.

Sales analysis should not be confined to completed sales provided by LPI. The Contractor should be aware of current transactions and if necessary, include these in the sales analysis. Where these sales are included, confirmation must be provided as soon as the sale is advised through LPI.

Contractors should regularly check to identify properties where development approvals for demolition have been granted. This will assist to identify likely sales or Council's attitude to planning policies.

Details of all sales analysed must be included in the sales information provided by the Contractor.

Sales analysis must include:

- Special features of the sale.
- The physical characteristics of the land such as size, shape, topography, views, services and surrounding development.
- Information on zoning, the permitted use and details of development and building approvals.
- The suitability and added value of improvements.
- Whether it is representative of the market.

It is expected that a wide range of sales evidence will be provided in all components to avoid any element of scarcity in the vacant land evidence and to provide adequate quality assurance.

Sales that have been analysed but are considered to be out of line or are not market transactions are to be provided as part of the market analysis. These sales are not to be adjusted to 1 July nor is it necessary to provide full analysis details but they must be marked with the non market sales flag and the reasons they have been rejected must be detailed.

Progressive Sales Reporting

Detailed sales reports are to be provided on an ongoing basis throughout the whole contract year. The Project Plan is to describe when detailed sales reports will be provided to the Contract Manager.

Detailed Sales Reports are to be loaded directly into Valnet by the Contractor using the form available via Valnet 2i. Sales data will also be required to be delivered in the Market Data File on a monthly basis, unless otherwise agreed with the Contract Manager.

Sales Analysis Meetings

A series of regular meetings will be scheduled with LPI to discuss the analysis of sales. Meetings will allow the Contract Manager or their delegate to:

- Inspect Contractor's sales and development costs file for content.
- Review analysis practices and procedures for accuracy and consistency.

Market Analysis Overview

A Market Analysis Overview may be conducted at the option of the Contract Manager. The Market Analysis Overview is a specific sales tour to provide LPI with an overview of the market analysis in a district and the proposed basis of values in an LGA.

Ongoing Sales Analysis

It is necessary to maintain and provide on an ongoing basis, analysis of sales and other information that has relevance to the market as at 1 July. These sales are to be analysed and loaded into Valnet by the Contractor.

Comparable Vacant Land Sales

The use of directly comparable sales is the **preferred approach** which utilises prices paid in actual market transactions of similar properties to estimate the land value of the site.

This technique is dependent upon using comparable market sales which have occurred near enough in time to reflect market conditions relative to the base date, and, where **sales are in sufficient quantity** to negate any possibility of a scarcity factor affecting the price.

Added Value of Improvements

When analysing a sale of an improved property to establish land value the added value of the improvements, rather than their cost, must be deducted from the sale price to arrive at a land value. The Contractor must either:

- Describe and make allowance for the added value of the improvements; or
- Document why the improvements have no added value. For example, where the buildings have been demolished or there is evidence of a development application at the time of sale.

The preferred approach to determining the added value of improvements is through the use of paired sales analysis. This will ensure that the allowances represent the market's appreciation of the added value of improvements. Where this type of evidence is not available cost based approaches may be acceptable.

Paired Sales Approach

This approach is to be used to analyse the added value of improvements where vacant land sales are in sufficient quantity to negate any possibility of a scarcity factor. The land value demonstrated by vacant land sales is to be taken from the sale price of improved properties to determine the added value of the improvements.

The resulting analysis of the added value of improvements can be applied to other improved sales to show the residual land value.

This analysis should include a wide enough range of improvements to demonstrate the added values.

This type of analysis captures the following elements where applicable:

- Developer's entrepreneurial profit & risk.
- Building improvements.
- Internal inclusions furnishings, air-conditioning, fencing, paths, driveways, pool, landscaping.
- Professional fees, approval fees, holding costs etc.

Replacement Cost Approach

The replacement cost approach may be relied on in circumstances where there are low volumes of vacant land sales for use in paired sales analysis. The replacement cost approach is based upon the principle that the informed purchaser would pay no more than the cost to reproduce the sale property.

The replacement cost method avoids having to make a hypothetical adjustment for depreciation by allowing for the costs to bring the sale property to an as new condition. Costs are to be based on buildings as similar as possible to the existing building. Further allowances may be required to account for obsolescence.

Details on the replacement cost method can be found at Appendix C.

Adjustment to Valuation Date

All analysed sales used to determine or verify land values are to be adjusted to the valuation date of 1 July. Evidence of value movements or rationale must be provided.

In analysing sales occurring either before or after the base date, it is necessary for the valuers to adjust the contract price either upwards or downwards to reflect the prevailing market values at the base date. All analysed sales other than those that are identified as non-market transactions or being out of line are to be adjusted to the valuation date of 1 July. The calculation of adjustments should be demonstrated by analysis of the market. The rationale for sale adjustments must be provided.

The preferred approach is to use evidence of sales and re-sales or sales of like properties at different dates.

Alternatively, evidence of median price movements is acceptable for the adjustment of improved sales. The market analysis can be by LGA or locality. Ideally, this evidence should come from a public resource, such as the Department of Housing's website or a recognised property analyst.

In the absence of these preferred approaches adjustments to sales must be clearly rationalised based on other available evidence.

Sales substantially removed from the valuation date may be used where there is little market movement or to support the movement in the market from an earlier date.

Commercial and Industrial Rental Analysis

In areas where there is inadequate sales evidence to confidently establish the level of commercial and industrial values, rentals are to be analysed. In these cases rentals should also be used as a basis for comparison to localities where sales evidence is available.

Where commercial and industrial rental analysis has been relied on to establish the basis of a valuation the Contractor is to provide Commercial and Industrial Rental analysis in accordance with the specifications in Appendix B. The analysis of rents and leases of commercial retail and industrial properties will be used to support feasibility studies and in the grading of land values particularly in retail centres.

Feasibility Studies to Establish Land Values

Where sales are insufficient or rental information is the prime market evidence available, feasibility studies will be required to arrive at Land Values.

Feasibility studies provide a secondary check valuation or may be the primary method where there are no comparable sales to guide the valuer. The method requires many assumptions, and under certain circumstances it has been accepted by the Courts as being the most suitable method to assess a land valuation.

Feasibility studies are to be based on evidence of costs obtained through the analysis of actual developments, advice from developers active in the area or from a recognised source such as Rawlinsons Construction Cost Handbook. Calculations are to be based on compound interest and on the basis that all funds are borrowed at an appropriate rate for the type of venture being undertaken.

The most common uses for this valuation method are for calculating the site value of:

- Central Business District development sites.
- Calculating the value of broad acre sites of land for residential single lots.
- Unit development sites.
- Industrial subdivision.

Details on the feasibility study method can be found at Appendix D.

Goods and Services Tax (GST)

Contractors must have regard to the Valuer General's policy on the treatment of Goods and Services Tax (GST) (See Appendix J). Of particular importance is paragraph 4, which must be understood to enable correct analysis of sales. The market value of a property is that which must be paid to obtain the property and includes any GST paid as part of the transaction, whether included in the amount remitted to the vendor or paid as a separate amount.

The principle that GST is an integral part of market value was clearly outlined in *CSR Ltd v Hornsby Shire Council* [2004] NSWSC 946 (14 October 2004) where Gzell J stated:

15 ..., it is unnecessary for me to determine whether there was a separate GST component in the determination of market value. In my view there was not. As the Valuer General said, the market place has adjusted to the imposition of GST and imbedded it in the market value of land. The test of the price that a willing purchaser would have had to pay to a vendor not unwilling, but not anxious to sell in Spencer v The Commonwealth (1907) 5 CLR 418 was been enshrined in the Land Acquisition (Just Terms Compensation) Act 1991, s 56(1). If the vendor must pay GST on the consideration for sale, that impost will be included in the price the purchaser would have pay. Thus the market value of the land was \$25,000,000 and not \$22,700,000 plus GST.

*16 In Pebruk Nominees Pty Ltd v Woolworths (Victoria) Pty Ltd 2003 ATC 4932 at 4935, Blow J in contrasting the Australian GST system with comparable systems overseas said that the Australian GST was in the same category as British VAT and New Zealand GST. In effect, it provided that the price paid by a consumer comprised two components – the value of a taxable supply, and the GST on that taxable supply. I regard that passage as but a description of the structure of the impost and not authority for the proposition that market value is less than the GST inclusive price paid for a supply in the open market. If his Honour did intend to state that conclusion then, with respect, I disagree. **If the market commands a payment of \$550 to purchase a video recorder at \$500 plus \$50 GST, I am of the view that the market value of the video recorder is \$550.** (emphasis added).*

While this case concerned an acquisition under the Land Acquisition (Just Terms Compensation) Act the principle equally applies to valuations made under the Valuation of Land Act.

The practical implication of the Valuer General's policy on GST is that it is the responsibility of the valuer to analyse the market, including the circumstances of the sale, the effect of GST in a particular sale transaction and the nature of the particular market sector to determine the market value.

Land values must be determined on the basis of "... such reasonable terms and conditions as a bona-fide seller would require ..." (S. 6A(1) of the Act). As in all market analysis, it is the responsibility of the valuer to reconcile any variations arising from the analysis of a number of sales of similar properties and to determine the ruling level of value and what constitutes reasonable terms and conditions, including variations in GST liabilities, for a market segment in a locality at a particular point in time.

Market Data File

The Contractor is to provide summaries of all analysed sales in the Market Data File upload format detailed in Schedule 5 of the Contract.

Regardless of methodology the Market Data File for a Local Government Area is to detail:

- The 1 July to which the file relates.
- All Components in the Local Government Area.
- All analysed sales (including identified 'non-market sales') relevant to that 1 July including a summary of the analysis.
- All Benchmark properties including:
 - Classification of the Benchmark as Primary or Reference.
 - The valuation of the Benchmarks, including brief details of the methodology and calculations.
 - Brief topographical and location features.
- How each individual sale used to value each Benchmark relates to the Benchmark property.

- The rationale for the valuation of the Component, how the values have been updated, commentary on the accuracy of the result after the Methodology is applied and the extent and location of individually verified values required.
- Where the Component Method is used the Component Factor applied.

Market Data Files must be provided at the same time Valuation Recommendation files and are also to be provided in a staged program as detailed in the Project Plan.

Valuation Recommendations

Mass Valuation Methodology

The Contractor is responsible for selecting and advising the most appropriate method of valuation and may apply mass valuation processes where they are suitable. The Methodology to be applied is detailed in the contract based on the Contractor's tender submission and may only be changed by formal contract variation.

A variety of mass valuation methodologies are used throughout the world. However, these generally have a common basis in that generally rely to some extent on the identification of groups of comparable properties for the common application of the valuation methodology. In NSW these groups are called 'Components' but in other jurisdictions they may be known as 'sub-market groups' or 'sales groups'.

Importantly mass valuation techniques have limitations, particularly in their continued application over time and for the valuation of properties that are few in number or sensitive to localised changes. The overriding requirement is that each land value must be capable of being individually tested and supported against all the available market evidence.

The Component Method

Where the Contractor is using the Component Method of valuation, the instructions, procedures and guidelines detailed in Appendix E must be followed.

Alternate Mass Valuation Methodologies

Where the Contractor has specified the use of an alternate mass valuation method the Contractor must supply details of the process to be used. Data must be supplied in the format specified in the contract. Data requirements may only be changed by formal contract variation.

Component structures form part of the fundamental infrastructure of the NSW rating and taxing valuation system and must be maintained regardless of methodology. Likewise, Benchmarks and Reference Benchmarks are core elements of the quality assurance processes and must be identified and individually valued in accordance with this manual. Component and Benchmark data are to be provided to LPI in the form of a Market Data File in the upload file format detailed in Schedule 5 of the Contract.

Provisional Valuation Recommendations

Provisional Land Values are land values under the Valuation of Land Act and form part of the Register of Land Values. They are used to enable the Valuer General to determine the land tax threshold for the coming year and by Treasury for initial estimates in the NSW budget process. Consequently they must be produced with all due care. While it is recognised that some valuations will be amended as further information comes to light during the finalisation of the general valuation process it is expected that sufficient work has been undertaken to this stage to ensure that the vast majority of provisional land values will be correct.

Determining Values

Valuations are to be determined by the application of the Methodology defined in the Contract. The Contractor must then examine the results to ensure the quality of the valuations. The relationship between the applied values, the Reference Benchmarks and sales must be analysed and any inconsistencies addressed. Valuations are to be adjusted as necessary to ensure that they are consistent and supported by the market evidence.

Quality assurance procedures must be undertaken to ensure that the proposed valuations can be supported by, and are in line with the sales evidence. A check of the ratio of assigned land values to sale prices and/or adjusted land values on sales must be undertaken to ensure

that the values do not conflict with the sales evidence. It is necessary to check the values against all sales particularly those that occur close to the valuation date. Land values that are out of line with the market evidence must be corrected prior to the completion of the valuations, or an agreed program be developed for rectification prior to issue.

Particular care must be exercised where the new land values will result in substantial changes in valuation parities or unusually large value variations from the last valuations issued for either land tax or council rating. The valuations within these Components must be verified to ensure that the sales evidence supports the land values, particularly in the upper end of the value range.

It is expected that, after removing any identified 'non-market transactions', sales ratios will lie within the range 0.85 to 1.00 (85% to 100%). Land values for sale properties that do not meet this criterion should be reviewed and appropriately rationalised to ensure they are correct.

The statistical checks for the Component will indicate if the resulting range of values is within the acceptable limits.

The Contract Manager may require an upload of a Valuation Recommendation File to verify values prior to final approval being given. The Contractor, who will also complete any necessary adjustment of values, will then verify the results.

Values Amended on Objection

It is essential that where values are changed on objection, the Contractor has adequate information as to why the value was changed. The Contractor will be advised of changes to land values as they occur through the normal supplementary download process. Land values amended on objection will be flagged with a Land Value Authority of 35B. The Contractor may also obtain objection reports for individual properties from the Contract Manager.

Contractors are to review objection results to determine their effect on land values. Contractors are required to certify that this has been done as part of the Quality Statement. An overview detailing how amendments to land values on objection have been taken into account when determining value levels is required in the Final Report.

Valuation Recommendation Files

Provisional Valuation Recommendations and General Valuation Recommendations are to be provided to the Contract Manager in an electronic upload file in the Supplementary and Future Values file format defined in Schedule 5 of the Contract.

Final Report

A Final Report for each Local Government Area is to be submitted to the Contract Manager in accordance with Schedule 1 of the Contract and the agreed Project Plan.

The Final Report is to be a "speaking valuation" of equivalent standard to a substantial consultancy report and is to comprise an extended narrative expanding on the Valuation Information provided in the Project Plan. The report should enable the reader to understand the valuation approach, market analysis, the rationale and results of the application of market evidence.

The Final Report is to include commentary on significant issues, such as:

- A general overview of each LGA including a brief description of the:
 - Location of the district.
 - Principal towns or suburbs.
 - Main industry.
 - Significant retail centres.
 - Type of residential development e.g. single dwelling, medium density, high-rise.
- The number of valuations undertaken
- Details of the effect of State & Local Government Legislation, relevant town planning and zoning instruments together with reference to any significant changes to zones or codes that may have an effect on values or that may change the value relationship compared to the prior value levels.
- An outline of significant issues or developments that may affect values. E.g. new shopping centres, industrial estates, residential estates, changes to traffic flows and expressways, Development Applications.

