



Government Gazette

OF THE STATE OF
NEW SOUTH WALES

Number 52

Friday, 6 June 2014

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OFFICIAL NOTICES

Appointments

AUSTRALIAN MUSIC EXAMINATIONS BOARD (NSW)

Notification of Appointments to the Board

I, ADRIAN PICCOLI, M.P., Minister for Education, appoint the following persons as the elected members of the Australian Music Examinations Board (NSW) for the terms of office expiring on the dates shown in brackets beside each person's name:

Mrs Victoria CLANCY [30 April 2016].
Mrs Lynette MORGAN [30 April 2016].
Mr Richard MORPHEW [30 April 2016].
Dr Rita CREWS [30 April 2016].
Ms Tzvetelina (Lina) PETKOVA [30 April 2016].
Mrs Anne HARVEY [30 April 2016].

Dated this 14th day of April 2014.

ADRIAN PICCOLI, M.P.,
Minister for Education

GOVERNMENT TELECOMMUNICATIONS ACT 1991 NO. 77

New South Wales Government Telecommunications
Authority
Appointment of Chairperson, Deputy Chairperson and
Members

HIS Excellency the Lieutenant-Governor, with the advice of the Executive Council, has approved, pursuant to section 32 of the Government Telecommunications Act 1991 No. 77, the appointment of the following persons to the Board of the New South Wales Government Telecommunications Authority for the term stated below, from the date of the Lieutenant-Governor's approval:

Rod GILMOUR, Chairperson, 3 year term.
Peter BARRIE, Deputy Chairperson, 2 year term.
Shane FITZSIMMONS, Member, 3 year term.
Alan LIPMAN, Member, 2 year term.
David QUILTY, Member, 2 year term.
Matt ROBERTS, Member, 2 year term.
Liz WARD, Member, 2 year term.

His Excellency the Lieutenant-Governor, with the advice of the Executive Council gave approval of the appointments on 14 May 2014.

DOMINIC PERROTTET, M.P.,
Minister for Finance and Services

Roads and Maritime Services

ROAD TRANSPORT ACT 2013

Ministerial Declaration (Charitable Purposes Exemption) Order 2014

I, DUNCAN GAY, M.L.C., Minister for Roads and Ports, pursuant to section 19 of the Road Transport Act 2013, make the following Order.

Dated this 1st day of May 2014.

DUNCAN GAY, M.L.C.,
Minister for Roads and Ports

1. Citation

This Order is the Ministerial Declaration (Charitable Purposes Exemption) Order 2014.

2. Commencement

This Order takes effect on and from 1 July 2014.

3. Effect

This Order remains in force until 30 June 2016, unless revoked earlier.

4. Definitions

For the purposes of this Order the following words have the meanings ascribed to them:

charitable purposes means any charitable, benevolent or philanthropic purpose including, without limitation, fund raising for children's charities.

fund raiser means Mr Terry O'Grady (also known as Tex O'Grady).

Unless stated otherwise, words and expressions used in this Order have the same meaning as those defined in the Road Rules 2008.

5. Declaration

The provisions of Road Rule 297(3) of the Road Rules 2008 are declared not to apply to the fund raiser in the following circumstances:

- (a) the fund raiser is riding a motor bike to, from or for the purposes of events or activities conducted for charitable purposes; and
- (b) a copy of this Order as published in the *New South Wales Government Gazette*, is carried by the fund raiser at the time and is produced upon request by NSW Police.

Explanatory Notes:

Road Rule 297(3) applies to prohibit the riding of a motor bike with an animal on the petrol tank.

The named fund raiser conducts significant charitable and fund raising activities for children's charities.

This Order applies to declare that the provisions of Road Rule 297(3) do not apply to the named fund raiser in specified circumstances to enable charitable or fund raising activities for a limited period of 2 years.

Other than as provided for in this Order, the named fund raiser is required to comply with all other applicable Road Rules.

This Order only applies in New South Wales.

ROADS ACT 1993**LAND ACQUISITION (JUST TERMS
COMPENSATION) ACT 1991**

Notice of Compulsory Acquisition of land at Trewilga
in the Parkes Shire Council area

Roads and Maritime Services by its delegate declares, with the approval of Her Excellency the Governor, that the land described in the schedule below is acquired by compulsory process under the provisions of the Land Acquisition (Just Terms Compensation) Act 1991 for the purposes of the Roads Act 1993.

T D Craig
Manager, Compulsory Acquisition & Road Dedication
Roads and Maritime Services

SCHEDULE

ALL that piece or parcel of land situated in the Parkes Shire Council area, Parish of Mingelo and County of Narromine shown as Lot 10 Deposited Plan 1185173, being part of land acquired for a railway between Parkes and Peak Hill, by notification in Government Gazettes No 2 of 8 January 1913 on page 54 and No 82 of 28 May 1913 on page 3243.

The land is said to be in the possession of Transport for NSW (registered proprietor) and Australian Rail Track Corporation Ltd (lessee).

(RMS Papers: SF2014/29190; RO SF2012/20020)

ROADS ACT 1993**LAND ACQUISITION (JUST TERMS
COMPENSATION) ACT 1991**

Notice of Compulsory Acquisition of Land at
Pembroke in the Port Macquarie-Hastings Council area

Roads and Maritime Services by its delegate declares, with the approval of Her Excellency the Governor, that the land described in the Schedule below is acquired by compulsory process under the provisions of the Land Acquisition (Just Terms Compensation) Act 1991 for the purposes of the Roads Act 1993.

T D Craig
Manager, Compulsory Acquisition & Road Dedication
Roads and Maritime Services

SCHEDULE

ALL that piece or parcel of public road situated in the Port Macquarie-Hastings Council area, Parish of Cairncross and County of Macquarie, shown as Lot 2 Deposited Plan 591726, being part of land dedicated as public road by notification in Government Gazette No 132 of 4 November 1977 on pages 4816 and 4817.

(RMS Papers: SF2014/25405; RO SF2013/176522)

ROADS ACT 1993**LAND ACQUISITION (JUST TERMS
COMPENSATION) ACT 1991**

Notice of Compulsory Acquisition of Land at
Broughton Village in the Kiama Municipal Council area

Roads and Maritime Services by its delegate declares,
with the approval of Her Excellency the Governor, that
the land described in the schedule below is acquired by
compulsory process under the provisions of the Land
Acquisition (Just Terms Compensation) Act 1991 for
the purposes of the Roads Act 1993.

T D Craig
Manager, Compulsory Acquisition & Road Dedication
Roads and Maritime Services

SCHEDULE

ALL that piece or parcel of public road situated in the
Kiama Municipal Council area, Parish of Broughton and
County of Camden, shown as Lot 424 Deposited Plan
1186383.

The land is said to be in the possession of Kiama
Municipal Council.

(RMS Papers: SF2014/22580; RO SF2014/5416)

Department of Trade and Investment, Regional Infrastructure and Services

MINERAL RESOURCES

NOTICE is given that the following application has been granted:

EXPLORATION LICENCE APPLICATION

(T14-1014)

No. 4968, now Exploration Licence No. 8271, GOLIATH RESOURCES PTY LTD (ACN 163 766 256), County of Wellington, Map Sheet (8832), area of 3 units, for Group 1, dated 8 May 2014, for a term until 8 May 2017.

The Hon. ANTHONY ROBERTS, M.P.,
Minister for Resources and Energy

NOTICE is given that the following applications for renewal have been received:

(14-1718)

Exploration Licence No. 6254, MT OWEN PTY LIMITED (ACN 003 827 361), area of 56.6 hectares. Application for renewal received 30 May 2014.

(10-3245)

Exploration Licence No. 6273, WHITE ROCK (MTC) PTY LTD (ACN 132 461 575), area of 61 units. Application for renewal received 3 June 2014.

(11-3076)

Exploration Licence No. 6428, RENISON COAL PTY LTD (ACN 100 163 942) and NORTHERN ENERGY CORPORATION LIMITED (ACN 081 244 395), area of 585 hectares. Application for renewal received 3 June 2014.

(T09-0204)

Exploration Licence No. 7564, AUSMON RESOURCES LTD (ACN 134 358 964), area of 15 units. Application for renewal received 3 June 2014.

(T12-1017)

Exploration Licence No. 7943, MOBILA PTY LTD (ACN 002 069 258), area of 23 units. Application for renewal received 29 May 2014.

(T11-0183)

Exploration Licence No. 7945, EXALT RESOURCES LIMITED (ACN 145 327 617), area of 42 units. Application for renewal received 2 June 2014.

The Hon. ANTHONY ROBERTS, M.P.,
Minister for Resources and Energy

NOTICE is given that the following application has been received:

REQUEST FOR CANCELLATION OF AUTHORITY

(T10-0217)

Exploration Licence No. 7788, NEWMONT EXPLORATION PTY LIMITED (ACN 006 306 690), Counties of Bathurst and Wellington, area of 31 units.

Application for cancellation was received on 28 May 2014.

The Hon. ANTHONY ROBERTS, M.P.,
Minister for Resources and Energy

RENEWAL OF CERTAIN AUTHORITIES

NOTICE is given that the following authorities have been renewed:

(08-4395)

Gold Lease No. 5890 (Act 1906), Paul Douglas MYER, Parish of Hall, County of Murchison, Map Sheet (9037-4-N), area of 1.99 hectares, for a further term until 10 July 2015. Renewal effective on and from 12 May 2014.

(13-2384)

Mining Lease No. 1319 (Act 1992), CENTENNIAL SPRINGVALE PTY LIMITED (ACN 052 096 812) and SPRINGVALE SK KORES PTY LIMITED (ACN 051 015 402), Parish of Cox, County of Cook, Map Sheet (8931-3-N), area of 1.476 hectares, for a further term until 5 July 2035. Renewal effective on and from 8 May 2014.

(13-3513)

Mining Lease No. 1331 (Act 1992), CENTENNIAL AIRLY PTY. LIMITED (ACN 078 693 722), Parish of Airly, County of Roxburgh; Parish of Bandamora, County of Roxburgh; Parish of Coco, County of Roxburgh and Parish of Morundurey, County of Roxburgh, Map Sheet (8831-1-N, 8931-4-N, 8931-4-S), area of 2745 hectares, for a further term until 12 October 2035. Renewal effective on and from 8 May 2014.

(13-0517)

Mining Lease No. 1365 (Act 1992), ULAN COAL MINES LTD (ACN 000 189 248), Parish of Ulan, County of Bligh, Map Sheet (8833-3-N, 8833-4-S), area of 82.96 hectares, for a further term until 9 December 2032. Renewal effective on and from 26 May 2014.

The Hon. ANTHONY ROBERTS, M.P.,
Minister for Resources and Energy

CANCELLATION OF AUTHORITIES AT REQUEST OF HOLDERS

NOTICE is given that the following authorities have been cancelled:

(T10-0102)

Exploration Licence No. 7619, OXLEY EXPLORATION PTY LTD (ACN 137 511 141), County of Flinders, Map Sheet (8234), area of 20 units. Cancellation took effect on 1 June 2014.

(T10-0238)

Exploration Licence No. 7754, CASTILLO COPPER LIMITED (ACN 137 606 476), County of Bathurst and County of Georgiana, Map Sheet (8730, 8830), area of 14 units. Cancellation took effect on 2 June 2014.

(T11-0287)

Exploration Licence No. 7961, OXLEY EXPLORATION PTY LTD (ACN 137 511 141), County of Mouramba and County of Robinson, Map Sheet (8034, 8035, 8134, 8135), area of 100 units. Cancellation took effect on 1 June 2014.

(T11-0288)

Exploration Licence No. 8021, OXLEY EXPLORATION PTY LTD (ACN 137 511 141), County of Robinson, Map Sheet (8134, 8135), area of 100 units. Cancellation took effect on 1 June 2014.

(T12-1219)

Exploration Licence No. 8108, OXLEY EXPLORATION PTY LTD (ACN 137 511 141), County of Canbelego and County of Cowper, Map Sheet (8235, 8236, 8335, 8336), area of 100 units. Cancellation took effect on 1 June 2014.

The Hon. ANTHONY ROBERTS, M.P.,
Minister for Resources and Energy

PRIMARY INDUSTRIES

FISHERIES MANAGEMENT ACT 1994

Notice of Final Determination under the
Fisheries Management Act 1994

THE Fisheries Scientific Committee, established under Part 7A of the Fisheries Management Act 1994, has made a final determination to list the Darling River Hardyhead (*Craterocephalus amniculus*) population in the Hunter River catchment in Part 2 of Schedule 4 of the Fisheries Management Act 1994.

Copies of the final determination and the reasons for it are available to members of the public (free of charge) as follows:

- (a) on the Internet at www.fsc.nsw.gov.au;
- (b) by contacting the Fisheries Scientific Committee by post c/- NSW Department of Primary Industries, PO Box 1305, Crows Nest NSW 1585, or by email fsc@dpi.nsw.gov.au and
- (c) in person at the NSW Department of Primary Industries Head Office, 161 Kite Street, Orange NSW 2800.

FISHERIES MANAGEMENT ACT 1994

Fisheries Management (Fish Habitat Protection Plans)
Instrument of Revocation 2014

under the

Fisheries Management Act 1994

I, KATRINA ANN HODGKINSON, M.P., Minister for Primary Industries, pursuant to section 192 of the Fisheries Management Act 1994 (“the Act”), make the following Instrument of Revocation.

Dated this 27th day of May 2014.

KATRINA ANN HODGKINSON, M.P.,
Minister for Primary Industries

Explanatory Note

Part 7 of the Fisheries Management Act 1994, deals with the protection of aquatic habitats. Division 1 of Part 7 provides for the Minister to determine plans for the protection of any habitat of fish whether the habitat is essential for the survival of the species or required to maintain harvestable quantities of the species. These plans are known as habitat protection plans.

In 1995 a habitat protection plan titled “Fish Habitat Protection Plan No. 1” was determined by the Minister. Fish Habitat Protection Plan No. 1 provides a general summary of Part 7 of the Fisheries Management Act 1994 and outlines the Department’s policy for snag (large woody debris) protection.

In 1997 a habitat protection plan titled “Fish Habitat Protection Plan No. 2: Seagrasses” was determined by the Minister. Fish Habitat Protection Plan No. 2: Seagrasses summarises the Department’s policy and guidelines for the protection of the seagrasses of New South Wales.

The intent, and the majority of the content, of each of Fish Habitat Protection Plan No. 1 and Fish Habitat Protection Plan No. 2: Seagrasses have now been integrated into amendments made to the Fisheries Management Act 1994 and the Fisheries Management (General) Regulation 2010 and the 2013 update of the Policy and Guidelines for Fish Habitat Conservation and Management.

The object of this Instrument is to revoke Fish Habitat Protection Plan No. 1 and Fish Habitat Protection Plan No. 2: Seagrasses because these habitat protection plans have been superseded and have become redundant.

This Instrument is made under section 192 of the Fisheries Management Act 1994.

Fisheries Management (Fish Habitat Protection Plans)
Instrument of Revocation 2014

under the

Fisheries Management Act 1994

1. Name of Instrument

This Instrument is the Fisheries Management (Fish Habitat Protection Plans) Instrument of Revocation 2014.

2. Commencement

This Instrument commences on the date on which it is published in the *New South Wales Government Gazette*.

3. Revocations

Pursuant to the section 192 of the Act, the following habitat protection plans are revoked, as is any habitat protection plan revived as a result of these revocations:

- (1) the habitat protection plan titled “Fish Habitat Protection Plan No. 1” published in the *New South Wales Government Gazette* in 1995; and
- (2) the habitat protection plan titled “Fish Habitat Protection Plan No. 2: Seagrasses” published in *New South Wales Government Gazette* No. 104 on 26 September 1997, at pages 8221 to 8225.

FISHERIES MANAGEMENT ACT 1994

Section 8 Notification – Fishing Closure

Port Stephens – Prawn Nets

I, GEOFF ALLAN, Executive Director, Fisheries NSW, with the delegated authority of the Minister for Primary Industries and the Secretary pursuant to sections 227 and 228 of the Fisheries Management Act (“the Act”) and pursuant to section 8 of the Act, do by this notification, prohibit the taking of all species of fish by the class of persons specified in Column 1 of the Schedule to this notification, by the methods of fishing specified opposite in Column 2 of the Schedule, from the waters described opposite in Column 3 of the Schedule.

SCHEDULE

<i>Column 1 Class of persons</i>	<i>Column 2 Prohibited methods of fishing</i>	<i>Column 3 Waters</i>
All endorsement holders in the Estuary General Fishery.	Any method involving the use of the following: (a) a prawn net (hauling) as described in the Estuary General Share Management Plan, (b) a dip or scoop net (prawns) as described in the General Regulation, (c) a hand-hauled prawn net as described in the General Regulation, (d) a push or scissor net (prawns) as described in the General Regulation.	The whole of the waters of Port Stephens, including its creeks and tributaries, inlets and bays, west of a line drawn in a northerly direction from Soldiers Point to Fame Point.
All recreational fishers.	Any method involving the use of the following: (a) a dip or scoop net (prawns) as described in the General Regulation, (b) a hand-hauled prawn net as described in the General Regulation, (c) a push or scissor net (prawns) as described in the General Regulation.	

In this fishing closure:

Estuary General Fishery means the share management fishery of that name, as described in Schedule 1 to the Act.

Estuary General Share Management Plan means the Fisheries Management (Estuary General Share Management Plan) Regulation 2006.