- Reference to investigations into the added value of improvements and a description of the approach adopted in determining the added value of improvements in the analysis of improved sales.
- Main features of the market and any sales of particular interest.
- An overview of individually verified land values.
- An overview of the quality assurance process undertaken during the general valuation.
- An overview of how subsequent valuations on and around those properties where land values were amended on objection or reascertainment are dealt with.
- An overview of the statistical analysis.
- Identification of the Contractor as author of the document.
- A disclaimer in the form detailed in Appendix F.

The Final Report is to contain an Executive Summary of approximately 1 to 2 pages highlighting the key features of the report including:

- The Shire or LGA where the valuations were done
- The number of properties valued this year and the total land value in dollars.
- Year when the previous valuation notice was issued (i.e. the last local government base date)
- The total land value from the previous valuation period. Plus the percentage change between this year and the previous valuation.
- One or two paragraphs summarising the overall change in valuation and the reasons for it.
- A brief summary of valuation changes in residential land. Major changes, up or down, should be explained.
- A brief summary of valuation changes in rural land (if applicable).
- A brief summary of valuation changes in commercial land.
- A brief summary of valuation changes in industrial land.

In the interests of transparency these reports may be published in whole or part. The information contained in this report may be drawn upon by the media and the public for their own purposes.

The report is to be delivered to the Contract Manager electronically in Microsoft Word Document format. Word documents may be locked to prevent editing and/or a PDF copy of the report may be provided as evidence of the report as delivered.

Quality Control

The Contractor is responsible for the quality control of the valuations and must report the details of actions taken to ensure quality is achieved in the Valuation Analysis Report.

Valuation Analysis Report

The Valuation Analysis Report is a comprehensive report that details the quality assurance measures taken by the Contractor.

This is to take a number of parts:

- Statistical Measures reporting
- Component Data Analysis
- Quality Statement

The Valuation Analysis Report is to be provided with the Valuation Recommendation File. Valuation recommendations will not be accepted until the Valuation Analysis report is received to the standard and quality listed in the following sections. Valuation Analysis reports may be subject to detailed compliance auditing.

Statistical Measures Reporting

Prior to delivery of the Valuation Recommendation File the Contractor must perform the statistical checks in accordance with Schedule 1 of the Contract using the Adjusted Land

Value at the Base Date ascertained from all analysed sales, other than those specifically identified as 'non-market transactions'.

The Contractor is to provide evidence of statistical checks as part of the Valuation Analysis Report at the end of the program. Commentary is required summarising these results and highlighting any exceptions and either rationalising these or detailing rectification works required.

It is recommended that statistical checks be carried out by the Contractor throughout the revaluation process. It is also recommended that the Contractor undertake these checks for other zones. Details of significant findings from ongoing statistical checks are to be included in the Progress Report.

The primary statistical measures are:

- Coefficient of Dispersion (COD)
- Mean Value to Price Ratio (MVP)
- Price Related Differential (PRD)
- Comparison of Average Value Changes

Details of these measures and their calculation are contained in Appendix G.

Component Data Analysis

Regardless of Methodology, Component analysis using the QRANGE and QRP must be undertaken.

Components with a wide value range identified by the QRANGE or a QRP greater than 50% should be investigated. The Primary Benchmark should not vary more than +/- 5% from the median land value within a Component.

A Component Data Table calculated on the recommended land values at 1 July, is to be provided for all components in a Local Government Area in the format shown in Appendix H as part of the Valuation Analysis Report.

Quality Statement

A Quality Statement is to be provided to the Contract Manager as part of the Valuation Analysis Report. The Services Manager is to sign the Quality Statement which is to include certification that the statement is an accurate account of the activities undertaken, reviews completed and quality control checks in place for each Local Government district.

The Quality Statement must detail the quality control checks that have been carried out in the Local Government Area. The checks are to include (but need not be limited to) confirmation that:

- All properties have been valued.
- The land values are consistent with each other.
- The land value basis has been correctly recorded for each land value.
- All statutory concession valuations and allowances have been supplied, including:
 - Allowances for development on and off the land.
 - Heritage Values.
 - Land Rating Factors.
 - Apportionment of Values.
 - Mixed Development Apportionment Factors.
- Land values for those properties that have considerably higher values in relation to the average for a land use have been reviewed and are correct. For example, regional shopping centres, steelworks, large scale unit development, large rural properties etc. A list of the properties identified is to be provided.
- Land values that result in substantial changes in valuation parities or unusually large value variations from the last valuations issued for either land tax or council rating have been checked and are correct.
- A broad range of market evidence has been analysed and provided in the market report as required by the contract.
- Adjustments and assumptions within the market analysis have been based on market evidence and have been fully documented and rationalised.

- Analysed sale properties where the sales ratio does not lie within the range 0.85 to 1.00 have been reviewed and an explanation provided as to why the current land value should be adopted.
- A zone/component code integrity check has been made.
- The current and proposed planning controls that affect the valuations have been taken into account.
- Where the land value of a property has been amended on objection or reascertainment, the alignment of values with nearby properties has been checked.
- Statistical checks and Component Data Tables have been prepared, reviewed and anomalies or results outside the specified parameters have been rationalised and reported.
- Land values have been compared to adjusted land values for analysed sales and anomalies have been addressed.
- Land values have been compared to all sale prices and anomalies have been addressed.
- Worksheets have been maintained on all properties where calculations are required, such as properties valued under Sections 26A, 28 and 14I, englobo parcels, special use parcels and large value properties such as shopping centres.

If any of these statements cannot be accurately answered in the affirmative then a detailed explanation should be provided which includes a management plan that outlines how and when such requirements will be met.

Land Value Verification, Component Review and Benchmarking Services

Component Requirements

The Contractor is to maintain a Component classification for every property regardless of the valuation Methodology.

Components are to be identified by a Component Code and a Component Description in accordance with the Market Data File specification contained in Schedule 5 of the Contract.

All properties within a Component must be in the same Zone and must have the same Component Code. Each code may only be used for one Component in each Local Government Area.

The Contractor is to review the structure and description of Components to ensure:

- The properties allocated to the Component are homogenous enough to be appropriate for the application of the Methodology.
- All to the Component are within the same Zone.
- The Component Description clearly defines the nature of the properties within that grouping and is descriptive enough to ensure that newly created properties may be added to the correct Component.
- Outlier properties are appropriate for inclusion in the Component. Higher valued Outliers are likely to give rise to the most concern. Any properties that should not remain within the Component should be moved to the correct Component.
- Components with a QRP statistic above 50% consist of comparable properties.
- Where appropriate the Component is identified as a 'non-homogenous Component'.

The component analysis in the form of a Component Data Table will provide assistance in reviewing the appropriateness of a Component's structure.

Changes to Components

The Component review process is likely to identify changes required to Component descriptions and structures to account for changes in the nature of properties within and surrounding the Component over time.

As appropriate the Contractor is to change, merge and/or create Components to bring required changes to account. Material changes to the content of or boundaries of components should only be made following consultation with the Contract Manager and must be appropriately rationalised.

The Contractor may update the allocation of individual properties to Components by including the updated Component Code for a property in a Supplementary or Future Values File in the upload file format specified in Schedule 5 of the Contract.

The Contractor must provide details of new Components to the Contract Manager so that they may be created in Valnet ready for the allocation of properties to them. The Contractor is to provide updated and amended Component details in a Market Data File in the upload file format detailed in Schedule 5 of the Contract.

Land Value Verification Services

Rating and taxing valuation contracts require the verification of land values in each contract area. The principal objective of this process is to ensure that valuations used for council rating and/or land tax are of as high a quality as can reasonably be achieved.

The process needs to be implemented consistent with the principles of accuracy, accountability, transparency and equity promoted by the Valuer General. The Valuer General has stated that identified errors should be promptly corrected on the Register. However, it is also necessary to avoid undue disruption to rating and taxing valuation bases.

Benchmarks

Regardless of the Methodology used, Benchmarks are an important check on the accuracy of the mass valuation process. It is therefore of the utmost importance that Benchmarks are representative of the range of properties in Components and their valuations are well supported by sufficient market evidence.

Each Benchmark requires a worksheet or separate record containing a photograph and physical details as well as details of the surrounding development. These are to be recorded and maintained by the Contractor.

Selection of Benchmarks

Benchmark properties must be carefully selected to represent large numbers of properties within the component.

Components require a Primary Benchmark within 5% of the median value regardless of the Methodology used. Where a Contractor is using the Component Method this Benchmark will be used to determine the Component Factor.

Reference Benchmarks are also required to provide quality assurance land values produced by the Methodology. The Reference Benchmark is not used to calculate an update factor only to check the quality of the proposed valuations. The number of Reference Benchmarks required is detailed in Schedule 1 of the Contract.

The Primary Benchmark and Reference Benchmarks should together be broadly representative of the range of values within the Component. If there is a significant group of like properties (e.g. a sub-component), one of the Reference Benchmarks should be drawn from it. The first two Reference Benchmarks (after the Primary Benchmark property) should be drawn from the upper and lower value quartiles (selecting first from whichever of these two quartiles is more remote (in dollar terms) from the median land value. If there is a similar spread of values, then select firstly from the upper quartile).

In those components that currently have a single Benchmark, this property will remain as the Primary Benchmark (subject to meeting the requirements for a Primary Benchmark property) with Reference Benchmarks to be added as part of the Component review and value verification program.

Valuation of Benchmarks

All Benchmarks in each Component are to be individually valued prior to the application of the Methodology. This will provide a series of base-line values against which the quality of the land values produced by the Methodology may be measured.

Where the Component Method is used the individual value assessed for the Primary Benchmark must be within rounding parameters of the land value for that property produced by application of the Component Factor.

Following the application of the Methodology, the individual Benchmark valuations are to be compared to the land values for those properties produced by the Methodology. Regardless of methodology, if the value of a Benchmark varies significantly (by more than 10%) from the

value produced by the Methodology it should be reviewed to determine what is required to bring the values into alignment.

Where a Benchmark valuation is made on any basis other than direct comparison, contains a classification of land or calculations of land type, or is based on a feasibility study basis, a separate worksheet detailing the basis of valuation and calculations must be maintained.

Scheduling Land Value Verification

Land value verification and correction action should be ongoing throughout the year.

The verification of land values is to be scheduled to coincide with the review of the properties' Component. That is, all land values within a Component should be verified at the same time.

It is recommended that the verification program should be prioritised based on:

- Areas of known valuation problems, including areas where large numbers of land values have been altered through the objection review process.
- Areas with significant land tax liabilities.
- Districts that are to be issued to council for rating purposes.
- Components with the greatest QRP should be addressed first.
- After valuations are issued (ie from the end of December) verification should focus on districts where the next general valuation is to be issued for council rating.

Details of the verification program are to be agreed with the Contract Manager and detailed in the Project Plan. Progress is to be recorded in the monthly Progress Report.

Supplementary Valuation Services

Supplementary valuations are critical to the integrity of the Register of Land Values and must be completed to the highest standards. As Supplementary Valuations form part of the basis for future land values and may be made at a time well after the relevant 1 July it is critical that the values are correctly align with surrounding land values rather than being based on sales current at the time the supplementary valuation is completed.

LPI will make all Supplementary Valuation instructions available to Contractors in electronic form for collection from Lands' internet delivery service on a weekly basis. Files will generally be available for collection on Monday mornings.

Supplementary Valuation instructions will include:

- The property affected.
- The section of the Valuation of Land Act authorising the action.
- As necessary, additional explanation of the action.
- The entries to be cancelled including their values, allowances etc.
- The new entries showing the required valuations as at 1 July.
- Special instructions e.g. heritage or mine valuations required.
- Copies of Deposited Plans and Strata Plans will be available to the Contractor electronically. Where any other information is required to identify the land it will be forwarded separately.

Contractors are required to complete and return the Supplementary Valuations in the electronic form and within the times specified in the Contract.

The Contractor is required, to:

- Inspect the properties where necessary.
- Note the Zone codes on each new entry.
- Note the Component Code on each new entry
- Provide Land Values at 1 July
- Provide Allowances under Sections 14L and 14T.
- Provide Mixed Development and Mixed Use Apportionment Factors.
- Record the basis of the valuation and any valuation calculations on a worksheet.
- Record the physical features or special features of the valuation on a worksheet where these are relevant to the valuation decision or separate the property from others in the area.
- Record details of fragmented holdings and the basis of the individual valuations.
- Provide all valuation worksheets in an electronic format as specified.

- Provide valuations as required by the special instructions.
- Keep a record of which valuer undertook the work.

Supplementary Valuation performance will be monitored on a regular basis by the Contract Manager. The Contractor performance for Supplementary Valuations will be monitored on an individual, monthly, quarterly and yearly basis.

The Contract Manager may undertake individual quality checks of Supplementary Valuations at their discretion and may require the Contractor to provide working notes etc.

Valuation Inquiry Services

Contractors are to assist LPI in the determination of objections or enquiries by supplying additional information where requested. LPI may require information regarding analysed sales, methodology used or any information used in the determination of a value. This information is to be provided within the time frame specified in Schedule 1 of the contract.

Examples of information that can be requested include; but are not limited to:

- The basis of the valuation.
- The methodology used by the Contractor to establish the value.
- The prima facie correctness of the valuation.
- Queries regarding the zoning of the land.
- Physical features that may not have been considered in the valuation.

Where information advising whether certain factors were taken into consideration when making the valuation is requested, the Contractor is to explain the impact that these factors would have on the valuation.

Note that this is a request for information known or held by the Contractor. It is not a request to inspect or further investigate the property.

Appeals Services

In the case of appeals, Contractors may be required to prepare reports, or appear as an expert witness in relation to a Valuation Recommendation and/or Objection Briefing. Contractor Valuers may also be required to provide other assistance to the Valuer General in accordance with Schedule 1 of the contract.

If called as a witness the Contractor will be required to prepare a statement of evidence and comply with the directions of the Court.

Valuers are to conform to the requirements of the Land and Environment Court of NSW Practice Note - Class 3 Valuation Objections.

Reports must also comply with Guidance Note (GN) 6.9 'Acting as an Expert Witness, Advocate or Arbitrator' in API Professional Practice Guide, 2004.

Contractors are to abide by the directions of the Valuer General and representatives of the Valuer General on all court matters.

Sales Coding Services

The Contractor is required to provide a sales code for all sales provided by Land and Property Information through the regular sales files.

The primary purpose for the coding is to allow Valuers to retrieve sales of a similar property type.

Where subsequent information or analysis indicates that a sales code is incorrect, the code is to be amended and included in the next electronic sales code advice.

Coding is to be based on both:

- Information contained in the sales advice, and
- The Contractor's local knowledge.

Details of finalised sales will be provided at an agreed interval in an electronic file. The sales are to be coded and the relevant data returned electronically to LPI by direct load into Valnet. The file must contain all new sales codes and any code amended since the last sales file.

It is up to the Contractor to ensure that they EXTRACT ALL of the required sales.

The file format for the 'Sales Code File' is shown in Schedule 5 of the contract.