General Regulation means the Fisheries Management (General) Regulation 2010.

This fishing closure is effective from the date of publication of this notification for a period of five (5) years unless sooner amended or revoked.

Dated this 3rd day of June 2014.

Dr GEOFF ALLAN,
Executive Director,
Fisheries NSW,
Department of primary Industries
(an office within the Department of Trade and Investment, Regional Infrastructure and Services)

LANDS

ARMIDALE CROWN LANDS OFFICE
108 Faulkner Street (PO Box 199A), Armidale NSW 2350
Phone: (02) 6770 3100 Fax (02) 6771 5348

**NOTICE OF PURPOSE OTHER THAN THE
DECLARED PURPOSE PURSUANT TO SECTION
34A(2) OF THE CROWN LANDS ACT 1989**

PURSUANT to section 34A(2)(b) of the Crown Lands Act 1989, the Crown reserve with the declared public purpose specified in Column 2 of the Schedules, is to be used or occupied for a purpose other than the declared purpose specified in Column 1 of the Schedules.

KEVIN HUMPHRIES, M.P.,
Minister for Natural Resources, Lands and Water

SCHEDULE 1

<i>Column 1</i>	<i>Column 2</i>
Access to Water (Relevant Interest - Section 34A Licence - RI 529180).	Reserve No.: 90623. Public Purpose: Future public requirements. Notified: 7 March 1975. File No.: 14/00582.
Grazing (Relevant Interest - Section 34A Licence - RI 529180).	

SCHEDULE 2

<i>Column 1</i>	<i>Column 2</i>
Grazing (Relevant Interest - Section 34A Licence - RI 525343).	Reserve No.: 755808. Public Purpose: Future public requirements. Notified: 29 June 2007. File No.: 13/15524.

**APPOINTMENT OF ADMINISTRATOR TO
MANAGE A RESERVE TRUST**

PURSUANT to section 117, Crown Lands Act 1989, the person specified in Column 1 of the Schedule hereunder, is appointed as administrator for the term also specified, of the reserve trust specified opposite thereto in Column 2, which is trustee of the reserve referred to in Column 3 of the Schedules.

KEVIN HUMPHRIES, M.P.,
Minister for Natural Resources, Lands and Water

SCHEDULE

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
Felicity FOSTER.	Emmaville Rifle Range Reserve Trust.	Reserve No.: 51343. Public Purpose: Rifle range. Notified: 25 February 1916. File No.: 10/06545.

For a term commencing the date of this notice and expiring
5 September 2014.

DUBBO CROWN LANDS OFFICE
45 Wingewarra Street (PO Box 1840), Dubbo NSW 2830
Phone: (02) 6883 3300 Fax: (02) 6884 2067

**REMOVAL FROM OFFICE OF CORPORATION
MANAGER OF RESERVE TRUST**

PURSUANT to section 96(2) of the Crown Lands Act 1989, the corporation specified in Schedule 1 hereunder, is removed from the office of manager of the reserve trust specified in Schedule 2, which is trustee of the reserve referred to in Schedule 3.

KEVIN HUMPHRIES, M.P.,
Minister for Natural Resources, Lands and Water

SCHEDULE 1

Mid-Western Regional Council.

SCHEDULE 2

Eurunderee Public Recreation Reserve Trust.

SCHEDULE 3

Reserve No.: 88830.

Public Purpose: Public recreation.

Notified: 26 January 1973.

File No.: DB81 R 77-002.

GRAFTON OFFICE
49-51 Victoria Street, Grafton NSW 2460
(PO Box 2185, Dangar NSW 2309)
Phone: 1300 886 235 Fax: (02) 6642 5375

NOTIFICATION OF CLOSING OF A ROAD

IN pursuance of the provisions of the Roads Act 1993, the road hereunder described is closed and the lands comprised therein cease to be public road and the rights of passage and access that previously existed in relation to the road is extinguished. Upon closing, title to the land, comprising the former public road, vests in the body specified in the Schedule hereunder.

KEVIN HUMPHRIES, M.P.,
 Minister for Natural Resources, Lands and Water

Description

Parish – Pimlico; County – Rous;
Land District – Lismore; L.G.A. – Ballina

Road Closed: Lot 1, DP 1194677.
 File No.: 10/16088.

Schedule

On closing, the land within Lot 1, DP 1194677 remains vested in the State of New South Wales as Crown land.

Description

Parish – Clunes; County – Rous;
Land District – Lismore; L.G.A. – Byron

Road Closed: Lot 1, DP 1195058.
 File No.: 08/2830.

Schedule

On closing, the land within Lot 1, DP 1195058 remains vested in the State of New South Wales as Crown land.

Description

Parish – Lismore; County – Rous;
Land District – Lismore; L.G.A. – Lismore

Road Closed: Lot 1, DP 1191679.
 File No.: 13/11177.

Schedule

On closing, the land within Lot 1, DP 1191679 remains vested in the State of New South Wales as Crown land.

Description

Parish – Lismore; County – Rous;
Land District – Lismore; L.G.A. – Lismore

Road Closed: Lot 3, DP 1191681.
 File No.: 13/11180.

Schedule

On closing, the land within Lot 3, DP 1191681 remains vested in the State of New South Wales as Crown land.

Description

Parishes – Clifton and Ditmas; County – Gough;
Land District – Glen Innes;
L.G.A. – Glen Innes Severn Shire

Road Closed: Lot 2, DP 1193138.
 File No.: 07/4461.

Schedule

On closing, the land within Lot 2, DP 1193138 remains vested in the State of New South Wales as Crown land.

Description

Parish – Ditmas; County – Gough;
Land District – Glen Innes;
L.G.A. – Glen Innes Severn Shire

Road Closed: Lot 1, DP 1193138.
 File No.: 07/4461.

Schedule

On closing, the land within Lot 1, DP 1193138 remains vested in the State of New South Wales as Crown land.

Description

Parishes – Bullala and Wee Bulla Bulla;
Counties – Burnett and Courallie;
Land District – Moree; L.G.A. – Moree Plains and Gwydir

Road Closed: Lot 2, DP 1194132 and Lot 3, DP 1194133.
 File No.: ME05 H 155.

Schedule

On closing, the land within Lot 2, DP 1194132 and Lot 3, DP 1194133 remains vested in the State of New South Wales as Crown land.

Description

Parishes – Coonalgra and Crinoline; County – Benarba;
Land District – Moree; L.G.A. – Moree Plains

Road Closed: Lot 1, DP 1191820.
 File No.: 07/3468.

Schedule

On closing, the land within Lot 1, DP 1191820 remains vested in the State of New South Wales as Crown land.

Description

Parish – Bungawalbin; County – Richmond;
Land District – Lismore; L.G.A. – Richmond Valley

Road Closed: Lot 1, DP 1173145.
 File No.: GF07 H 42.

Schedule

On closing, the land within Lot 1, DP 1173145 remains vested in the State of New South Wales as Crown land.

Description

Parish – Bungawalbin; County – Richmond;
Land District – Lismore; L.G.A. – Richmond Valley

Road Closed: Lot 2, DP 1173145.
 File No.: GF07 H 42.

Schedule

On closing, the land within Lot 2, DP 1173145 remains vested in the State of New South Wales as Crown land.

Description

*Parish – Byron; County – Rous;
Land District – Lismore; L.G.A. – Byron*

Road Closed: Lot 2, DP 1187985.

File No.: 08/6859.

Schedule

On closing, the land within Lot 2, DP 1187985 remains vested in the State of New South Wales as Crown land.

Description

*Parish – Byron; County – Rous;
Land District – Lismore; L.G.A. – Byron*

Road Closed: Lot 1, DP 1187985.

File No.: 08/6859.

Schedule

On closing, the land within Lot 1, DP 1187985 remains vested in the State of New South Wales as Crown land.

Description

*Parish – Mooball; County – Rous;
Land District – Murwillumbah; L.G.A. – Tweed*

Road Closed: Lots 1-2, DP 1193011.

File No.: 07/3494.

Schedule

On closing, the land within Lots 1-2, DP 1193011 remains vested in the State of New South Wales as Crown land.

MAITLAND OFFICE
141 Newcastle Road, East Maitland NSW 2323
(PO Box 2215, Dangar NSW 2309)
Phone: (02) 1300 886 235 Fax: (02) 4934 2252

NOTIFICATION OF CLOSING OF A ROAD

IN pursuance of the provisions of the Roads Act 1993, the road hereunder described is closed and the lands comprised therein cease to be public road and the rights of passage and access that previously existed in relation to the road is extinguished. Upon closing, title to the land, comprising the former public road, vests in the body specified in the Schedule hereunder.

KEVIN HUMPHRIES, M.P.,
 Minister for Natural Resources, Lands and Water

Description

*Parish – Carrow; County – Durham;
 Land District – Dungog; L.G.A. – Dungog*

Road Closed: Lot 2, DP 1164605.