Reference Documents

Contractors must be aware of and have regard to the requirements of the following documents:

- Contract.
- Valuation of Land Act 1916 and other relevant statutes
- Land and Environment Court Practice Notes
- Valuer General's Policies (see Appendix I)
- Chief Valuer's Memoranda (see Appendix J)
- Rating and Taxing Valuation Procedures Manual
- Rating and Taxing Valuation Contract Management Procedures Manual.
- Rating and Taxing Valuation Technical Instructions (see Appendix K)
- Valnet II User Guide.
- API Professional Practice Guide, Fifth Edition.

In the event of conflict between any of these documents they are to be considered in the order of ranking above.

Appendix A. - Dictionary

Act – means the Valuation of Land Act, 1916 (as amended).

API – means the Australian Property Institute.

Appeals Services - means the services specified in Schedule 1 of the Contract.

Attributes Matrix Flag (ATTRMATX) - means the flag applied in the values file to indicate that the value has been made by use of an attributes matrix method that identifies individual elements of the property's value and updates each according to applied market factors.

Base Date – means 1 July in a valuing year.

Benchmark - means either a Primary Benchmark or a Reference Benchmark.

Benchmark Classification Flag – means the flag in the Market Data File or the Component Data Table which classifies a Benchmark as either a Primary Benchmark (P) or a Reference Benchmark (R).

Co-efficient of Dispersion (COD) – is a measure based on the differences between individual ratios of valuations to actual prices and median of all ratios in the aggregate sample. It is formed as the average of such differences (ignoring the signs of the differences) divided by the mean ratio and expressed as a percentage.

Coding Services – means the services specified in Schedule 1 of the Contract.

Component Factor Flag (COMPFACT) - means the flag applied in the values file to indicate that the value has been updated by the component factor.

Component Method - means the method of valuing property developed by the NSW Valuer General whereby properties to be valued are attributed to Components and the land values of properties within a Component are varied by the same proportion.

Confidential Information – means information of every kind or in any way relating to the business transaction, methods, records, form, charges, financial affairs, employee data, financial and business data, technical data, intellectual property and trade secrets of the Valuer General or LPI and specifically includes the Property Information, the Procedures Manual, the Methodology, the terms and conditions of the Contract and all methods and processes used by the Valuer General or LPI in making a valuation.

Contract – means the agreement concluded between the General Manager Land & Property Information and the Contractor, including all special conditions, specifications, annexures and appendices and other documents incorporated with and forming part of the Contract.

Contract Material – means all material brought or required to be brought into existence as part of, or for the purpose of performing the valuation services including, but not limited to, documents, equipment, information and data stored by any means.

Contract Manager – means the person appointed by the General Manager Land & Property Information to manage the Valuation Contract and to liaise between the General Manager Land & Property Information and the Contractor in accordance with the Contract.

Contract Year – means the period from 1 March to the last day of February the following year.

Contractor – means the organisation, who by way of Contract, undertakes to supply valuation services in the valuation areas required by the Contract and, where the Contractor is an individual or a partnership, the expression shall include the personal representatives of that individual or of the partners as the case may be and the expression shall also include any person to whom the benefit of the Contract may be assigned by the Contractor with the consent of the General Manager Land & Property Information

Deliverables – means all goods and services required to be supplied by the Contractor under the Contract.

Download- means the provision of an electronic data file from LPI to a Contractor.

General Valuation Recommendation - means a Valuation Recommendation provided by the Contractor at a new 1 July process for the purpose of the Valuer General issuing new valuation lists in accordance with the Valuation of Land Act.

General Valuation Recommendation Services – means the services specified in Schedule 1 of the Contract.

Homogenous Component - means a component where the properties are reasonably similar, in a reasonable market range and are subject to the same market forces. It is expected that a homogenous component will have a QRP below 50.

Individually Verified Valuation – means a valuation recommendation made using the Methodology and which has been individually determined or verified without the benefit of an inspection.

Inspect Flag (INSPECTD) - means the flag applied in the values file to indicate a verified valuation recommendation which has been individually determined following physically viewing the property for the purpose of the valuation being made, from a vantage point which offers a reasonable appreciation of the property's features.

Inspection – means physically viewing the property for the purpose of the valuation being made, from a vantage point that offers a reasonable appreciation of the property's features.

Inter-quartile Range – means the middle 50% of value range within a group of values.

Land Value Verification, Component Review and Benchmarking Services – means the services specified in Schedule 1 of the Contract.

LPI – means the Land and Property Information Division of the NSW Department of Lands.

Market Analysis Services – means the services specified in Schedule 1 of the Contract.

Mean Value – The average value within a group of valuations.

Mean Value to Price Ratio (MVP) - measures the accuracy of values relative to sales price. The MVP is the average of the land value of all properties sold, divided by the sale price expressed as a percentage. It is calculated by dividing, in each instance where there is a sale of land, the land value by the adjusted land value at the base date, aggregating the results and dividing the total by the number of sales, then expressing the result as a percentage.

Median - The mid point in value over the whole range of values within a value grouping.

Methodology – means the method of making a valuation or Valuation Recommendation as set out in Schedule 4 of the Contract.

Migration Plan – means the plan required prior to the expiration of the Contract that must be developed to enable the orderly transfer of services at the end of the Contract from the Contractor to the General Manager Land & Property Information or another party designated by the General Manager Land & Property Information.

Non-homogenous Component – means a component which does not fit the definition of an homogenous component.

Non-market transaction - means a transaction that has been determined to have occurred in circumstances other than the normal vendor, purchaser open market relationship or be outside the normal market range as shown by other market evidence.

Other Factor Flag (OTHRFACT) - means the flag applied in the values file to indicate that the value has been updated by a factor other than the factor determined for the component.

Outlier- means a valuation that falls within the top or bottom 20% of a Component valuation range.

Personal Information – means any information about a person whose identity is apparent, or can be reasonably ascertained, from the information or opinion.

Price Related Differential (PRD) - measures the vertical equity of valuations, i.e. the extent to which high and low valued properties are assessed uniformly relative to sales data. The PRD draws on sales properties and is the average sales ratio (i.e. the average land value to sales ratio) divided by the weighted average (the sum of the land values divided by the sum of the Adjusted Land Values at the Base Date). It is calculated by assessing first the average of all the sales ratios (land value/Adjusted Land Value at the Base Date), and second the average of the sum of all values divided by the sum of all sales; then dividing the former by the latter.

Primary Benchmark – means an individually valued property representative of the median value in a Component. Where the Component Method is used the Primary Benchmark is to be used to calculate the Component Factor.

Project Management Services – means the services specified in Schedule 1 of the Contract.

Property – means an estate or interest in land in New South Wales.

Property Information – means the information maintained by LPI or the Valuer General whether stored on Valnet or another medium concerning real property in New South Wales including, but not limited to property descriptions and addresses; ownership of property, zoning of property; values of property and sales records including prices of property.

Provisional Valuation Recommendation - means a Valuation Recommendation provided by the Contractor prior to the completion of a General Valuation Recommendation for the purpose of review by LPI and the Valuer General determining land tax threshold for the coming year.

Provisional Valuation Recommendation Services – means the services specified in Schedule 1 of the Contract.

Reference Benchmark - means an individually valued property (or properties) used to determine the quality of the application of the mass valuation methodology proposed for the valuations in a component. The Reference Benchmark is not used to calculate a Component Factor but only to check the quality of the proposed valuations.

Quality Assurance Services – means the services specified in Schedule 1 of the Contract.

QRANGE – means the value range of the middle 50% of values in a range of values (the inter-quartile range). The difference between the maximum value of the first and the minimum value of the third quartile of a range of values.

QRP - The relative measure of variation within the inter-quartile range.
$$QRP = QRANGE / Median Value \times 100$$

Sales Ratio – means the Land Value for a sale property divided by the Adjusted Land Value at the Base Date analysed for that sale.

Schedule of Agreed Dates – means a schedule of dates for key contract deliverables and other procedural requirements as agreed between the Contract Manager and Contractor.

Supplementary Valuation – means any valuation (other than a General Valuation) made or required to be made by the Valuer-General pursuant to the Act, the Tax Acts, the Local Government Act, the Heritage Act or any other statute.

Supplementary Valuation Recommendation - means a Valuation Recommendation (other than a Preliminary Valuation Recommendation or a General Valuation Recommendation) provided by the Contractor to the General Manager, Land and Property Information for the purpose of the Valuer-General making a Supplementary Valuation.

Supplementary Valuation Services – means the services specified in Schedule 1 of the Contract.

Upload - The provision of an electronic file from the Contractor to LPI.

Valnet- means the computer application used by the Valuer General and his representatives to maintain property and valuation data including Contractor recommendations, changes of address, ownerships and property descriptions.

Valnet 2i - means the version of the Valnet application available to Contractors and other users via the internet.

Valuation – means a valuation made by the Valuer General for the purpose of the furnishing valuation list pursuant to Section 48 of the Act.

Valuations - means Valuations and Supplementary Valuations made by the Valuer General.

Valuation Authority – means the section of the Valuation of Land Act used to provide the authority to make the valuation.

Valuation Basis – means the section of the Valuation of Land Act or other acts that provide the statutory basis for making the valuation.

Valuation Inquiry Services – means the services specified in Schedule 1 of the Contract.

Valuer General – means the person appointed pursuant to the Valuation of Land Act 1916.

Verification – means the systematic process of checking all properties to ensure that the value is within a market range that reflects the property's physical attributes and location.

Verified Flag (VERIFIED) - means the flag applied in the values file to indicate a verified valuation recommendation using local knowledge obtained from previous inspections or other sources.

Worksheet – means a separate file providing details of the property or details of the valuation basis. This sheet must be capable of separate electronic delivery to LPI or to another Contractor under the terms of a Migration Plan.

Appendix B. Sales and Market Analysis

Sales Analysis Records

The Contractor **must** supply the following information for each sale analysed.

Information Common to all Sales:

Property details

- Property Type
- District
- Property ID
- Analysed Sale ID (a 10 character numeric identifier - must be unique to a Contractor)
- Component Code
- EPI Zoning
- Address
- Legal description (reference to lots, plans or other legal identifiers)
- Dimensions (unless over 0.5 ha)
- Area
- Description of physical features of land
- Prior 1 July Land Value
- Valuation of contributions etc paid and included in sale
- Development Application (state type of development and if approved or refused and if DA was included in sale).
- Environmental constraints (contamination, endangered species, flood prone, water access etc)
- Photo(s) of property showing relevant features
- Description of improvements
- Added value of improvements in actual and rate/m2
- Details of any adjustments to sale price
- Location
- Services
- Access
- Views
- Surrounding development
- Other features
- Circumstances of the sale including the reason why this is a sale to be relied on or not
- Analysed land value at contract date
- Analysis to be a rate per m2, rate per unit, per FSR or other suitable unit depending on purpose as appropriate
- Valuation as at 1 July
- Adjusted Land value to valuation as at 1 July (*detail rationale for adjustment*).

Sale details

- Dealing number (*if known*)
- Vendor
- Purchaser
- Contract Date
- Settlement Date
- Sale Price
- GST paid (amount of GST included in sale price)
- Terms and Conditions
- Inclusions in Sale Price
- Date of inspection by valuer, valuer's name and signature and registration number

Additional Information Required for Rural Sales

Remarks, analysis, conclusions

- Topography, soil and timber types
- Irrigation- water access licence (WAL) and works and use approval details
- Adjustment of sale price to freehold (*depending on tenure*)
- Added value of inclusions (stock, crops, plant, chattels)
- Added value of buildings and structures
- Added value of plantations orchards
- Added value of fencing
- Added value of irrigation layout
- Added value of water improvements
- Added value of pasture improvements
- Analysed Land Value
- Rate per ha, per stock unit
- Break-up of classifications and relevant rates per ha.

Commercial and Industrial Rental Analysis

The following will be maintained for both commercial and industrial properties where they have been relied on to establish a basis for valuation. :

Property details

- Property Type
- District
- Property ID
- Rent Number
- Component Code
- EPI Zoning
- Address
- Legal description (reference to lots, plans or other legal identifiers)
- Dimensions (unless over 0.5 ha)
- Area
- Description of building or property occupation
- Surrounding development
- Prior 1 July Land Value
- Photo(s) of Property

Rent details

- Source of information
- Lessor
- Lessee
- Commencement Date
- Term
- Rent
- Terms and Conditions
- CPI
- GST
- Outgoings – who pays what
- Amount of rent on a gross basis and/or
- Rent expressed as rate per m² per and/or rate per m frontage and/or weekly/monthly
- Market movement indicated by rental analysis
- Comment on whether rent can be relied on as a market rent
- Date of inspection by valuer, valuer's name, signature and registration number

Feasibility Studies

These must be maintained where they have been relied on to establish a basis for valuation. In undertaking feasibility studies the following is the minimum requirement, based on the assumption that all funds are borrowed.

The source of costing information is to be reported as part of the study:

- Valuation as at 1 July
- District
- Property ID
- Component Code
- Address
- Legal Description (reference to lots, plans or other legal identifier)
- Dimensions
- Description of development envisaged
- Area
- FSR
- GBA
- NBA
- Value of completed development
- Selling costs
 - Legal
 - Agent's commission
- Developers profit and risk on development
- Construction cost
 - Item
 - Area
 - Rate per m2
- Site works cost
 - Rate per m3
 - Area
 - Depth
- Professional fees
 - Architect
 - Consultants
- Development Cost
 - Council Fees
 - Sec 94
 - Other
- Contingency
- Holding charges
 - Interest on purchase of land
 - Development expenses
 - Council rates
 - Land Tax
 - Water Rates
- Loss of Interest (Compound)
- Purchase costs
 - Stamp Duty
 - Legal Fees
- Analysed Land Value
- As appropriate, Analysed Land Value as rate per square metre, rate per square metre of FSR or rate per lot En globo.

Appendix C. Sales Analysis by Replacement Cost

The Replacement Cost method avoids having to make a hypothetical adjustment for depreciation by allowing real costs for physical deterioration bringing the sale property to an as new condition. The costings are to be based on the same size, number of rooms and construction etc. as similar as possible to the existing building. Further allowances may be required to account for (1) design and functional obsolescence; and (2) external or economic obsolescence.

The replacement cost method is appropriate for sales analysis where there are limited vacant land sales and may be applied across the market. Sales of heavily improved properties should be treated with caution as the results will not be as reliable as under improved properties.

Replacement Cost Methodology:

- Reasonable allowance for refurbishment costs added to the sale price to bring the improvements to an as new replacement standard where the returns would be equivalent to as new.
- An appropriate entrepreneurial profit and risk allowance.
- Allowance for interest on funds during the hypothetical construct to completion period. This is inclusive of holding charges and construction costs.
- The adjusted sale price can now be analysed for land content by using industry accepted cost estimates for the as new building and development expenses. The residual amount following this exercise will show the adjusted land value at the base date.
- Allowance for acquisition costs in the analysis of single housing sites under the replacement methodology has not been made as the residential market for this category makes purchases on a comparative basis without regard to this item as a separate consideration.

Costs are inclusive of the following:

- Cost of building construction, including all professional fees
- Costs of site works in preparation for building
- Cost of stamp duty and legal charges on purchase of site
- Costs of rates and taxes over development period
- Loss of interest on capital outlaid on purchase of site
- Loss of interest on capital outlaid on construction (av. 50% of dev. period).
- Reasonable profit required by developer
- Legal costs and commission on sale for development sites.
- The depreciation allowance would be on all costs (incl. P&R).
- Critical to the analysis is that the added value only is to be captured and taken from the Sale Price to show the Residual Land Value.

Example:

	Sale Price	\$			
	Time Adjustment (+ or – x %)		x	% =	\$
+	Cost to Renovate Existing Building as New				\$
	Adjusted Purchase Price				\$
	on an as New Replacement Building				
	Less Replacement Cost of New Building				
-					
	Improvements - size m ² x rate/m ² (comparable to existing bldg.)	\$			
-	Development Application Fee	\$			
-	Building Application fee	\$			
-	Professional Fees (Architects fees, supervision etc.)	\$			
-	Landscaping	\$			
	(Gnd impts., landscaping, paths, driveways, plants, etc.)				
-	Internal Furnishings Fixed	\$			
	Total Direct New Replacement Cost	\$			
	Less				
	INDIRECT COSTS				
-	Entrepreneurial Profit on construction say%	\$			
	Less				
-	Holding Costs (Charges)				
-	Council rates (on construction period)	\$			
-	Land Tax (on construction period)	\$			
	Water Rates (on construction period)				
	Less				
-	Loss of Interest				
	On Replacement cost x ½ construction period	\$			
	On Holding costs (R/T) for whole construction period	\$			
	On Land Cost for whole construction period	\$			
	DIRECT and INDIRECT NEW REPLACEMENT COSTS				\$
	Deducted Adjusted Residual Land Value			=	\$
	[Sale Price - Less added value of improvements]				

- The use of this method totalling using new replacement costs plus land should not show an adjusted sale price that exceeds comparable market sales with new improvements.
- The inclusion of entrepreneurial profit allowance will need to be supported.
- Allowance for Acquisition and Selling costs will be applicable on development sites.

Appendix D. Feasibility Study Method to Assess Land Value

The aim of the feasibility study is to establish land worth by calculating the residual land value based on the sales projection of the completed hypothetical development.

Allowances for profit and risk, development expenses, incentive costs, carrying charges are subtracted from the estimated proceeds of sale; and the net income or sales projection is discounted over the estimated development and sales period required for market absorption of the developed sites.

Land cost should include ancillary costs such as purchase fees, stamp duty, etc. If the development is to be carried out in stages, the implications for the cash flow and the various categories of cost should be considered. Analysis that should include interest rate calculations based on a 100% funded basis.

The hypothetical development model generally relies on comparison of unit costs and rates from similar development schemes which are then applied to the particular development to be analysed. Assumptions made should be clearly stated with reference to evidence, research and reasoning.

There are 3 main types of Hypothetical Development Models (See API Professional Practice Fifth Edition Guidance Notes.):

- **Static Analysis** – methodology is suitable for calculating profit and risk or land value. A 'static analysis' assumes no change in prices or costs during the period of development. Costs and income are assessed as at the date of completion of the project and with allowances for vacancies and letting up periods.
- **Dynamic Analysis** – allows for potential 'feasibility study' is defined as the process of undertaking an assessment to identify the opportunities and risks of a property development project and to estimate the projected costs, revenues and profit potential of the project.
- **Discounted Cash Flow Method** - With this approach, both costs and income are assessed over an appropriate time period and then discounted back to present value, generally being the date of the commencement of the project. This is the more complex financial analysis that should include interest rate calculations based on a 100% funded basis. This method is subjective and relies heavily on future estimates.

An example of a hypothetical development calculation follows.

Office Site		Residual Value Technique			
Gross Income		Rent/m2PA	Area m2	Annual rent	
Offices		\$500	4,500	\$2,300,000	
Shops		\$450	360	\$162,000	
Tenancies		\$0	250	\$0	
Tenancies		\$0	350	\$0	
Cars		\$5,400	No.	11	\$59,400
Building Naming Rights		\$0	Per Annum	\$0	
Building Roof Signage		\$0	Per Annum	\$0	
				Total Gross Rent	= \$2,521,400
Outgoings		Rate per \$			
Rates		Council (L V)	\$2,000,000	1.44	\$28,800
		Water (M2)	4860	\$5.0	\$248
		Land Tax (LV)	\$2,985,000	1.85	\$55,223
		Management	2.5%		\$63,035
		Other			\$0
		Shows rate per m2	\$30	Total	\$147,306
Repairs					
Insurance					
Power					
Cleaning					
Adopt O/A Rate m2				\$63	\$312,480
				Total Outgoings	\$459,786
Vacancies		5.0%			\$126,070
		Outgoings incl. Allowance for Vacancies		\$585,856	
Total O/G Excl. Vacancies		\$93	M2		
		Net Income		\$1,935,545	
Net Capitalisation Rate		7.25%			
Analysis		Gross Return	9%	Capital Value	\$26,697,166
Less					
Selling Commission		2.0%			\$533,943
Leasing Commission		3.0%			\$75,842
Legal on Sale		3.0%			\$860,915
Marketing Costs		0.5%			\$133,486
				\$1,543,986	
				= \$25,153,179	
Developers Profit and Risk Factor		20	%		
		Allowance for Profit & Risk		\$4,192,197	
				\$20,060,983	
Development Expenses					
Bldg. size		6120	Rate M/2 @	\$1,750	Shops
Bldg. size		0	Rate M/2 @	\$0	Offices
			Other	\$0	Car Parking
SITE WORKS		0	Cubic M/2	Rate @	\$0
Carparking Cost			11	Spaces	\$25,000
				Cost	\$275,000
Development Application Expenses					\$8,750
Building Application Expenses					\$11,345
Section 94 Fees					\$110,000
Professional fees on Total Building Expenses					
Architect		3.0%			
Engineer		2.0%			
Quantity surveyor		2.0%			
Consultant		2.0%			
Contingencies		1.0%			
Miscellaneous		10.00	% on	\$11,140,085	
					\$1,114,016
Council Levy Per Car Space - Rate			\$0	Car Space	0
					\$0
Miscellaneous					\$15,000
Holding Costs					
Council Rates		Land Val	Levy	2.00	Yrs
		\$2,950,000	1.35%		
Water Rates		Amount		2.00	Yrs
		\$1,000			\$2,000
Land Tax		Land Val		2.00	Yrs
		\$2,950,000	1.85%		\$109,150
Acquisition Costs					
Legal on Purchase		Land Val		3.00%	
		\$2,950,000			\$88,500
Stamp Duty on Purchase		Land Val		4.50%	
		\$2,950,000			\$132,750
		Total Development Expenses		\$12,681,155	
Loss of Interest (Compound)					
Development Expenses		9.00	Months @	0.71%	(1/2 Period)
					\$831,309
[Building Period - Until Sale]					
Land Acquisition		24.00	Months @	0.71%	(full Period)
					\$1,163,196
[Total Development Period]					
		Development Expenses Plus Interest		Total	\$14,675,659
				Site Value of Land	\$6,285,324
Analysis					
		Site Area	556	M2	Rate Per M2
					\$11,305
		F S R	5.580	M2	Rate Per M2
					\$1,130
F S R		Ratio	10.00	ACHIEVED	
Building Cost		\$2,246	M2		

Appendix E. Component Methodology

Overview

The Component Method of valuation is an indexing system of mass valuation based on the principle of identifying groups of comparable properties then extrapolating an individual valuation decision for a typical property within the group across the range of the Component. The results of the mass valuation process are then reviewed to ensure that the final valuations are consistent with each other and with the market evidence.

Structure of Components

The structure of Components is central to the success of the Component Method.

All properties within a Local Government Area belong to a particular Component. Components are used in two ways:

- To group like properties that have similar characteristics and similar value movements.
 - These characteristics then allow like properties to be updated by a single component factor. Components do not have to contain only adjoining properties. The important point is that like properties all have similar value movements.
- To isolate properties that are unlike the majority of properties in the same district.
 - For example, regional shopping centres and freestanding fast food outlets. Land values for these types of properties may need to be individually verified.

All properties within a Component must be in the same Zone and must have the same Component Code. Each code may only be used for one Component in each Local Government Area.

Benchmarks

Where the Component Methodology is applied, a single property, the Primary Benchmark, will be used to calculate the Component Factor and apply to the mass valuation process. The Primary Benchmark is to be selected in accordance with the guidelines in this manual. In valuing the Component, the issued land value for the Primary Benchmark property MUST be produced by the Component Factor.

Reference Benchmarks are also required to test the application of the proposed values. Reference Benchmarks are to be selected in accordance with this manual and Schedule 1 of the Contract. Generally Components with larger numbers of properties or greater variability between properties will require more benchmarks. The range of Benchmarks should be broadly representative of the value ranges within the Component.

The role of Reference Benchmarks is to quality assure the values across the range of values in the component. Where the value of a Reference Benchmark varies significantly (by more than 10%) from the value produced by the component factor it should be reviewed to determine what is required to bring the values into alignment. For example, this may indicate that a sub-factor is required, individual valuations may be needed or that the Component may need to be split.

Valuation of Benchmarks

Following the market analysis, the benchmark property in each component is to be valued based on the market evidence. As each valuation has to be capable of being supported by the market evidence, it follows that the value of each benchmark must also be capable of being supported by the market evidence.

Where the benchmark valuation is made on any basis other than direct comparison, contains a classification of land or calculations of land type, or is based on a hypothetical development basis, a separate worksheet detailing the basis of valuation and calculations must be supplied.

Following the valuation of the benchmarks, the Component Factor for each component will be calculated and applied to the properties within the component.

Component Factor

Component Factors are necessary to determine new Land Values. The previous year's Land Value is multiplied by a newly calculated Component Factor to produce a new Land Value. The Component Factor is determined by dividing the new value of the benchmark by the prior value of the benchmark (to 3 decimal places).

Example

New value for Benchmark A	\$215,000
Prior value of Benchmark A	\$200,000
Component Factor (to 3 decimal places)	$\frac{215,000}{200,000} = 1.075$

Adequate resources must be committed to testing the results of the mass valuation process to ensure that land values are correct.

The Component Factor must be advised in the Market Data File in the upload file format described in Schedule 5 of the Component.

Appendix F. Report Disclaimer

Reports provided for the purposes of rating and taxing valuations are to be disclaimed as follows:

Purpose of this Report

The purpose of this report is to describe the process and considerations for the 1 July [Year] general valuation of [Name of Local Government Area]. The report has been produced on behalf of the Valuer General.

The land values have been specifically made for rating and taxing purposes. Land values produced as part of this process should not be used for any other purpose without the specific agreement of the Valuer General.

Land values must have regard to specific requirements and assumptions in rating and taxing legislation. Consequently these valuations may vary from market levels.

The land values were made using a mass valuation process that involves assessing large numbers of properties as a group. While valuations have been prepared with all due care, mass valuations are, by their nature, likely to be less accurate than individually assessed valuations.

Town planning, land use and other market information contained in this report has been compiled based on enquiries undertaken during the valuation process. Third parties should make their own inquiries into these details and should not rely on the contents of this report.

The Valuer General disclaims any liability to any person who acts or omits to act on the basis of the information contained in this report.

More information on the valuation process is available from the Department of Lands website at www.lands.nsw.gov.au

Appendix G. Mass Valuation Statistical Checks

The NSW Valuer General has introduced a range of quality control measures that are widely used in other countries and states of Australia.

The examples below provide a demonstration of how statistical analysis is to be carried out. It is important to be aware that these statistics are calculated using the results of analysis rather than raw sales prices.

Coefficient of Dispersion (COD)

$$\text{COD} = \text{Average Absolute Deviation} / \text{Median Sales Ratio} \times 100$$

The COD is used to measure the uniformity of land values relative to prices (sales). The COD is a measure of the accuracy of the grading within a component or group of properties. Therefore if value levels are inconsistent the variation between those values and the sales evidence used will be outside the required parameter.

The COD measures the consistency of deviation from the median (middle point). A result above the parameter may indicate that the grading is inconsistent or that the properties within the component are not similar enough in character and value and the entries need to be investigated.

The COD is firstly a measure of uniformity, since it is calculated from the differences between individual ratios and the median ratio. Thus a collection of identical individual ratios (*Land Value* divided by *Adjusted Land Value at the Base Date*) of 80% would yield a COD of 0, even though the valuations may not be correct. If for example, the land values were all doubled, the same variation would be achieved and the same COD, i.e. 0. If the land values were all increased by 10% to give a variation of 90% the COD would again be 0.

However, in practice the ratios will not all be the same and by measuring from the median point the uniformity of the group is measured and also the accuracy of the values or grading.

The steps include:

1. Calculate the Sales Ratio to Land Values of each property sold i.e. *Land Value* divided by *Adjusted Land Value at the Base Date* (Note: non market transaction sales are removed).
2. These sales are then arranged in ascending order of the ratios to identify the median ratio (middle entry). This is a standard function in most spreadsheet and many database packages.
3. The "absolute deviation" from the median ratio is then calculated for all sales ratios. The absolute deviation is the amount by which each individual sales ratio varies from the median sales ratio but disregarding positives or negatives. That is, where a deviation is negative, the minus sign is removed so that the deviations simply The absolute deviations established in point 3 are then totalled and divided by the number of analysed sales to give the average absolute deviation.
4. The average is then multiplied by 100 and divided by the median ratio to give the final answer or COD.
5. measure the "distance" from the median but disregard the "direction" (i.e. whether it is greater or less than the median).

A result within the parameter indicates that the land values being studied acceptably consistent. A result outside the parameter indicates that there is too much variation within the group. This may indicate that the grading of the land values is incorrect and that there are large discrepancies between the values attached to some parcels compared to others.

In the event that a COD is recorded outside the parameter, the value levels will need to be reviewed. This can be done by looking at the entries with the highest deviation and decide if there is a pattern or a reason for their variations being so high. Remember that the test is only of properties that have been sold, however, it may represent a problem that needs addressing throughout the component or zone.

Example of COD Calculation

Land Value 1/7/04	Analysed land Value	Sales Ratio	Absolute Deviation
48,000	110,000	0.44	0.55
91,000	160,000	0.57	0.41
114,000	120,000	0.95	0.03
55,000	56,000	0.98	0.00
99,000	100,000	0.99	0.01
60,000	58,000	1.03	0.05
85,000	80,000	1.06	0.08
			1.13
Median Sales Ratio	(middle sale)	0.98	
Number of sales		7	
Average deviation	sum/number	0.162	
COD	(average deviation x 100)/median	16.46	

Sum of deviations

Sum of deviations/
number of sales i.e.
1.13/ 7

The example above gives a COD of 16.46. The median ratio in this case is 0.98, suggesting most sales are close to the land value. By looking at the ratios we can see that the first two sales (110,000 and 160,000) stand out with large deviations from the median sales ratio. These two sales would need to be investigated to establish if they are out of line or symptomatic of a problem in the grading. For example, they may both be battleaxe blocks, suggesting that the land values of these types of blocks need to be increased.

Exercise: For example if the problem is found to be with sales of battleaxe blocks and these properties can be individually verified, the parameter can be met. If the first two sales have their land values increased by a further 25%, the values would then be \$60,000 (sale 1) and \$114,000 (sale 2). The COD would now be 12.79.