File No.: MD05 H 355.

Schedule

On closing, the land within Lot 2, DP 1164605 remains vested in the State of New South Wales as Crown land.

Description

*Parishes – Boonabilla and Carrow; County – Durham;
 Land District – Dungog; L.G.A. – Dungog*

Road Closed: Lot 1, DP 1164605.

File No.: MD05 H 355.

Schedule

On closing, the land within Lot 1, DP 1164605 remains vested in the State of New South Wales as Crown land.

**NOTICE OF PURPOSE OTHER THAN THE
 DECLARED PURPOSE PURSUANT TO SECTION
 34A(2) OF THE CROWN LANDS ACT 1989**

PURSUANT to section 34A(2)(b) of the Crown Lands Act 1989, the Crown reserve with the declared public purpose specified in Column 2 of the Schedule, is to be used or occupied for a purpose other than the declared purpose specified in Column 1 of the Schedule.

KEVIN HUMPHRIES, M.P.,
 Minister for Natural Resources, Lands and Water

SCHEDULE

Column 1

Agriculture Grazing
 (Relevant Interest - S34A
 Licence 525969).

Column 2

Reserve No.: 93645.
 Public Purpose: Future
 public requirements.
 Notified: 19 September 1980.
 File No.: 13/15733.

NEWCASTLE OFFICE
437 Hunter Street, Newcastle NSW 2300
(PO Box 2215, Dangar NSW 2309)
Phone: (02) 1300 886 235 Fax: (02) 4925 3517

NOTIFICATION OF CLOSING OF A ROAD

IN pursuance of the provisions of the Roads Act 1993, the road hereunder described is closed and the lands comprised therein cease to be public road and the rights of passage and access that previously existed in relation to the road is extinguished. Upon closing, title to the land, comprising the former public road, vests in the body specified in the Schedule hereunder.

KEVIN HUMPHRIES, M.P.,
 Minister for Natural Resources, Lands and Water

Description

*Parish – Ugalong; County – Gipps;
 Land District – Condobolin; L.G.A. – Lachlan*

Road Closed: Lot 1, DP 1188385.

File No.: CL/00721.

Schedule

On closing, the land within Lot 1, DP 1188385 remains vested in the State of New South Wales as Crown land.

Description

*Parish – Cardington; County – Gordon;
 Land District – Molong; L.G.A. – Wellington*

Road Closed: Lots 2-3, DP 1193641.

File No.: 13/12326 RS.

Schedule

On closing, the land within Lots 2-3, DP 1193641 remains vested in the State of New South Wales as Crown land.

Description

*Parish – Cardington; County – Gordon;
 Land District – Molong; L.G.A. – Wellington*

Road Closed: Lot 1, DP 1193641.

File No.: CL/00800 RS.

Schedule

On closing, the land within Lot 1, DP 1193641 remains vested in the State of New South Wales as Crown land.

Description

*Parish – Chaucer; County – Bathurst;
 Land District – Cowra; L.G.A. – Cowra*

Road Closed: Lot 1, DP 1194046.

File No.: 12/08461.

Schedule

On closing, the land within Lot 1, DP 1194046 remains vested in the State of New South Wales as Crown land.

Description

*Parish – Southampton; County – Clarence;
 Land District – Grafton; L.G.A. – Clarence Valley*

Road Closed: Lot 1, DP 1176282.

File No.: 07/3287.

Schedule

On closing, the land within Lot 1, DP 1176282 remains vested in the State of New South Wales as Crown land.

Description

*Parishes – Anderson and Dunnee; County – Murchison;
 Land District – Bingara; L.G.A. – Gwydir*

Road Closed: Lot 1, DP 1173989.

File No.: ME06 H 74.

Schedule

On closing, the land within Lot 1, DP 1173989 remains vested in the State of New South Wales as Crown land.

Description

*Parish – Blakebrook; County – Rous;
 Land District – Lismore; L.G.A. – Lismore*

Road Closed: Lot 1, DP 1193591.

File No.: 12/08504.

Schedule

On closing, the land within Lot 1, DP 1193591 remains vested in the State of New South Wales as Crown land.

Description

*Parish – Meangora; County – St Vincent;
 Land District – Braidwood; L.G.A. – Palerang*

Road Closed: Lot 1, DP 1193443.

File No.: 13/11506 RS.

Schedule

On closing, the land within Lot 1, DP 1193443 remains vested in the State of New South Wales as Crown land.

NOWRA OFFICE**5 O'Keefe Avenue (PO Box 309), Nowra NSW 2541****Phone: (02) 4428 9100 Fax: (02) 4421 2172****APPOINTMENT OF RESERVE TRUST AS TRUSTEE
OF A RESERVE**

PURSUANT to section 92(1) of the Crown Lands Act 1989, the reserve trust specified in Column 1 of the Schedule hereunder, is appointed as trustee of the reserve specified opposite thereto in Column 2 of the Schedule.

KEVIN HUMPHRIES, M.P.,
Minister for Natural Resources, Lands and Water

SCHEDULE*Column 1*

The Shoalhaven City
Cemetery Reserves Trust.

Column 2

Dedication No.: 1038208.
Public Purpose: Roman
Catholic burial ground.
Notified: 12 March 1869.
File No.: NA05 R 21.

**NOTICE OF PURPOSE OTHER THAN THE
DECLARED PURPOSE PURSUANT TO SECTION
34A(2) OF THE CROWN LANDS ACT 1989**

PURSUANT to section 34A(2)(b) of the Crown Lands Act 1989, the Crown reserve with the declared public purpose specified in Column 2 of the Schedule, is to be used or occupied for a purpose other than the declared purpose specified in Column 1 of the Schedule.

KEVIN HUMPHRIES, M.P.,
Minister for Natural Resources, Lands and Water

SCHEDULE*Column 1*

Storage Shed Access
(Relevant Interest -
Section 34A
Licence - RI 529971).

Column 2

Reserve No.: 752130.
Public Purpose: Future
public requirements.
Notified: 29 June 2007.
File No.: 14/00978.

ORANGE OFFICE
92 Kite Street (PO Box 2146), Orange NSW 2800
Phone: (02) 6391 4300 Fax: (02) 6362 3896

RESERVATION OF CROWN LAND

PURSUANT to section 87 of the Crown Lands Act 1989, the Crown land specified in Column 1 of the Schedule hereunder, is reserved as specified opposite thereto in Column 2 of the Schedule.

KEVIN HUMPHRIES, M.P.,
 Minister for Natural Resources, Lands and Water

SCHEDULE

<i>Column 1</i>	<i>Column 2</i>
Land District: Rylstone. Local Government Area: Lithgow City Council. Locality: Capertee. Lot 7308, DP No. 1130828, Parish Bandamora, County Roxburgh. Area: About 21.91 hectares. File No.: 14/04238.	Reserve No.: 1038228. Public Purpose: Environmental protection and access.

Note: This reservation revokes that part of Reserve 755758 being Lot 7308, DP 1130828 an area of 21.91 hectares.

ESTABLISHMENT OF RESERVE TRUST

PURSUANT to section 92(1) of the Crown Lands Act 1989, the reserve trust specified in Column 1 of the Schedule hereunder, is established under the name stated in that Column and is appointed as trustee of the reserve specified opposite thereto in Column 2 of the Schedule.

KEVIN HUMPHRIES, M.P.,
 Minister for Natural Resources, Lands and Water

SCHEDULE

<i>Column 1</i>	<i>Column 2</i>
Pearson's Lookout Reserve Trust.	Reserve No.: 1038228. Public Purpose: Environmental protection and access. Notified: This day. File No.: 14/04239.

**APPOINTMENT OF CORPORATION TO MANAGE
 RESERVE TRUST**

PURSUANT to section 95 of the Crown Lands Act 1989, the corporation specified in Column 1 of the Schedule hereunder, is appointed to manage the affairs of the reserve trust specified opposite thereto in Column 2, which is trustee of the reserve referred to in Column 3 of the Schedule.

KEVIN HUMPHRIES, M.P.,
 Minister for Natural Resources, Lands and Water

SCHEDULE

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
Lithgow City Council.	Pearson's Lookout Reserve Trust.	Reserve No.: 1038228. Public Purpose: Environmental protection and access. Notified: This day. File No.: 14/04239.

For a term commencing the date of this notice.