The conclusions and remedy may not always be that easy to come by, but the problem sales are easy to spot because of their large deviations. Therefore, if the COD is outside the parameter.

- Check the component still consists of properties of a similar value range.
- Make sure all sales that are not arms length are removed from the list of analysed sales.
- Review sales with a large variation. Should they still be in this component, or do they represent a particular type of property that is being under or over valued?

Mean Value Price Ratio (MVP)

MVP = Sum of All Sales Ratios / Number of all Sales (expressed as %)

(Sales Ratio = Land Value / Adjusted Land Value at the Base Date)

The MVP measures the accuracy of values relative to sales price. The MVP is the total of the Land Value of all properties sold, divided by the number of sales expressed as a percentage. It is calculated by dividing, in each instance where there is a sale of land, the land value by the Adjusted Land Value at the Base Date, aggregating the results and dividing the total by the number of sales, then expressing the result as a percentage.

The MVP is the relationship between the land values and the analysed sales. It gives an overall figure showing how close the land values are to the sales used. Careful consideration needs to be given to sales of relatively improved properties to ensure the analysis is not corrupted so as to achieve a successful MVP outcome.

Example of MVP Calculation

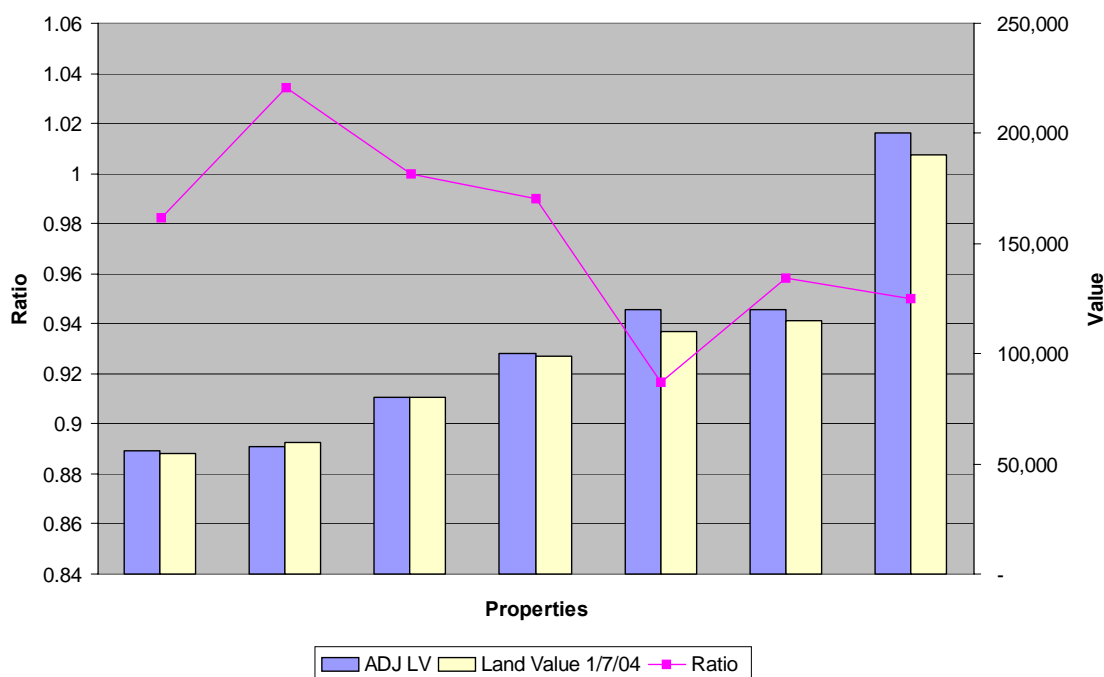
Land Value 1/7/04	ADJ LV	Ratio					
110000	120000	0.916667					
190000	200000	0.95					
115000	120000	0.958333					
55000	56000	0.982143					
99000	100000	0.99					
60000	58000	1.034483					
80000	80000	1					
709000	734000	6.831626					
Number of Sales	7						
MVP	98%						

Ratio = Land Value / Adjusted Land Value at the Base Date

Sum of all Ratios

MVP = Sum of all Ratios / Number of sales x 100/1

Ratio of Values to Sales



By charting the result it is easy to see that although the MVP meets the standard, the properties with lower land values (perhaps small blocks) are valued higher in comparison to the sales evidence, than the properties with higher values (perhaps larger blocks). It is important therefore, to consider the MVP in conjunction with other statistical analysis such as the COD and PRD.

Why the MVP may not meet the standard.

MVP is a measure of accuracy. It is a direct comparison between the Adjusted Land Value at the Base Date and the statutory land value. Therefore if the land values are too low in comparison to the sales, the results will be outside the standard. The best individual ratio result is obviously 1 (one), so if sales give a figure much greater or less than 1, they need to

be investigated. A low ratio eg 0.60 may indicate that a certain area or classes of property need regrading or that the component factors are too low. If there is a high ratio above 1, the land values are higher than the sales evidence.

The MVP is an average. Therefore, a number of sales need to be included to give an accurate measure. For example, if only a few vacant land sales were used in a built up area such as Sydney's inner-western suburbs, a false result may be achieved. As per the "Maurici" case the broader market must be considered; therefore sales of analysed improved properties also need to be included.

Remember also that MVP is a calculation and not a valuation.

Price Related Differential (PRD)

$PRD = \text{Average Sales Ratio} / \text{Weighted Average}$

(Sales Ratio = Land Value / Adjusted Land Value at the Base Date)

(Weighted Average = the sum of the land values for the sale properties divided by the sum of the Adjusted Land Value at the Base Date for those properties.)

The PRD measures the vertical equity of valuations, i.e. the extent to which high and low valued properties are assessed uniformly relative to the sales data. A low PRD indicates the valuations are progressive, i.e. high valued properties, are over-valued in relation to low valued properties, whereas a high PRD indicates the values are regressive, i.e. high valued properties are under-valued relative to low valued properties.

Where the PRD is outside the parameters the land values should be analysed to identify and address the cause. Possible causes may be the inclusion of outliers in the analysis, individual properties with unusual characteristics, inappropriate Component composition or grading errors.

In the following example the data is sorted in ascending order of Land Values showing the ratios of the lowest land values being close to 1 i.e. 96–97%, while the highest land values have ratios between 70–81%. The resultant PRD of 1.05 is outside the standard. Just as with the sales used in the MVP example the result is regressive, i.e. high value properties are undervalued relative to low value properties in this component. This is only a small sample, but it shows what the test is trying to highlight. To meet the standard an adjustment will need to be made to the higher value properties.

Exercise: If, for example, the higher value properties were increased in value by a further 20%, the two sales with the highest land values would be increased to \$119,000 and \$137,000 respectively. The result would now read 1.02, which is within the standard.

What to do if the PRD is outside the standard

If the PRD is outside the standard, to bring it into line, the land values will need adjusting:

- If the PRD is below the standard the land values of the lower valued properties must be increased or the values of the higher valued properties must be decreased.
- If the PRD is above the standard the high valued properties' land values must be increased or the lower value properties must be decreased.

The test is a measure of uniformity of the grading, not the value level. Therefore if the land values were all 50% below the sales, the PRD would be 1 and the result neutral.

Example of PRD Calculation

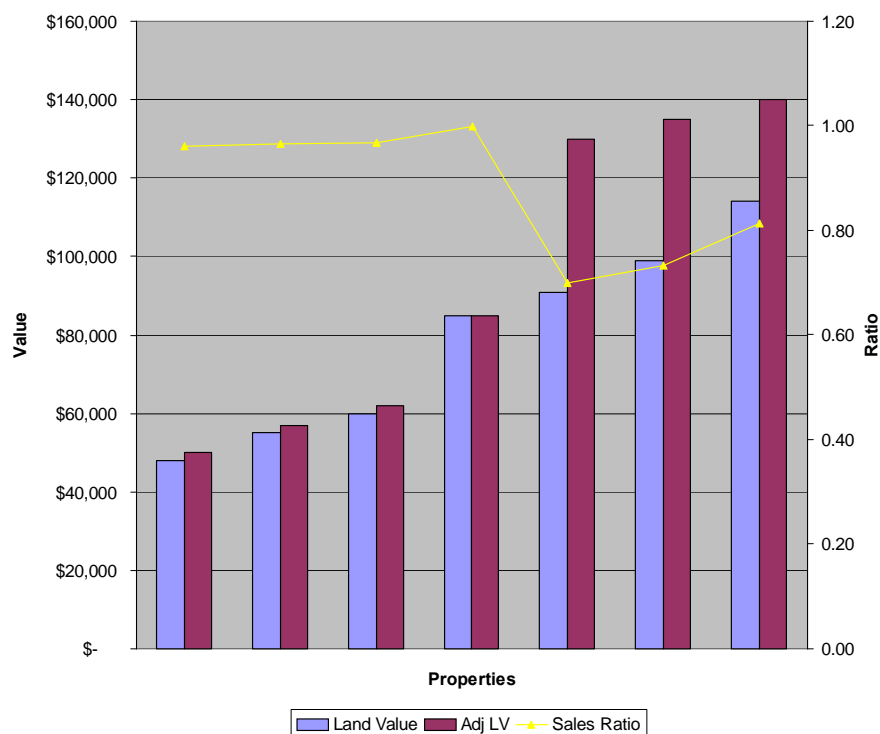
Land Value	ADJ LV	Sales Ratio					
48,000	50,000	0.96					
55,000	57,000	0.96					
60,000	62,000	0.97					
85,000	85,000	1.00					
91,000	130,000	0.70					
99,000	135,000	0.73					
114,000	140,000	0.81					
552,000	659,000	6.14					
Number of Sales	7						
Average Sales Ratio	0.87718						
Weighted Average	0.83763						
PRD	1.05						

Average Sales Ratio =
Sum of Sales Ratios /
Number of sales

Weighted Average = Sum of Land Values
/ Sum of Adjusted Land Values for Sales

PRD= Average Sales Ratio/
Weighted Average

Price Related Differential



Comparison of Average Value Changes

This measures the difference in average value changes between analysed sale properties and the average value change for all other properties within the component. It addresses whether the analysed sale properties have been valued the same way as the others, if so all values should have been changed by a similar amount. The difference between the average value changes of analysed sales and other properties is to be less than 5%.

This measure is used to check that properties that have actually been sold have not had their land values amended to a greater degree than the other properties within the component/zone. It would for instance, not be appropriate to individually verify parcels of land (either up or down) to reflect a sale price while not adjusting similar properties within the component. If the whole component including all sales was increased or decreased by the same factor, the difference will of course be 0%.

To calculate this measure:

Calculate the percentage variation from the previous land value to the new land value for each analysed sale in the component.

Sum the percentage change.

Divide by the number of analysed sales in the component.

Calculate the percentage variation from the previous land value to the new land value for each property in the component that is not an analysed sale.

Sum the percentage change.

Divide the sum of percentage changes by the number of properties in the component that are not analysed sales.

Subtract the result from point 6 above from the result at point 3 above. The result should be in the range from -5 to 5 inclusive.

Summary of Quality Control Measures

Coefficient of Dispersion (COD):

Measures uniformity of values relative to Adjusted Land Values at the Base Date.

$COD = \text{Average Absolute Deviation} / \text{Median Sales Ratio} \times 100$

Mean Value Price Ratio (MVP)

Measures accuracy of values relative to Adjusted Land Values at the Base Date.

$MVP = \text{Sum of all Sales Ratios} / \text{Number of Sales (expressed as \%)}$

(Sales Ratio = Land Value / Adjusted Land Value at the Base Date)

Price Related Differential (PRD)

Measures the extent to which high and low valued properties are assessed uniformly relative to the sales data.

$PRD = \text{Average Sales Ratio} / \text{Weighted Average}$

(Weighted Average = Sum of Land values on Sale Properties / Sum of Adjusted Land Values at the Base Date for Sale Properties)

Appendix H. Component Data Table

The Component Data Table is to be provided in an agreed format for each district and contain the following for each component: -

- Component
- Zone
- No. Of entries
- Minimum and maximum values for 1st quartile
- Minimum and maximum values for 4th quartile
- Median value
- QRANGE
- QRP
- Non-homogenous component flag (indicating if component appropriate for mass appraisal or requires further verification)

In addition a row is to be included for each benchmark in the component showing:

- Benchmark valuation(s)
- Benchmark ID(s)
- Benchmark Classification Flag
- Actual benchmark valuation(s) at base date
- Variation from benchmark valuation(s) to actual benchmark valuation(s) as a percentage
- Variation from actual benchmark valuation(s) from median value as a percentage

Note that there is no upper limit on the number of benchmarks.

A sample Component Data Report follows (Note: this report is an old version and so does not include the Benchmark Classification Flag).

Sample Component Data Table

Zone Code	Component Code	No of Entries	Min LV	Max LV 1 st Quartile	Median LV	Min LV 4 th Quartile	Max LV	QRange	QRP	Non-Homog.	Benchmark Prop ID	BM LV	Actual LV	Variation to BM	Actual to Median
A	ED	715	237000	422000	606000	865000	8860000	443000	73	N	0001295190	994000	1000000	-0.60%	-39.40%
A	EG	1718	115000	296000	354000	411000	1080000	115000	32	N	0001299230	366000	370000	-1.08%	-4.32%
A	EH	1143	227000	596000	662000	705000	1300000	109000	16	N	0001296615	705000	705000	0.00%	-6.10%
A	EK	5	146000	241000	782000	912000	1060000	671000	86	N	0001301406	912000	920000	-0.87%	-15.00%
A	EL	947	35800	224000	298000	406000	646000	182000	61	N	0001299323	418000	420000	-0.48%	-29.05%
A	EM	350	5900	195000	260000	324000	660000	129000	50	N	0001301974	250000	250000	0.00%	4.00%
A	ER	859	168000	372000	541000	622000	1190000	250000	46	N	0001302498	596000	600000	-0.67%	-9.83%
A	ES	2585	132000	308000	382000	429000	2780000	121000	32	N	0001294232	382000	390000	-2.05%	-2.05%
A	ET	51	980	4020	5240	12000	260000	7980	152	N	0001294995	10000	10000	0.00%	-47.60%
A	EV	21	439000	536000	638000	844000	3030000	308000	48	N	0001299359	770000	775000	-0.65%	-17.68%
A	EY	60	42000	198000	351000	592000	3230000	394000	112	N	0001301038	371000	380000	-2.37%	-7.63%
A	EZ	8	250000	623000	789500	987000	1100000	364000	46	N	0001294065	987000	990000	-0.30%	-20.25%
B	CA	156	178000	376000	507500	743000	12200000	367000	72	N	0001299489	1300000	1300000	0.00%	-60.96%
B	CB	5	145000	145000	145000	153000	710000	8000	6	N	0001295224	145000	145000	0.00%	0.00%
B	CC	114	170000	367000	723000	1230000	5380000	863000	119	N	0001304011	4790000	4800000	-0.21%	-84.94%
											0001304028	1060000	1060000	0.00%	-31.79%
											0001304037	357000	360000	-0.83%	-100.0%
B	CD	14	481000	1230000	1545000	3670000	11000000	2440000	158	N	0001301400	6440000	6440000	0.00%	-76.01%
											0001301405	1590000	1600000	-0.63%	-3.44%

Appendix I. Valuer General's Policies

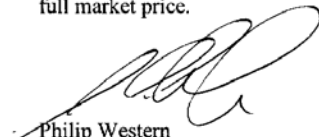
Office of the New South Wales Valuer General

Valuer General's Policy

Goods and Services Tax

1. The Goods and Services Tax (GST) commenced on 1st July 2000 and where liable on the sale of real estate, is payable by the vendor.
2. A market price is a sale negotiated between willing and not anxious parties, a vendor will accept a price for real estate which is dictated by the market; conversely a purchaser will pay the price indicated by the market.
3. When applicable GST is part of the price of supply, the market adjusts for those factors which affect price; therefore the market can be taken to have been informed about the operation of GST and to have reflected its influence on market behaviour.
4. The market price will be that amount paid by the purchaser to obtain possession of the real estate. If in addition to the sale price there is agreement for the whole or part of GST to be paid by the purchaser, then that amount in addition to the sale price will form the market price.
5. Valuers should have a full understanding of sale conditions when analysing market transactions for evidence of value.