SYDNEY METROPOLITAN OFFICE
Level 12, Macquarie Tower, 10 Valentine Avenue, Parramatta 2150
(PO Box 3935, Parramatta NSW 2124)
Phone: (02) 8836 5300 Fax: (02) 8836 5365

ROADS ACT 1993

ORDER

Transfer of a Crown Road to Council

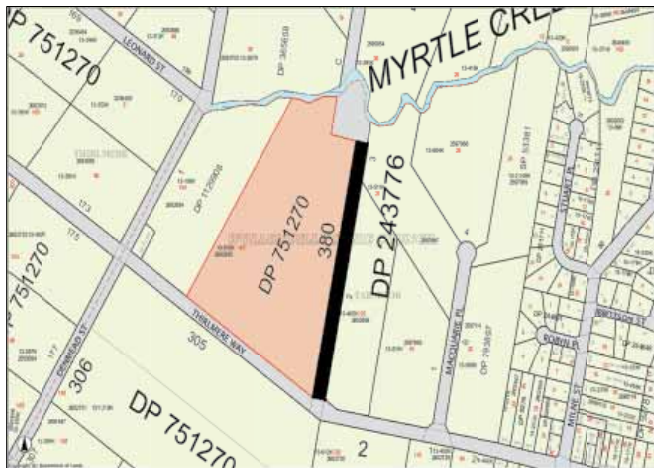
IN pursuance of the provisions of section 151, Roads Act 1993, the Crown public road specified in Schedule 1 is transferred to the Roads Authority specified in Schedule 2, as from the date of publication of this notice and from that date the road specified in Schedule 1 ceases to be a Crown public road.

KEVIN HUMPHRIES, M.P.,
 Minister for Natural Resources, Lands and Water
 and Minister for Western NSW

SCHEDULE 1

*Land District – Picton;
 Local Government Area – Wollondilly Shire;
 Parish – Couridjah; County – Camden*

Crown public road located off Thirlmere Way at Tahmoor as shown by solid black shading on the diagram hereunder.



SCHEDULE 2

Roads Authority: Wollondilly Shire Council.

File No.: 14/03743.

SCHEDULE 1

*Land District – Penrith;
 Local Government Area – Penrith City;
 Parish – Castlereagh; County – Cumberland*

That part of Crown public road known as Geebung Place at Agnes Banks as shown by solid black shading on the diagram hereunder.



SCHEDULE 2

Roads Authority: Penrith City Council.

File No.: 11/12239.

**NOTICE OF PURPOSE OTHER THAN THE
 DECLARED PURPOSE PURSUANT TO SECTION
 34A(2) OF THE CROWN LANDS ACT 1989**

PURSUANT to section 34A(2)(b) of the Crown Lands Act 1989, the Crown reserve with the declared public purpose specified in Column 2 of the Schedules, is to be used or occupied for a purpose other than the declared purpose specified in Column 1 of the Schedules.

KEVIN HUMPHRIES, M.P.,
 Minister for Natural Resources, Lands and Water

SCHEDULE 1

<i>Column 1</i>	<i>Column 2</i>
Outdoor Recreation Area (Relevant Interest - Section 34A Licence - RI 526461).	Reserve No.: 26090. Public Purpose: Travelling stock and camping. Notified: 5 June 1897. File No.: 13/15909.

SCHEDULE 2

<i>Column 1</i>	<i>Column 2</i>
Outdoor Recreation Area (Relevant Interest - Section 34A Licence - RI 526461).	Reserve No.: 41372. Public Purpose: Water. Notified: 27 February 1907. File No.: 13/15909.

SCHEDULE 3

<i>Column 1</i>	<i>Column 2</i>
Outdoor Recreation Area (Relevant Interest - Section 34A Licence - RI 526461).	Reserve No.: 752066. Public Purpose: Future public requirements. Notified: 29 June 2007. File No.: 13/15909.

TAMWORTH OFFICE
25-27 Fitzroy Street (PO Box 535), Tamworth NSW 2340
Phone: (02) 6764 5100 Fax: (02) 6766 3805

NOTIFICATION OF CLOSING OF A ROAD

IN pursuance of the provisions of the Roads Act 1993, the road hereunder described is closed and the lands comprised therein cease to be public road and the rights of passage and access that previously existed in relation to the road is extinguished. Upon closing, title to the land, comprising the former public road, vests in the body specified in the Schedule hereunder.

KEVIN HUMPHRIES, M.P.,
Minister for Natural Resources, Lands and Water

Description

Parishes – Moan and Garrawilla;
Counties – Buckland and Pottinger;
Land Districts – Quirindi and Gunnedah;
L.G.A. – Liverpool Plains and Warrumbungle

Road Closed: Lot 1, DP 1176386 and Lot 2, DP 1176388.

File No.: TH06 H 134.

Schedule

On closing, the land within Lot 1, DP 1176386 and Lot 2, DP 1176388 remains vested in the State of New South Wales as Crown land.

WAGGA WAGGA OFFICE**Corner Johnston and Tarcutta Streets (PO Box 60), Wagga Wagga NSW 2650****Phone: (02) 6937 2700 Fax: (02) 6921 1851****NOTICE OF PURPOSE OTHER THAN THE
DECLARED PURPOSE PURSUANT TO SECTION
34A(2) OF THE CROWN LANDS ACT 1989**

PURSUANT to section 34A(2)(b) of the Crown Lands Act 1989, the Crown reserve with the declared public purpose specified in Column 2 of the Schedules, is to be used or occupied for a purpose other than the declared purpose specified in Column 1 of the Schedules.

KEVIN HUMPHRIES, M.P.,
Minister for Natural Resources, Lands and Water

SCHEDULE 1

<i>Column 1</i>	<i>Column 2</i>
Environmental Protection and Sustainable Grazing (Relevant Interest - S34A Licence - RI 525348).	Reserve No.: 35144. Public Purpose: Public school paddock. Notified: 18 October 1902. File No.: 13/15525.

SCHEDULE 2

<i>Column 1</i>	<i>Column 2</i>
Environmental Protection and Sustainable Grazing (Relevant Interest - S34A Licence - RI 525348).	Dedication No.: 620130. Public Purpose: Public school site. Notified: 30 August 1902. File No.: 13/15525.

WESTERN REGION OFFICE
45 Wingewarra Street, Dubbo NSW 2830
(PO Box 2185, Dangar NSW 2309)
Phone: (02) 6883 5400 Fax: (02) 6884 2067

**ALTERATION OF CONDITIONS OF A WESTERN
LANDS LEASE**

IT is hereby notified that in pursuance of the provisions of section 18FA(6) of the Western Lands Act 1901, the purpose and conditions of the undermentioned Western Land Leases have been altered as shown.

KEVIN HUMPHRIES, M.P.,
Minister for Natural Resources, Lands and Water

*Administrative District – Cobar; Shire – Cobar
Parishes – Donaldson, Fisher and The Rookery;
County – Mouramba*

The conditions of Western Land Leases 4891, 16319, 16320 and 16321, being the land contained within Folio Identifiers 11/1139929, 12/1139929, 13/1139929 and 14/1139929 respectively have been altered effective from 27 May 2014, by the inclusion of the special conditions following:

**SPECIAL CONDITIONS ATTACHED TO WESTERN
LAND LEASES 4891, 16319, 16320 and 16321.**

- (1) In the conditions annexed to the lease, the expression “the Minister” means the Minister administering the Western Lands Act 1901, and any power, authority, duty or function conferred or imposed upon the Minister by or under those conditions may be exercised or performed either by the Minister or by such officers of the Department of Trade and Investment as the Minister may from time to time approve.
- (2) In these conditions and reservations the expression “the Commissioner” means the Commissioner charged with the administration of the Western Lands Act 1901 (“the Act”) in accordance with section 4(2) of the Act.
- (3) (a) For the purposes of this clause the term Lessor shall include Her Majesty the Queen Her Heirs and Successors the Minister and the agents servants employees and contractors of the Lessor Her Majesty Her Majesty’s Heirs and Successors and the Minister.
- (b) The lessee covenants with the Lessor to indemnify and keep indemnified the Lessor from and against all claims for injury loss or damage suffered by any person or body using or being in or upon the Premises or any adjoining land or premises of the Lessor arising out of the Holder’s use of the Premises and against all liabilities for costs charges and expenses incurred by the Lessor in respect of the claim of any such person or body except to the extent that any such claims and demands arise wholly from any negligence or wilful act or omission on the part of the Lessor.
- (c) The indemnity contained in this clause applies notwithstanding that this Lease authorised or required the lessee to undertake or perform the activity giving rise to any claim for injury loss or damage.
- (d) The lessee expressly agrees that the obligations of the Holder under this clause shall continue after the expiration or sooner determination of this Lease in respect of any act deed matter or thing occurring before such expiration or determination.
- (4) The rent of the lease shall be assessed in accordance with Part 6 of the Western Lands Act 1901.
- (5) The rent shall be due and payable annually in advance on 1 July in each year.
- (6) (a) “GST” means any tax on goods and/or services, including any value-added tax, broad-based consumption tax or other similar tax introduced in Australia.
“GST law” includes any Act, order, ruling or regulation, which imposes or otherwise deals with the administration or imposition of a GST in Australia.
- (b) Notwithstanding any other provision of this Agreement:
 - (i) If a GST applies to any supply made by either party under or in connection with this Agreement, the consideration provided or to be provided for that supply will be increased by an amount equal to the GST liability properly incurred by the party making the supply.
 - (ii) If the imposition of a GST or any subsequent change in the GST law is accompanied by or undertaken in connection with the abolition of or reduction in any existing taxes, duties or statutory charges (in this clause “taxes”), the consideration payable by the recipient of the supply made under this Agreement will be reduced by the actual costs of the party making the supply that are reduced directly or indirectly as a consequence of the abolition of or reduction in taxes.
- (7) The lessee shall pay all rates and taxes assessed on or in respect of the land leased during the currency of the lease.
- (8) The lessee shall hold and use the land leased bona fide for the lessee’s own exclusive benefit and shall not transfer, convey or assign the land or any portion thereof without having first obtained the written consent of the Minister.
- (9) The lessee shall not enter into a sublease of the land leased unless the sublease specifies the purpose for which the land may be used under the sublease, and it is a purpose which is consistent with the purpose for which the land may be used under this lease.
- (10) If the lessee enters into a sublease of the land leased, the lessee must notify the Commissioner of the granting of the sublease within 28 days after it is granted.
- (11) The land leased shall be used only for the purpose of Pastoral Purposes.