Valuations and reports issued on behalf of the Valuer General will utilise the full market price.


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Valuer General
26th April, 2007



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Appendix J. Chief Valuers Memoranda

Chief Valuer's Memoranda are issued periodically to advise of new or amended procedures and requirements between versions of this manual. The following Chief Valuer's Memoranda have been superseded by this manual:

- CVM 2006 – 001 - Process for the on-going verification of land values (issued 25 September 2006).
- CVM 2007 – 001 – GST in Statutory Valuations (issued 24 July 2007).

Further Chief Valuer's Memoranda may be issued between this publication and release of the next version of the manual.

Valuation Bases and Authorities

Note: The following list is provided as a reference only. It does not necessarily match the list of Land Value Bases or Land Value Authorities allowable in Valnet.

Valuation of Land Act - Sections relating to the basis and authorities of valuations	
Section 6 A (1)	Land value
Section 6 A (2)	Land value - existing use
Section 6 A (3) & (4)	Land value - water
Section 14 A (1)	General valuation
Section 14 A (2)	New valuation at any time – not part of general valuation
Section 14 A (4)	Separate valuations
Section 14 A (6)	Reascertainment correction
Section 14 B	Valuation at 1 July
Section 14 DD	Correction of Register
Section 14 D	Wildlife Refuges
Section 14 E	Community schemes
Section 14 F	Mines
Section 14 G	Heritage Restricted
Section 14 I	Crown lease restricted
Section 14 K	Physical condition at valuation date
Section 14 L 1 (a)	Allowance for Profitable Expenditure
Section 14 L 1 (b)	Allowance for Profitable Expenditure)
Section 14 T	Subdividers Allowance
Section 14 X, Y & BB	Mixed Development Apportionment Factors
Section 14 BBA	Mixed Use Apportionment Factors
Section 19 B	Land becoming rateable
Section 26	Where lands are to be included in one valuation
Section 26 A	Valuation of parcels that form part of the site of a building
Section 27	Where lands are to be separately valued
Section 27 B	Lots in subdivisions to be separately valued
Section 28	Land or stratum in two or more districts
Section 28A	Land of which part only is rateable or taxable
Section 35 B	Amendment on objection
Section 40	Amendment by L & E Court
Section 60 A	Determination of values at request of council

Other legislation - valuation related sections	
Heritage Act - Section 124 – 125	Heritage restricted State Heritage Register
Local Government Act - Section 585	Attributable part - local government
Land Tax Assessment Act - Section 62K	Attributable part – land tax

Land Value

Sections 6A(1), 6A(2), 6A(3) & 6A(4), Valuation of Land Act

The term "Land Value" has a particular statutory meaning and is only to be used in connection with rating and taxing valuations.

The main assumptions to be made under Section 6A are: -

- The valuation to be made is of the full fee simple in possession. It is an absolute or pure title and is not encumbered or subject to any conditions.
- The actual ownership of the land is irrelevant and therefore any undertakings or benefits, which are the property of the owner, rather than attach to the land, are to be ignored.
- A sale of the land must be assumed.
- Land Values must relate to both 1 July (Section 14B) and the date the valuation was made (Section 14K).
- The land to be valued is assumed to be vacant ie. the improvements are notionally removed.
- Although the improvements are notionally removed, the permitted use of the land must be taken into account in determining the "highest and best use". The land is, however, to be valued on the assumption that there is no actual consent to a particular development.
- Any right or condition which is dependent on the actual type of improvements on the site does not remain with the land when the improvements are notionally removed eg. liquor licences.
- The term "improvements" does not include "Land improvements" as defined under Section 4. In particular, excavations for basements and the levelling of sites for buildings are land improvements and remain as part of Land Value.

Land Value is to be determined on one of three bases [(Sec 6A(1), 6A(2), 6A(3)]

Section 6A(1) - Highest And Best Use

The land, assumed to be vacant, is to be valued on its "highest and best permitted use". This use is one that can be readily obtainable through the planning process and not one that may be obtained by extensive negotiations with the planning authorities or action through the Land and Environment Court.

It is the market value that is required to be established and the concept is set out in Spencer's case, (willing seller, willing buyer theory). The assumption of a sale must be made even though, at the valuation date, there is an absence of transactions that provide a guide to value. This assumption is to be made whether or not the land in question can legally be sold. If there is some lawful impediment to the sale, then this cannot be allowed to enter into the assessment of value. It is irrelevant that there is no single person or group of persons who can at the valuation date effectively transfer the fee simple of the land (Gollan).

Market value is to be measured on the basis that a purchaser accepts all the inherent risks of purchase without prior consent for land use. It is to be assumed that land is sold unconditionally and a sale subject to conditions (eg. conditions as to development consent) does not meet the statutory requirement.

Sales in the area may indicate that land is being purchased with some form of future potential in mind ie. the property is being used for its highest and best use. Purchasers may assume that at some time in the future the land is likely to be rezoned. Such sales indicate the market for that land in that particular area at that time.

The fee simple of the land requires the notion of vacant possession (Robertson). This notion makes no provision for a reversionary interest or an interest subject to tenancy, or the existence of private covenants or arrangement's in contracts between parties to be considered . The ownership is to contain the complete bundle of rights (Gollan), including the fact that statutory restrictions relating to the sale or transfer of the land are to be ignored.

The land is assumed to be vacant and in this respect the Privy Council saw no particular significance in the phrase "as if they had never existed" as used in Toohey's case and noticed that the words used in the definition of Section 6A are "had not been made" (Tetzner).

Noting the views expressed in Tetzner's case the court held that the valuer was not required to assume that the land had at all times been bare land for the purpose of deciding the probable lawful use of it at the date of valuation. The probability of use is to be assessed on the assumption that as at the date of valuation the land was vacant. However, the fact that it had been used for a particular purpose is part of the land's history, which may indicate the suitability or the special adaptability of land for some particular purpose (Peelmont).

Statutory restrictions on the use of land, which are applied regardless of title and ownership, are to be taken into account when assessing the probabilities of lawful use of land for the purpose of Section 6A of the Act (Royal Sydney Golf Club). Such restrictions include planning schemes and building ordinances. Other forms of statutory restrictions include those regulating catchment areas proclaimed under the Water Boards Acts and the Soil Conservation Act.

In valuing "land" under the Act it is not necessary to assume that it should be of unlimited vertical extent or have a discernible association with the surface. The Privy Council case of Commissioner for Railways, established that, for valuation purposes, "land" could include a layer defined by horizontal boundaries above or below the surface. But "land" does not include space in a building, structure or work where the whole of that space is itself part of an improvement; such space will be valued as a stratum (Sec 7B). As a consequence, the subject matter of valuation may include, for example, only so much of "land" as the Crown has seen fit to alienate at the time of valuation.

The presence of improvements and any consequential existing use rights are to be ignored for the purpose of Sec 6A(1). After the notional removal of improvements the full range of permissions, restrictions and prohibitions apply, as if the land was in fact bare land (Sonnerdale) and (Wunderlich). This assumption is modified by sub-section (2) of Section 6A. See paragraph 19.

In *Mc Kee*, Turner J. stated in circumstances where a provision similar to Section 6(A)(1) applied:

"It may of course possibly happen that the valuation is made at a stage where consent to conditional use has been obtained, but the buildings have not actually been commenced. In such case, depending possibly on terms of the consent, it may be that the owner is in a position virtually to assign the benefit of the consent with a transfer of the land. If this is possible, no doubt the price that he receives will reflect the value to the purchaser of the consent. But this still does not mean that the value of the consent is to be ascertained and included in the unimproved value. Nor on the other hand does it mean that the consent is an "improvement". The consent already obtained is something not to be included at all in assessing the unimproved value. The valuer must put the consent on one side, as if it had not been obtained; and assess the value of the land without it but with the chance of obtaining another similar one".

Contributions to parking, open space, etc. have been deemed to be part of the development costs. Sales of vacant land with development approval, and perhaps contributions paid as a condition of approval, can be dissected to isolate the value of those contributions if those sales are to be used as evidence to support Land Value.

The existence of a licence held by the owner or occupant of land is not to be reflected in land value. Whilst the possession of such licences may be advantageous to the owner they are personal to that owner or occupier and are not qualities attributable to the land.

When determining the land's highest and best use and that use can proceed without approval or where particular uses of land are prohibited no real difficulty should arise. However, where land may be used only with prior development consent there could be conjecture as to likely future use. It will be necessary to examine the history of approvals for similar lands. Regard should be had to the fact that there are a number of controllers of land use including councils, the Department of Urban Affairs and Planning, Department of Land and Water Conservation, the Land and Environment Court and the Minister.

The zoning of land does not guarantee that all uses listed for that zone would be permitted on any particular parcel of land. If a valuer contends for a use of land that is neither the present use nor a use for which the land could have been used without consent of some authority, he will be required to bear the onus of proof of what he asserts if the basis of his valuation is challenged in Court (Sonnerdale),

Section 6A(2) – Existing Use

Under S6A (1) when the improvements are notionally removed from the land the full range of permitted uses is to be considered in order to determine the lands highest and best use. There are instances where the actual use of the land is higher than that now permitted. In those instances S6A (2) of Section 6A will be applied. All other assumptions made under S6A (1) apply to Land Value determined under S6A (2). (Ritchie). It is to be assumed that the existing use may continue provided it is or was a lawful use. (Ritchie).

The lawful continuation of use envisaged by sub-section (2) of Section 6A is to be assessed having regard to the statutory rights conferred resulting from that use. These rights generally relate to preservation of use rather than the conferring of new rights. The likelihood of any extension of the present use must be assessed keeping this fact firmly in mind; that is, that it is the nature and character of the present use which is to predominate. (Bragg) (Pye) (Illawarra Meat).

The approach to be adopted in all valuations where the provisions of Section 6A (2) are invoked is to measure the value for the land as being the site for the existing use. In determining the Land Value of existing use the valuer is to have regard to the actual use made of the land and buildings and the extent of such a use. For example: a 1970 3 storey block of 6x 1 bedroom units, 1 shared laundry and no carparking is to be valued on the basis of that actual configuration of use ie not as 6 units each having their own laundry.

In Burns Philip Trustee judgement Mr Assessor Davis supported the decision in Pye and stated:

"Concerning (his) approach, I can see no grounds, in terms of an interpretation of Section 6A(2), for an obsolescence factor to be introduced. The subsection clearly refers to "use", not building structure or particular building structure and specifically refers to the prospects of replacing or maintaining that use. Indeed, having regard to the realities, notwithstanding the provisions of Section 6A(2) (which is a hypothesis), no one would fail to recognise the substantial added value, reflected in existing use, which is in the order of 50 per cent above the floor space ratio if it was vacant, in terms of potential for development. In addition, no prudent vendor could overlook the legislation applying to existing use rights; particularly the prospect of an additional 10 per cent of space. Again no prudent purchaser or vendor could fail to have regard to SEPP 1, which has been referred to on a number of occasions by planning authorities, developers and this Court in the resolution of disputes concerning development applications. Accordingly, then it is clear that any calculation before this Court on the basis of Section 6A(1) of the Valuation of Land Act is of no assistance. This is a case where Section 6A(2) must apply."

Assessors Davies and Nott further supported the same approach in the matter Burns Philip Trustee Company Ltd; and Perpetual Trustee Company Ltd. In considering the Section 6A(2) Valuation, Assessor Nott stated:

"First, as envisaged by Section 6A(2) the existing building was regarded as continuing on the stage 1 land (which accords with what a hypothetical purchase in this land would intend), not in order that the building itself should be valued, but in order that the present intensity of use of the land may be continued, and taken into account in determining a land value".

To summarise, the process for determining Land Value is:

- a) Determine the value of the land on the basis of the sites highest and best use.
- b) Determine the value of the land on the basis that the present intensity of use of the land may be continued.
- c) If the value by method (b) is higher, then that value should be adopted as the Land Value.

The present intensity of use relates to, and may be described by reference to existing floor areas, number of flats and their sizes, number of car spaces, etc.

Sections 6A(3) and 6A(4) - Water Rights

Until the passing of amendments to the *Valuation of Land Act* effective from 1 July 2005 Land Value included the added value of water attached to land through a water right. The value of a water right has grown significantly over the years due to the development of the irrigation industry and restrictions on the issue of new licences. This led to the inclusion of significant value in the Register of Land Values.

The Council of Australian Governments (CoAG) identified reform of water allocation measures as an area for national competition reform. Central to this reform was the separation of the access to water from the ownership of land, providing the ability to trade in a water right without a related transfer of land ownership.

The *Water Management Act* 2000 converted water entitlements under the *Water Act* 1912 into three elements:

- Water Access Licence,
- Water Use Approval and
- Water Works Approval.

In this reform the Water Access Licence becomes personal property and is therefore held separate from the land title. However, the Water Use and Water Works Approvals are issued for particular purposes and are attached to a parcel of land.

Schedule 8 of *The Water Management Act 2000* included transitional provisions enabling Water Access Licences to be valued with the land to which they were initially attached. However, the *Local Government and Valuation of Land Amendment (Water Rights) Act 2005* was assented to by Parliament on 27th June 2005 and has taken effect from 1 July 2005. Its purpose was to give effect to the separation of water access from land ownership in the valuation system. This has the effect of ceasing the transitional provisions and requiring that Water Access Licences no longer be included in Land Value.

The *Valuation of Land Act* now states at Sections 6A (3) and (4);

(3) Notwithstanding anything in subsection (1), in determining the Land Value of any land, being land in relation to which, at the date to which the valuation relates, there was a water right:

- d) The Land Value shall include the value of the right, and
- e) It shall be assumed that the right shall continue to apply in relation to the land.

(4) For the purpose of determining the value of a water right, the value of any water secured by, or referable to, that right is to be ignored.

The *Valuation of Land Act* now defines a water right as;

A right or authority (however described) under the Water Management Act 2000, the Water Act 1912 or any other Act, being a right or authority to construct, install or use works of irrigation, or to use water supplied by works of irrigation.

With the implementation of the *Water Management Act 2000* properties with irrigation of any form are automatically granted the appropriate Works and Use Approvals. These properties will be identified on the Register of Land Values as holding a works and use approval for irrigation and are to be valued using Section 6A(3) as the basis of valuation.