- (12) The lessee shall maintain and keep in reasonable repair all improvements on the land leased during the currency of the lease and must permit the Minister or the Commissioner or any person authorised by the Minister or the Commissioner at all times to enter upon and examine the whole or any part of the land leased and the buildings or other improvements thereon.
- (13) The lessee shall not erect or permit any person to erect any buildings or extend any existing buildings on the land leased except in accordance with plans and specifications approved by the Council of the local government area.
- (14) The lessee shall ensure that the land leased is kept in a neat and tidy condition to the satisfaction of the Commissioner and not permit refuse to accumulate on the land.
- (15) Upon termination or forfeiture of the lease the Commissioner may direct that the former lessee remove any structure or material from the land at his own cost and without compensation. Where such a direction has been given the former lessee must leave the land in a clean and tidy condition free from rubbish and debris.
- (16) The lessee shall, within 1 year from the date of commencement of the lease or such further period as the Commissioner may allow, enclose the land leased, either separately or conjointly with other lands held in the same interest, with a suitable fence to the satisfaction of the Commissioner.
- (17) The lessee shall not obstruct or interfere with any reserves, roads, or tracks, or the use thereof by any person.
- (18) The lessee shall erect gates on roads within the land leased when and where directed by the Commissioner for public use and must maintain those gates together with approaches thereto in good order to the satisfaction of the Commissioner.
- (19) The right is reserved to the public of access from a river or creek to the bank of that river or creek adjoining the land leased and the lessee shall not obstruct access along the bank, river or creek to any member of the public.
- (20) Any part of a reserve for travelling stock, camping or water supply within the land leased must, during the whole currency of the lease, be open to the use of bona fide travellers, travelling stock, teamsters and carriers without interference or annoyance by the lessee and the lessee must post in a conspicuous place on the reserve a notice board indicating for public information the purpose of such reserve and, in fencing the land leased, the lessee must provide gates and other facilities for the entrance and exit of travelling stock, teamsters and others. The notice board, gates and facilities must be erected and maintained to the satisfaction of the Commissioner. The lessee must not overstock, wholly or in part, the areas leased within the reserve, the decision as to overstocking resting with the Commissioner.
- (21) The Crown shall not be responsible to the lessee or the lessee's successors in title for provision of access to the land leased.
- (22) The lessee shall comply with requirements of section 18DA of the Western Lands Act 1901 which provides that except in circumstances referred to in subsection (3) of that section, cultivation of the land leased or occupied may not be carried out unless the written consent of the Department has first been obtained and any condition to which the consent is subject under subsection (6) is complied with.
- (23) The lessee shall undertake any fuel management and/or provision of fire trail access in accordance with fire mitigation measures to the satisfaction of the NSW Rural Fire Service.
- (24) The lessee shall, as the Commissioner may from time to time direct, foster and cultivate on the land leased such edible shrubs and plants as the Commissioner may consider can be advantageously and successfully cultivated.
- (25) Whenever so directed by the Commissioner, the lessee shall, on such part or parts of the land leased as shall be specified in the direction, carry out agricultural practices, or refrain from agricultural practices, of such types and for such periods as the Commissioner may in the direction specify.
- (26) The lessee shall not overstock, or permit or allow to be overstocked, the land leased and the decision of the Commissioner as to what constitutes overstocking shall be final and the lessee must comply with any directions of the Commissioner to prevent or discontinue overstocking.
- (27) The lessee shall, if the Commissioner so directs, prevent the use by stock of any part of the land leased for such periods as the Commissioner considers necessary to permit of the natural reseedling and regeneration of vegetation and, for that purpose, the lessee must erect within the time appointed by the Commissioner such fencing as the Commissioner may consider necessary.
- (28) The lessee shall furnish such returns and statements as the Commissioner may from time to time require on any matter connected with the land leased or any other land (whether within or outside the Western Division) in which the lessee has an interest.
- (29) The lessee shall, within such time as may be specified by the Commissioner take such steps and measures as the Commissioner shall direct to destroy vermin and such animals and weeds as may, under any Act, from time to time be declared (by declaration covering the land leased) noxious in the Gazette and must keep the land free of such vermin and noxious animals and weeds during the currency of the lease to the satisfaction of the Commissioner.
- (30) The lessee shall not remove or permit any person to remove gravel, stone, clay, shells or other material for the purpose of sale from the land leased unless the lessee or the person is the holder of a quarry license under regulations made under the Crown Lands Act 1989 or, in respect of land in a State forest, unless the lessee or the person is the holder of a forest materials licence under the Forestry Act 1916, and has obtained the special authority of the Minister to operate on the land, but the lessee may, with the approval of the Commissioner, take from the land such gravel, stone, clay, shells or other material for building and other purposes upon the land as may be required by the lessee.

- (31) If the lessee is an Australian registered company then the following conditions shall apply:
- I The Lessee will advise the Commissioner of the name, address and telephone number of the Lessee's company secretary, that person being a person nominated as a representative of the company in respect of any dealings to be had with the company. The Lessee agrees to advise the Commissioner of any changes in these details.
 - II Any change in the shareholding of the Lessee's company which alters its effective control of the lease from that previously known to the Commissioner shall be deemed an assignment by the Lessee.
 - III Where any notice or other communication is required to be served or given or which may be convenient to be served or given under or in connection with this lease it shall be sufficiently executed if it is signed by the company secretary.
 - IV A copy of the company's annual financial balance sheet or other financial statement which gives a true and fair view of the company's state of affairs as at the end of each financial year is to be submitted to the Commissioner upon request.
-

WATER**WATER ACT 1912**

AN application under Part 8 of the Water Act 1912, being within a proclaimed (declared) local area under section 5(4) of the Water Act 1912.

An application for approval of controlled works under section 167 of the Water Act 1912, within the proclaimed local area described hereunder has been received as follows:

BALO STREET INVESTMENTS PTY LTD, BOOYUL PTY LIMITED, FAYBANER PTY LIMITED, MERRYWINEBONE PTY LIMITED, TORTENHAM PTY LIMITED, HARRIS Robert Harold, HARRIS Bruce Maylon, HARRIS Kenneth Bruce, HARRIS Kenneth Bruce and HARRIS Robert Harold, HARRIS Peter James and HARRIS Jane Maree and Water Administration Ministerial Council, for controlled works consisting of levees, embankments, supply channels and off river storages (including areas and works encompassed within the perimeter works) on the Lower Gwydir Floodplain on:

Lots 1, 3, 4, 8, 9, 14, 15, 16, 17, 18, 19, 24, 25 and 26, DP 750446, Parish Cook;

Lots 3, 4, 5, 6, 7, 13, 14, 17, 18, 19, 20, 21, 22, 23, 24, 25, 29, 30, 31, 32, 35, 36, 37, 39, 40 and 42, DP 750456; Lot 1, DP 736335, Parish Dangar;

Lots 1, 2, 3, 4, 7, 8, 9, 12, 13, 14, 15, 18, 19 and 20, DP 750467, Parish Gorman;

Lot 21, DP 750472; Lot 25, DP 45274 and Lot 29, DP 45278, Parish Hill;

Lot 15, DP 750479, Parish Meei;

Lots 11, 22 and 29, DP 750484 and Lot 45, DP 45267, Parish Moomin;

Lot 1, DP 807742; Lots 14, 16, 17, 25 and 27, DP 750486; Lot 33, DP 45249; Lots 35 and 37, DP 45248; Lot 39, DP 45276 and Lots 4 and 5, DP 750486, Parish Mungi; Lots 7, 10, 11 and 13, DP 750454, Parish Currotha;

Lots 1, 2, 3, 4, 5, 6, 7, 11, 16 and 27, DP 750496, Parish Pially;

Crown land, 7300 // 1162353, 7302 // 11556545 and crown roads all County Benarba,

on the properties known as "Avondale", "Moomin Plains", "Oreel" and "Myralga" for irrigation and drainage development, conservation of water and prevention of land from inundation (existing and new development – new approval). (Reference: 90CW800257).

Any inquiries should be directed to (02) 6799 6621.

Written objections, from any local occupier or statutory authority, specifying grounds and how their interests are affected, must be lodged with the NSW Office of Water, PO Box 382, Narrabri NSW 2390, within 28 days of this publication.

ROBERT ALBERT,
Senior Water Regulation Officer

WATER ACT 1912

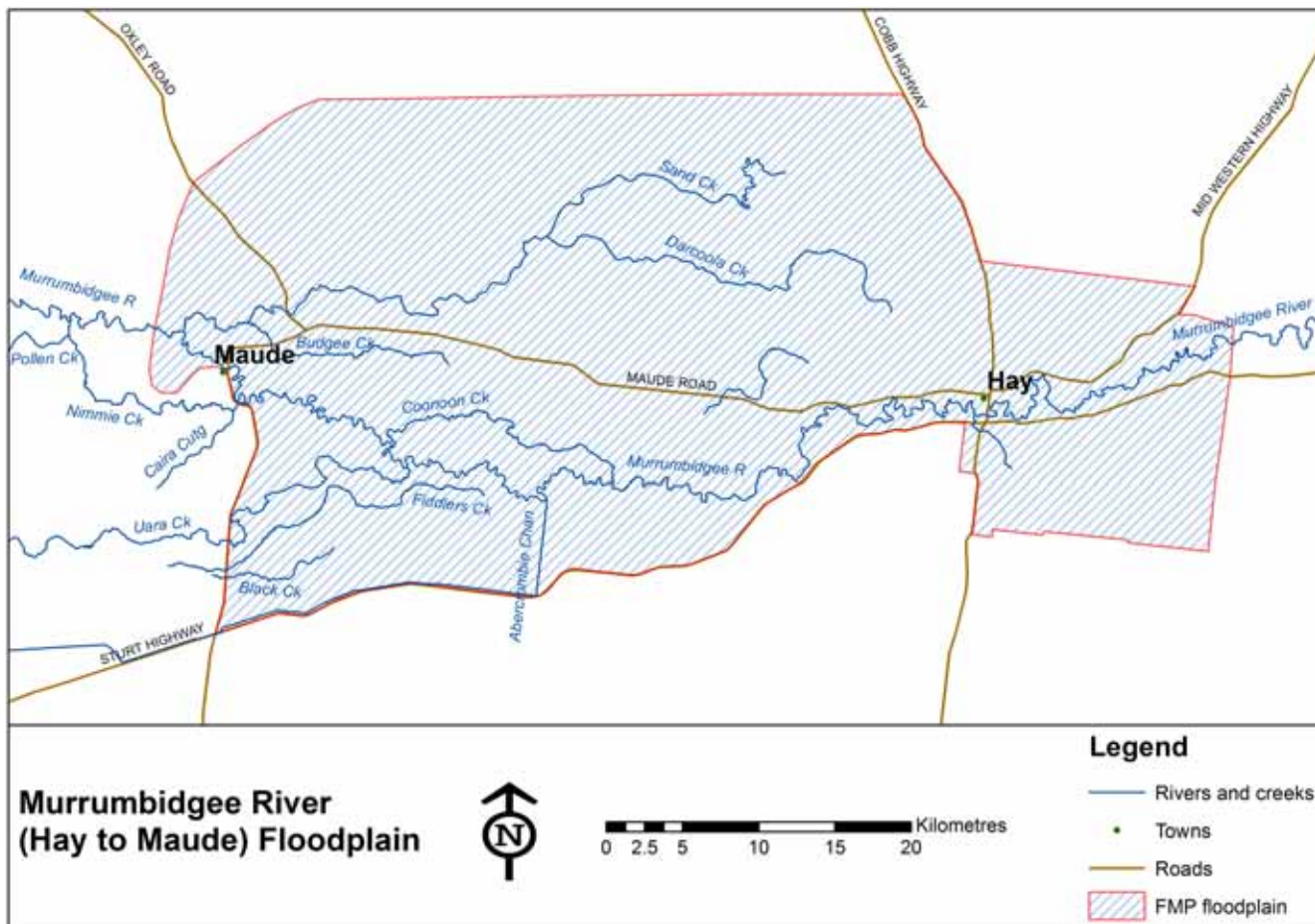
Notice under Section 166A of the Water Act 1912

**Adoption of Floodplain Management Plan
Murrumbidgee River (Hay to Maude) Floodplain Management Plan**

PURSUANT to section 166A of the Water Act 1912, and having considered the matters set out in section 166C of the Act, the Water Administration Ministerial Corporation has adopted the Murrumbidgee River (Hay to Maude) as a floodplain management plan for the lands set out in the Schedule to this Notice.

SCHEDULE

The Murrumbidgee River (Hay to Maude) Floodplain being the area situated in New South Wales, shown on the map hereunder.



Larger maps of the area and exclusions to which this notice relates are available for public inspection during office hours at the Wagga Wagga and Deniliquin offices of the NSW Office of Water.

WATER ACT 1912

Order under Section 166(1)

Designation of Floodplain Area – Murrumbidgee River (Hay to Maude) Floodplain

THE Water Administration Ministerial Corporation, by this Order pursuant to section 166(1) of Part 8 of the Water Act 1912, designates the lands set out in the Schedule to this Notice as a floodplain which is to be known as the Murrumbidgee River (Hay to Maude) Floodplain.

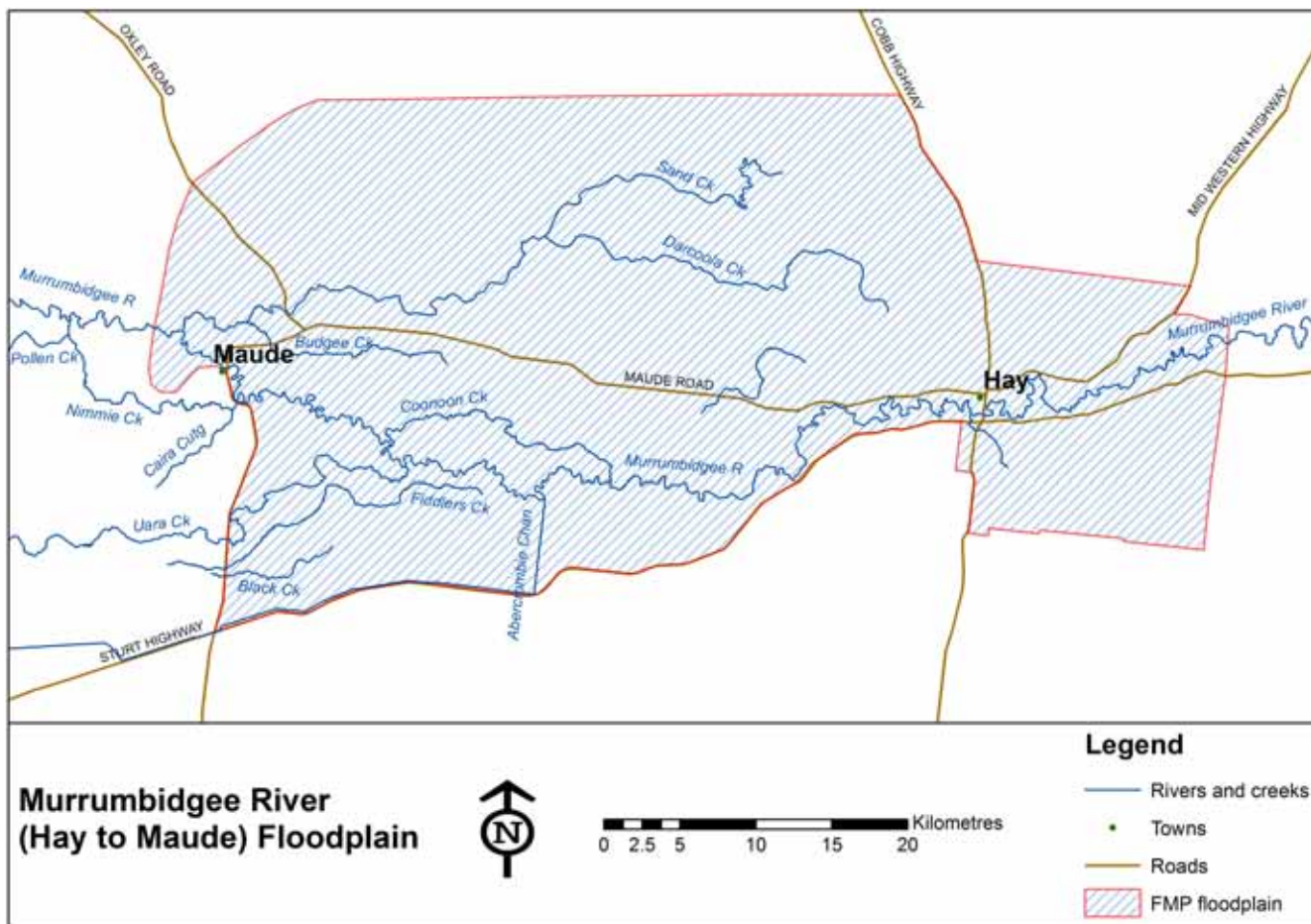
Dated at Sydney, this 28th day of April 2014.