The basis of valuation will continue to be the analysis of sales of comparable property. Property sales in the new water management environment will in time indicate the in situ value for works and use approvals as the market develops. However, as works and use approvals are currently readily obtainable at nominal cost it appears that the advantage conferred through a works and use approval is not considered to be significant enough to be reflected in the Land Value. The application of some nominal additional amount for the existence of a works and use approval would not stand challenge in court as there is no clear market evidence (to date) that such approvals add value.

2.0 Therefore at this stage it will be the riparian advantage a property holds that is to be reflected in the Land Value made under Section 6A of the Valuation of Land Act.

Riparian is defined as:

"pertaining to, or situated on the bank of a river or other body of water or; belonging to a river bank or other body of water".

In valuing this riparian advantage for a particular property the valuer will need to determine the quality and quantity of irrigation water that is available to the boundary of the property.

At this time it appears to be reasonable to "disaggregate" the traditional irrigation land market into three elements:-

- the value of the land with the ability to have irrigation water brought to it
- the value of the right to irrigate the land (the works & use approval),
- the water access licence

Elements 1 & 2 will, under the new system, combine to form the value of "irrigable land".

While "disaggregation" may be a valid exercise in establishing "elements" of value, it is only a means to an end. It is essential that land values are defensible in terms of the statutory definition, i.e. the Land Value as demonstrated by the market of comparable lands. It may not be correct to "aggregate" the elements of value from markets for the several components and present them as satisfying the requirements of S.6A(3).

Contract valuers are to test the analysis of the market in terms of this disaggregation to determine the extent, if any, to which it is valid. It may be necessary to analyse sales of water allocations (Access Licences) "off land", and sales of dry land properties, to assess the strength of the values to be attributed to these elements that go towards determining the Land Value for irrigable lands.

References:

References are to the Valuer unless otherwise stated:

- Peilmont Pty Ltd -V- The Valuer General – 19:384
- Spencer -V- The Commonwealth of Australia – 15:444
- Gollan -V- Randwick Municipal Council – 22:102.327
- Tetzner -V- The Colonial Sugar Refinery Co. Ltd – 14:477
- Royal Sydney Golf Club -V- The Commission of Taxation – 13:360
- Commissioner of Railways and Others -V- The Valuer General – LGRA 26:1
- Sonnerdale and Anor -V- The Valuer General – 13:204
- Wunderlich Ltd -V- The Valuer General – 16:53
- Ritchie -V- The Valuer- General – 18:399
- Bragg -V- Hurstville Municipal Council – unreported
- Pye -V- The Valuer General – 23:150
- Illawarra Meat Co. -V- The Valuer General – L. & E. Court No. 119 of 1997
- Burns Philip Trustee -V- The Valuer General – L. & E. Court No. 30237 of 1990
- Burns Philip Trustee Co. Ltd and Perpetual Trustee Co. Ltd -V- The Valuer General and Sydney City Council – L. & E. Court No. 30229 of 1990

Crown Land Leases - Inclusion with Freehold

Section 6A Valuation of Land Act

Leasehold Land Below High Water Mark

Leasehold land below High Water Mark (HWM), if within a boundary of a local government area, is to be valued for rating purposes. Where the land below HWM is leased from a government authority to the owners (see definition of owners in Section 4) of the adjoining freehold property and used in conjunction with that freehold property, the parcels of land are to be included in one valuation. As oyster leases below HWM are exempt from rates a valuation is not required.

For inclusion in one valuation the owner of the freehold and the "owner" (ie. the lessee) of the leasehold must be identical.

In assessing the added value of land below HWM, regard is to be had to the potential and existing use of the land, its zoning and the modes of management of both the local council and any authority responsible for the waterway.

Crown Leasehold Lands (Non Rural)

Where small parcels of land are leased from the Crown to complement existing development or the use of adjoining land, the parcels of land (including the freehold) are to be included in one valuation providing the land leased is not capable of independent development and the lessee is identical to the owner of the freehold property.

In assessing the Land Value of such property the added value of the leased area is to be limited to the addition of curtilage. The enlargement of the parcel is not to have the effect of bringing the property into a higher use category than that enjoyed by the freehold parcel standing alone. The added value is to be limited to the addition of curtilage.

Crown Leasehold Lands (Rural)

Crown leases of lands used for rural purposes and worked as one holding in conjunction with freehold land are to be included in one valuation, provided that the lessee is identical to the owner of the freehold. It is not necessary for all such parcels to be contiguous (see Section 27(2)).

Land Value – Easements

Section 6A, Valuation of Land Act

An easement is an acquired legal right, enjoyed by the owner of land over the land of another. Easements confer specific rights to use land, or to restrict its use, for specified purposes. The rights conferred are at the expense of the owner of that land in favour of the owner of the other land who enjoys the easement.

Land Value (Section 6A) must be determined on a fee simple basis. Accordingly, rating and taxing valuations are made on the hypothetical basis that the land is free of impediments to title.

The physical effect of any exercise of an easement's rights will, however, be reflected in the determination of Land Value. Works such as transmission lines, access roads, pipes laid for drainage or services are physical effects of the existence of easements; accordingly, their presence is to be taken into account for the purposes of Section 6A. Similarly, the physical effects of easement rights such as the right to flood land shall be taken into account.

"Physical effects" are only taken into account when they exist at the date of valuation and their effect can be measured. When the rights of an easement have not given rise to a physical effect on the land there can be no effect to measure. (Examples include easements for transmission lines that have not been constructed or easements for access where there were no works constructed at the date of valuation).

In determining the Land Value of land, which has the benefit of an easement, that benefit shall be captured in the value. That is, the hypothetical fee simple includes all rights attaching to that land including rights granted by the easement).

It is necessary to examine carefully the detriments or benefits that may accrue to land because of the physical effects of rights granted by easements. In some cases rights may have no substantial effect on value and valuation changes are not necessary unless they prevent (or enhance) or seriously impede (or improve) the development potential of the land.

The proper measure of these effects on value is by reference to sales. Comparisons with sales of land similarly affected, or comparisons between, sales of affected and unaffected lands are both appropriate methods of determination.

Land and Stratum

Section 7B, Valuation of Land Act

(See also Section 26A – Valuation of parcels that form part of the site of a building.)

There are distinctions within the Act between the concepts of "land" and of "stratum". These distinctions establish two separate codes for the valuation of "land" and "stratum". It is necessary for valuers to understand the differences and their application to valuation tasks (Sections 6A and 7B).

Land is not defined in the Act; it retains its common law definition (i.e. Land and any improvements either attaching to the surface and extending either above or below the surface of the land). For the purposes of the Act, "land" may consist of a layer only.

Stratum is, however, defined (Sec. 4 (1)). A stratum must be:

- f) rateable or taxable under any Act;
- g) a layer below, on, or above the surface of land with an area defined or definable by reference to improvements or otherwise, whether some of the dimensions of the space or layer are unlimited or whether all dimensions are limited;
- h) served with physical means of access.

All parcels that are not stratum (as defined) are land and are to be valued in accordance with the appropriate provisions of the Act (Sec. 6A, Sec. 14L).

Land Values of land and stratum are assessed without taking account of private covenants or easements, i.e., "... the capital sum which the fee simple.. etc". Consequently, land held by the proprietors of a Strata Plan under the Strata Schemes (Freehold) Act is valued as land, not stratum, because the Strata Plan is an arrangement for the management and use of the land.

Section 90 of the Strata Schemes (Freehold) Act deals with the ownership of "the parcel" and its improvements and deems the property to be owned by the Owners Corporation and no other person. Further, this Act provides that a valuing authority is not required to make separate valuations of each unit but only of the parcel "owned" by the Owners Corporation, i.e., the land covered by the Strata Plan.

The Land Values of stratum must be determined in accordance with the provisions in the Act (Sec. 7B, Sec. 14L) concerning the nature of lands outside the stratum and means of access thereto. Similarly, the exclusions and reservations that give rise to horizontal divisions of land are to be taken into account in the determination of the Land Value of the land so divided.

The concepts involved in distinguishing between land and stratum for the purposes of the Act have been tested in the Privy Council. The decision establishes that "land" in the Act may be land in its common law meaning or part of such land as would, for example, be the case if a stratum or strata had been "taken from" land in its common law definition.

The above principle shall apply in the determination of the value of all land for Sec. 14A of the Act; i.e. there may be a valuation of stratum and valuation(s) of the remainder of the land(s) forming part of the whole parcel. Valuations of the stratum and of the whole of the land, which would lead to a duplication of elements of the value, shall not be made.

Community Land Development - Modified Land Values

Section 14E Valuation of Land Act

The Community Land Development Act, 1989, and the Community Land Management Act, 1989, provide for the creation and management of community development lots, precinct development lots and neighborhood lots.

Section 14E provides for the valuation of these lots.

Subdivisions under the Community Titles legislation are to be treated in the same manner as conventional subdivisions. By definition, a subdivision under this legislation is a Deposited Plan.

Following the sale of a lot within the development or registration of a DP, separate valuations will be made for individual lots other than lots designated as association property. Normal rating allowances apply and each valuation is subject to the rules applying to valuations as of 1 July (S 14B); and the date that the valuation is made (S 14K); and separate valuations, etc., including the provision of Section 27B valuations and Section 14T allowances.

Association property (as defined) is not to be valued unless the Valuer General is informed by;

- a) the local council, or
- b) the Chief Commissioner for Land Tax, or
- c) a prescribed person,

that the land is used for commercial purposes (Sec. 14E(1)).

When valuing a community development lot, a precinct development lot, neighborhood lot, or a strata parcel, which is part of a community scheme, the provisions of the Section 14E(2) and 14E(4) of the Act are to be complied with.

Community Title provides for the subdivision of land and the shared use of common facilities (Association Property). Association property may include roads, swimming pools, parks, golf courses etc. The costs of maintaining the Association property are shared by the owners through unit entitlements.

In determining the Land Value of a lot the value will take into account the benefits and detriments involved in the Association property. Sales will provide the best evidence of value for each lot and its facilities.

Development may proceed by way of a staged scheme and it is possible that the development may take several years to complete. During that time events beyond the control of the developer may affect the viability of the project and may necessitate changes to the scheme. Whilst provision is made for a developer to create a binding development contract for the whole scheme, it is expected that for the above reasons, development contracts will only be for each stage, (ie the theme and style of development will only be guaranteed for each stage).

Comparable sales provide the best evidence of value and their use will reflect the markets interpretation of the likelihood of surrounding stages in the scheme being developed in accordance with the theme of the whole scheme. In schemes where sales are scarce or non-existent, it cannot, therefore, be assumed that all surrounding stages will be developed in accordance with the schemes original proposals. Caution should therefore be exercised when comparing sales from other developed schemes.

Community Title developments can vary from two lots to entire suburbs, and the type and extent of the benefits and responsibilities attaching to each lot will vary considerably. If those benefits etc. are sufficiently different from those attached to normal lots in a conventional subdivision, the Community Title sub-division should form a separate component.

Allowances for Profitable Expenditure

Division 3, Sections 14I to 14R, Valuation of Land Act

The purpose of Section 14L is to provide allowances in respect of expenditure incurred by owners to improve their land. The Act provides the definition of three types of improvements for which allowances might be provided and the rules for not supplying of allowances.

An allowance may only be determined in respect of profitable expenditure on the types of improvements defined in the Act, ie.

- 14L(1)(a) effective "land improvements" on or appertaining to the land;
- 14L(1)(b)(i) improvements for the purpose of supplying water;
- 14L(1)(b)(ii) visible and effective improvements, off the land, constructed for its "more beneficial use".

An allowance under Section 14L may only be determined for "profitable" expenditure: it may not exceed the estimated current cost of the improvements at 1 July, and it must be reasonable. The word profitable refers to the extent that the works contribute to "enhancement of value" and the measure of that enhancement usually establishes (subject to the limitation on cost) what is a reasonable allowance.

It follows that a reasonable allowance cannot exceed the difference between the value of the land with the improvements and its value without the improvements; this principle must also be applied when determining values of aggregated parcels with in-line discounts for which Section 14T allowances apply.

An allowance under 14L will not be determined under the following circumstances as set out in Section 14M:

- d) when the owner of the land was not the owner who incurred the expenditure; or
- e) when an occupier or lessee who incurred the expenditure transfers, surrenders the lease or occupancy or the lease expires; or
- f) on the erection on the lot of any building or on the carrying out on the lot of any works (other than rural or non urban purposes); or
- g) the expenditure was carried out more than 15 years before the date the valuation was made; or.

whichever occurs first.

"Land improvements" are defined in Section 4 of the Act; if an improvement is not mentioned in that definition it is not a "land improvement" and does not attract an allowance under Section 14L. "Visible and effective improvements" off the land are not limited to works of drainage or protection from inundation; they include improvements constructed for the "more beneficial use" of the land. They must, however, be improvements that have been constructed (visible); they do not include contributions, levies or fees paid by the owner. Section 94 contributions under the Environmental Planning & Assessment Act are to be included under Section 14L(b) only when these contributions are for items which qualify under the rules as in 14L(1)(b)(ii) above. An allowance for improvements in a joint water supply scheme shall be determined in accordance with the formula in Section 14Q.

Allowances may only be determined for expenditure incurred by the owner, occupier or lessee and shall lapse upon sale or compulsory acquisition of the lands, or transfer or expiration of the lease. Additionally, allowances shall cease when works are carried out on land (not being rural land) as set out in Section 14M, i.e., when buildings or structures are substantially commenced. In all cases, including in rural lands, allowances shall cease fifteen years after the expenditure was incurred.

Formal notification of the cessation of allowances shall only be made when properties to which an allowance had formerly applied are included in a general valuation or supplementary list.

It is mandatory to provide Section 14L allowances when an "owner" has incurred "profitable expenditure" on "land improvements". Allowances are calculated having regard to the extent and nature of improvements at the date the valuation was made. If the "owner" was entitled to an allowance at the date an allowance shall be determined.

Allowances are to be deducted (S.14J) from the Land Value prior to issue to the rating and taxing authorities.

References:

- Borg Warner (Aust) LTD -V- Valuer General (LGRA 35.348) Paragraph 2.
- Taylor -V- Valuer General (Valuer Vol. 2 Pg71) Paragraph 3.
- Booth -V- Valuer General (Valuer Vol. 1 Pg 213) Paragraph 3.

Allowances for Subdivision

Division 4, Sections 14s to 14w, Valuation Of Land Act -

The Act provides for separate valuations of all lots in a Deposited Plan (Section 27B) and the provision of an "in line discount" for subdividers (Sections 27B and 14T). Where a number of lots are worked in one rural holding, these lots are to be valued together (Section 27B(5)).

2. A Section 14T subdivision allowance is the "in line discount" determined by reference to the market as at 1 July, on the assumption that all lots in the Deposited Plan were sold to the one purchaser. This discount may be calculated as a percentage, but must be issued as an amount for each allotment. Where the market indicates no discount is applicable, a Section 14T allowance of zero will be issued. The determination is to be made on the original total number of lots in a Deposited Plan and not on the number of lots remaining at the date of determination (Section 14U).

The allowance under Section 14S is to continue for rating and taxing purposes until any building has been erected on the land or any works have been carried out on the land since the registration of the DP. For rating purposes the allowance will cease if, at the 30 June, more than 3 years have passed since the DP was registered. For land tax purposes the allowance will cease if, at the 31 December, more than 3 years has passed since the DP was registered.

When undertaking Section 27B valuations and determining Section 14S allowances, all lots held by the original owner in a Deposited Plan are to be separately valued. The Act only allows for separate valuations where a subdivision is covered by a DP.

Owners have objection rights against the amount of a Section 14S allowance, even when the allowance is nil.

Any requests to include more than one lot in a valuation must be referred to the Valuer General or his delegate.

Attributable Parts for Rating and Unutilised Value Allowances

Section 585 Local Government Act & Section 62k Land Tax Management Act

Rating and taxing concessions are available in specific circumstances to various persons who qualify for relief from the payment of part of their rates or taxes leviable on land. The authorities for those concessions are contained in Section 585 of the Local Government Act, and Section 62K of the Land Tax Management Act and various Water Acts and Regulations. Although the provisions of the Acts and Regulations vary in regard to the concessions, the principle common to them all is that they apply where a single dwelling house is erected on a parcel of land and the parcel has the ability to be developed for a higher use or subdivision as permitted by planning statutes.

S.585 of the Act permits a council to request Section 585 attributable part determinations prior to the levying of rates. Therefore, applications submitted by councils prior to the levying of rates on new valuations are to be processed promptly to assist with budgetary calculations. The Land Tax Management (Amendment) Act 1992, introduced the concept of unutilised value allowance (Sections 62I to 62N).

The eligibility to obtain the concession in both the Land Tax Management Act and the Local Government Act are identical. They are:-

- a) a parcel of land on which there is a single dwelling-house used or occupied as such and which is zoned or otherwise designated for use under an environmental planning instrument for the purposes of industry, commerce or the erection of residential flat buildings, not being land referred to in paragraph (b) or (c),
- b) a parcel of land (which may comprise one or more lots or portions in a current plan) on which there is a single dwelling-house used or occupied as such and which is zoned or otherwise designated under an environmental planning instrument so as to permit its subdivision for residential purposes, not being land referred to in paragraph (c),
- c) a parcel of rural land (which may comprise one or more lots or portions in a current plan) which is zoned or otherwise designated under an environmental planning instrument so as to permit its use otherwise than as rural land, or its subdivision into two or more lots or portions, one or more of which has an area of less than 40 hectares.

The basis for the concessions is the determination of the "attributable part", i.e. the difference between the value of the land having regard to its highest and best permissible use and the value of the land assuming it may be used only as the site of the single dwelling house on the land. In arriving at this latter value any part of the parcel considered to be in excess of the reasonable needs for the single dwelling on the land is to be excluded. For this purpose the widest possible interpretation of the definition of a single dwelling site is required.

The following guidelines are for the interpretation of the "reasonable needs" of a single dwelling.

Example 1.

Assume a lot with an area of 4000m² in a zoning which allows units and where the lot has been valued as a unit site. On the land is a single dwelling set in landscaped gardens, which are obviously used by the owners in conjunction with the dwelling. In this case the "attributable part" is the difference between the value of a single residential block of 4000m² and its value as a unit site.

Example 2

Assume a lot with an area of 4000m² in a zoning which allows units and where the lot has been valued as a unit site. On the land is a dwelling situated in a corner of the lot. The dwelling occupies 800m² that has been fenced off from the remainder. The remainder is overgrown and obviously not used. The "attributable part" then is the difference between the single residential value of the 800m² and the Land Value of the 4000m² as a unit site.

There are no rights of objection against "attributable part" determinations under Section 585 of the Local Government Act. Section 598 requires, however, that the council must require the

Valuer General to re-determine the attributable part should the Land Value be altered on objection or correction of a clerical error or misdescription.

An objection may be made to an unutilised value allowance under Section 62K of the Land Tax Management Act (Section 62N).

The Valuer General's task is to make determinations of the "attributable part" in response to written requests submitted from rating and taxing authorities. It is the responsibility of each rating and taxing authority to ensure that applications made by landowners comply with the relevant Act.

Section 62K unutilised value allowances are to be updated on each annual general valuation.

Heritage Valuations

Introduction

Provision for the conservation of items of environmental heritage may be made by either:

- Listing in the State Heritage Register (SHR) under the Heritage Act, or,
- Identification under the Environmental Planning and Assessment Act 1979 in Regional Environmental Plans (REPs) or Local Environmental Plans (LEPs).

These two types of heritage properties are recognised under separate acts for rating and taxing purposes:

- Properties listed on the SHR are valued under the provisions of Sections 123 to 125 of the Heritage Act.
- Other heritage restricted properties are valued under the provisions of Section 14G of the Valuation of Land Act if the Valuer General has determined that the land has heritage significance within a planning instrument.

Land that is listed on the SHR cannot also be determined to be heritage restricted under Section 14G of the Valuation of Land Act.

Rating and taxing authorities are required to use both heritage valuations under the Heritage Act and heritage restricted valuations under the Valuation of Land Act.

Valuations under the Heritage Act

Properties listed on the State Heritage Register must have a Land Value assessed under Section 6A of the Valuation of Land Act. The listing in the State Heritage Register is disregarded in assessing this Land Value.

The Heritage Act requires the provision of a separate heritage valuation to provide rating and taxing concessions. The Valuer General's authority to carry out that valuation is conveyed by S 123-125 of that act.

Section 123 of the Heritage Act specifies the statutory assumptions that must be followed in determining heritage valuations. A heritage valuation is made by adding to or deducting from a Land Value any allowance as a consequence of making the following:

- a) that the land may be used only for the purpose, if any, for which it was used at the relevant date;
- b) that the improvements on that land as at the relevant date may be continued and maintained in order that the existing use may continue;
- c) that no other improvements may be made to the land.

Heritage valuations are determined only in the sequence set out in Sections 124 and 125 of the Heritage Act. Initially, a heritage valuation is requested of the Valuer General by the Minister after a listing in the State Heritage Register. A heritage valuation shall then be made whenever a valuation is made for rating and taxing purposes.

The Land Value and heritage value must be supplied on a general valuation.

The relevant date under the Heritage Act for a heritage valuation requested by the Minister is either the date of listing in the State Heritage Register, or, where immediately prior to that date where there was an Interim Heritage Order the date that order took effect. The relevant date in the Heritage Act replaces the date the valuation is made under the Section 14K of the Valuation of Land Act Sec 14K for these valuations.

An interim heritage order can only run for a maximum of 12 months and no valuation action is required for interim heritage orders, until converted to a listing in the state heritage register (SHR) as set out above.

Heritage Restricted Valuations under the Valuation Of Land Act:

Section 14G of the Valuation of Land Act recognises heritage restrictions imposed by an Environmental Planning Instrument (EPI).

The Valuer General may determine and on application of the owner must determine whether land is heritage restricted (Section 14G(3)). All requests for Heritage Restricted valuations must be accepted by LPI before any valuation action is taken under 14G. Contractors are to refer any such requests they may receive to LPI for determination.

Only those properties separately identified as heritage items in an LEP shall be deemed to be heritage restricted for the purposes of Section 14G(3) of the Valuation of Land Act.

A Heritage Restricted value under Section 14G of the Valuation of Land Act is a land value and must be the only Land Value entered onto the Register of Land Values as at the 1 July at which the valuation is made.

A land Value determined under Section 14G(2) of the Valuation of Land Act is determined on the following assumptions:

- a) that the land may be used only for the purpose, if any, for which it was used when the value was determined,
- b) that all improvements on the land when the value is determined may be continued and maintained in order that the use of that land (as referred to in paragraph (a)) may be continued,
- c) that no improvements other than those referred to in paragraph (b), may be made to or on the land.

These are similar to the assumptions to be made for a heritage valuation under the Heritage Act.

Heritage Valuation Considerations

Heritage Valuations under the Heritage Act and Heritage Restricted Land Values under the Valuation of Land Act are made on the same basis. The effect of both acts is to limit the valuation to the extent of the existing building and purpose.

Matters to be considered are:

- The existing use.
- The current improvements may be continued and maintained.
- The nature of the existing improvements including obsolescence of design, the location of the improvements on the land, the size of the buildings and other features that are not attractive in the market.

Any allowance for these factors should be supported by market evidence in the form of vacant land or improved sales or rentals reflecting the nature of the improvements and their use.

Matters not to be considered are:

- The underlying zoning, highest and best use or any potential for a higher use.
- The age and state of repair of the improvements.
- The state of repair of the improvements,

The appeal judgment in *The Queensland Department of Natural Resources v The Body Corporate for Golden Sands* (reported 15 December, 2000) made it clear "that it is a building of the dimensions of the existing building that needs to form the basis of the statutory valuation". The case involved a 17 storey building of 65 residential units or apartments of an older design not having en-suites to bathrooms nor an entry vestibule nor other features of more modern buildings. From point 18 in the judgment:

"Our consideration ... leads us to conclude that no error of principle is revealed by the use of unimproved or lightly improved sales of the type included by Mr Crowley in his valuation in valuing the subject land, notwithstanding that such method coincidentally involves the assumption of a new building of similar dimensions to the existing building being constructed on the land".

Where any part of a property is subject to a heritage restriction the property is to be valued for heritage restricted purposes on the basis of the existing building and use of the property. Therefore any restrictions on part means that it is all encompassing and means the whole property is effectively heritage restricted.

Vacant land subject to heritage restrictions

Vacant heritage sites may be listed as an item on the State Heritage Register or individually identified in an EPI. A vacant site not individually identified in an EPI is not heritage restricted land within the definition of Section 14G.

Heritage land may include Indigenous Heritage, Multicultural Heritage, Rural and Regional heritage or the colonial convict heritage. An example of vacant land may be where the convicts had an uprising at Vinegar Hill. It is unlikely that this land will ever be developed and this constraint must be factored into the land value when determined.

Constraints precluding the land from further development in effect sterilises the land as it is on the date the valuation is made. The basis of land value may well be as passive open space or as additional land to an adjoining owner.

Conservation zoned areas

Heritage valuations are not to be made in conservation areas unless a property has specifically been identified as a heritage item either on the State Heritage Register or an Environmental Planning Instrument.

Conservation areas are subject to a statutory zoning and, as with any other Land Value, are to be valued in accordance with the zoning conditions prevailing at the date the valuation is made. The effect of the restrictions within a Conservation Zone will be reflected in the market by sales for these properties. It is the market that determines the land value.

Conservation areas should be treated as follows:

- Under Section 6A of the Valuation of Land Act buildings that are not listed as heritage items would notionally not exist, and the land value is to reflect the conditions of the zoning.
- The existing use value for commercial, residential flats, industrial uses etc. may exceed the land value for the underlying conservation zoning. In these cases the land value is made under Section 6A(2) of the Valuation of Land Act i.e. in determining the land value of any land it shall be assumed that:
 - The land may be used, or may continue to be used, for any purpose for which it was being used, or for which it could be used, at the date to which the valuation relates, and,
 - Such improvements may be continued or made on the land as may be required in order to enable the land to continue to be so used.

Heritage Valuation Examples
Legislation Examples



Example	Heritage Restricted valuation under Valuation of Land Act	Heritage Valuation under Heritage Act	Comments
Property listed on State Heritage Register	No	Yes	Value based on provisions of Sec 123, 124 and 125 of Heritage Act
Property listed as a heritage item under LEP or REP	Yes	No	Value based on provisions of Sec 14G of Valuation of Land Act

Zoning Examples

Example	Heritage Restricted valuation under Valuation of Land Act	Heritage Valuation under Heritage Act	Comments
Conservation zone	No	No	Value under the statutory zoning
Conservation zone, property listed as either an item 1 or 2 under a planning instrument	Yes	No	Value under section 14G provisions of Valuation of Land Act.
Conservation zone, property listed on State Heritage Register.	No	Yes	Value under section 123, 124 and 125 provisions of Heritage Act.
Any generic zoning, property listed as either an item 1 or 2 under a planning instrument	Yes	No	Value under section 14G provisions of Valuation of Land Act.
Any generic zoning, property listed on State Heritage Register.	No	Yes	Value under section 123, 124 and 125 provisions of Heritage Act.

Application of Principles

	
<p>Under development of site.</p> <p>Actual Cottage 100 metres in size and 2 bedrooms of Brick construction.</p> <p>Situated in Residential Zoning.</p>	<p>Optimum development of site.</p> <p>Actual Cottage 250 metres in size and of sandstone construction. 4-5 bedrooms.</p> <p>Situated in Residential Zoning.</p>
<p>Assumption in making the land valuation: the land may be used only for the purpose, if any, for which it was used when the value was determined, that all improvements on the land when the value is determined may be continued and maintained in order that the use of that land may be continued, that no improvements may be made to or on the land.</p> <p>The improvements are considered to be an under development of the site, due to size i.e. the external wall perimeter and accommodation. Additionally the internal condition eg floor coverings and prime cost items are in need of total renovation.</p> <p>Land value is to be considered on the basis as to what would a purchaser be prepared to pay for a site where only a small 2 bedroom brick cottage can be erected of the same envelope as the existing building.</p>	<p>Assumption in making the land valuation: the land may be used only for the purpose, if any, for which it was used when the value was determined, that all improvements on the land when the value is determined may be continued and maintained in order that the use of that land may be continued, that no improvements may be made to or on the land.</p> <p>The improvements are considered to be the optimum development of the site, however a minor adjustment may be considered for the assumption that no further improvements may be made to or on that land.</p> <p>Land value is to be considered on the basis as to what would a purchaser be prepared to pay for a site where only a sandstone cottage can be erected of the same envelope as the existing building.</p>

	
<p>Under development of site.</p> <p>Former wool store – obsolete construction.</p>	<p>Under development of site.</p> <p>Four story 19th century commercial office space. Actual FSR 3.5:1 against the potential floor space of 10:1.</p>
<p>High clearance, however roller door access does not permit pantech truck to drive and deliver for off loading by forklift. Unloading more labour intensive than a modern warehouse. Office space less than available in a modern warehouse.</p> <p>The improvements are considered to be an under development of the site, due to size i.e. the external wall perimeter and design and functionality.</p> <p>Assumption in making the land valuation:</p> <p>the land may be used only for the purpose, if any, for which it was used when the value was determined, that all improvements on the land when the value is determined may be continued and maintained in order that the use of that land may be continued, that no improvements may be made to or on the land.</p> <p>Land value is to be considered on the basis as to what would a purchaser be prepared to pay for a site where only a warehouse can be erected of the same envelope and construction as the existing building.</p>	<p>Considerations include: the purpose as used, the captured FSR, net lettable area ratio is likely to be less than a modern, the building may have no lifts or car parking affecting potential returns. Air-conditioning, high tech cabling are other factors to be considered on the potential use.</p> <p>Assumption in making the land valuation: the land may be used only for the purpose, if any, for which it was used when the value was determined, that all improvements on the land when the value is determined may be continued and maintained in order that the use of that land may be continued, that no improvements may be made to or on the land.</p> <p>Land value is to be considered on the basis as to what would a purchaser be prepared to pay for a site where only a 3.5:1 commercial office space can be erected of the same envelope and construction as the existing building, albeit a new one.</p>