DAVID HARRISS,
Commissioner,
NSW Office of Water

Signed for the Minister of Primary Industries (by delegation)

SCHEDULE

The Murrumbidgee River (Hay to Maude) Floodplain being the area situated in New South Wales, shown on the map hereunder.



Larger maps of the area and exclusions to which this notice relates are available for public inspection during office hours at the Wagga Wagga and Deniliquin offices of the NSW Office of Water.

Other Notices

ASSOCIATIONS INCORPORATION ACT 2009

Cancellation of Registration pursuant to Section 80

TAKE notice that NEUROSURGICAL SOCIETY OF AUSTRALASIA INC (Y0531448), became registered under the Corporations Act 2001, as NEUROSURGICAL SOCIETY OF AUSTRALASIA LIMITED – ACN 167 861 805, a public company limited by guarantee on 6 March 2014 and accordingly its registration under the Associations Incorporation Act 2009, is cancelled as of that date.

Dated: 3 June 2014.

ROBYNE LUNNEY,
Delegate of the Commissioner,
NSW Fair Trading

Dated this 3rd day of June 2014.

R. O. BLANCH,
Chief Judge

ASSOCIATIONS INCORPORATION ACT 2009

Cancellation of Registration pursuant to Section 80

TAKE notice that MEN OF FOOTBALL INCORPORATED (INC9879249), became registered under the Corporations Act 2001, as MEN OF FOOTBALL LTD – ACN 169 524 752, a public company limited by guarantee on 13 May 2014 and accordingly its registration under the Associations Incorporation Act 2009, is cancelled as of that date.

Dated: 3 June 2014.

ROBYNE LUNNEY,
Delegate of the Commissioner,
NSW Fair Trading

ELECTRICITY GENERATOR ASSETS (AUTHORISED TRANSACTIONS) ACT 2012

LAND ACQUISITION (JUST TERMS COMPENSATION) ACT 1991

Notice of Compulsory Acquisition of Land
for purposes of the Act

THE Electricity Assets Ministerial Holding Corporation, with the approval of Her Excellency the Governor, declares that the easements described in the Schedule below are acquired by compulsory process under the provisions of the Land Acquisition (Just Terms Compensation) Act 1991, for the purposes of the Electricity Generator Assets (Authorised Transactions) Act 2012.

Dated at Sydney, this 15th day of May 2014.

MICHAEL BAIRD,
Treasurer for
Electricity Assets Ministerial Holding Corporation

SCHEDULE

Easements Only

All that piece or parcel of land situated in the Parish of Omadale, the County of Durham and the Local Government Area of Upper Hunter being part of the land comprised in Lot 1 in Deposited Plan 822156, described as Folio Identifier 1/822156 shown as “Proposed Easement for transmission line 45 wide” designated “B” on Deposited Plan 1191383.

The terms and conditions of these easements are those set out in Memorandum filed at Land and Property Information as No. AI493124.

All that piece or parcel of land situated in the Parish of Mamaran, the County of Durham and the Local Government Area of Upper Hunter being part of the land comprised in Lot 2 in Deposited Plan 135010, described as part of Auto Consol 10028-215 shown as “Proposed Easement for transmission line 45 wide” designated “B” on Deposited Plan 1191366.

The terms and conditions of these easements are those set out in Memorandum filed at Land and Property Information as No. AI493124.

All that piece or parcel of land situated in the Parish of Mamaran, the County of Durham and the Local Government Area of Upper Hunter being part of the land comprised in Lot 6 in Deposited Plan 135010, described as part of Auto Consol 10028-215 shown as “Proposed Easement for transmission line 45 wide” designated “B” on Deposited Plan 1191366.

The terms and conditions of these easements are those set out in Memorandum filed at Land and Property Information as No. AI493124.

All that piece or parcel of land situated in the Parish of Mamaran, the County of Durham and the Local Government Area of Upper Hunter being part of the land comprised in Lot 7 in Deposited Plan 135010, described as part of Auto Consol 10028-215 shown as “Proposed Easement for transmission line 45 wide” designated “B” on Deposited Plan 1191366.

CO-OPERATIVES NATIONAL LAW

Section 71(1)

Class Exemption under section 71(1)
(Applicable only to Distributing Co-operatives)

I, ROBERT VELLAR, Acting Registrar of Co-operatives, hereby exempt the following classes of co-operatives from the provisions of Division 2 of Part 2.4 of the Co-operatives National Law (NSW):

1. Co-operatives that have a minimum share subscription equal to or less than \$200.00.

Minimum share subscription is calculated by the minimum number of shares required to be held by a member multiplied by the nominal value of the shares.

2. Co-operatives that are listed on the Australian Stock Exchange, or are otherwise subject to the requirements of continuous disclosure under the Corporations Act 2001.

Dated this 12 day of May 2014, at Sydney, New South Wales.

ROBERT VELLAR,
Acting Registrar of Co-operatives

DISTRICT COURT ACT 1973

District Court of New South Wales

Direction

PURSUANT to section 173 of the District Court Act 1973, I direct that the District Court shall sit in its criminal jurisdiction at the place and time shown as follows:

Lismore, 10:00 a.m., 23 June 2014 (1 week).

The terms and conditions of these easements are those set out in Memorandum filed at Land and Property Information as No. AI493124.

All that piece or parcel of land situated at Sandy Creek in the Parish of Rowan, the County of Durham and the Local Government Area of Muswellbrook being part of the land comprised in Lot 42 in Deposited Plan 1112699, described as Folio Identifier 42/1112699 shown as "Proposed Easement for transmission line 45 wide" designated "C" on Deposited Plan 1191373.

The terms and conditions of these easements are those set out in Memorandum filed at Land and Property Information as No. AI493124.

All that piece or parcel of land situated at Muswellbrook in the Parish of Rowan, the County of Durham and the Local Government Area of Muswellbrook being part of the land comprised in Lot 1 in Deposited Plan 1164279, described as Folio Identifier 1/1164279 shown as "Proposed Easement for transmission line 45 wide" designated "C" on Deposited Plan 1191373.

The terms and conditions of these easements are those set out in Memorandum filed at Land and Property Information as No. AI493124.

All that piece or parcel of land situated in the Parish of Rowan, the County of Durham and the Local Government Area of Muswellbrook being part of the land comprised in Lot 49 in Deposited Plan 752484, described as Folio Identifier 49/752484 shown as "Proposed Easement for transmission line variable width" designated "B" on Deposited Plan 1191376.

The terms and conditions of these easements are those set out in Memorandum filed at Land and Property Information as No. AI493124.

GEOGRAPHICAL NAMES ACT 1966

Notice of Proposal to Rename an Address Locality from Argyle to Metz in the Armidale Dumaresq Local Government Area

PURSUANT to the provisions of section 8 of the Geographical Names Act 1966, the Geographical Names Board hereby notifies that it proposes to rename an address locality from Argyle to Metz in the Armidale Dumaresq Local Government Area as shown on map GNB3760-2-A.

Map GNB3760-2-A may be viewed at the Council Administration Building at 135 Rusden Street, Armidale and the Armidale Library at 122 Faulkner Street, Armidale, from Friday, 6 June until Monday, 7 July 2014.

A copy of map GNB3760-2-A will also be on display at the office of the Geographical Names Board, Land and Property Information, 346 Panorama Avenue, Bathurst NSW 2795, during the above dates. Details of this proposal may also be viewed and submissions lodged on the Geographical Names Board's internet site at www.gnb.nsw.gov.au.

Any person wishing to make comment upon this proposal may, prior to Monday, 7 July 2014, write to the Secretary of the Board with that comment. In accordance with section 9 of the Geographical Names Act 1966, all submissions lodged may be subject to a freedom of information application

and may be viewed by third party to assist the Board in considering this proposal.

D. MOONEY,
Chairman

Geographical Names Board,
PO Box 143, Bathurst NSW 2795.

GEOGRAPHICAL NAMES ACT 1966

PURSUANT to the provisions of section 8 of the Geographical Names Act 1966, the Geographical Names Board hereby notifies that it proposes to assign the name:

Moyangul as a Historic Area located along the "Bundian Way" in the Snowy River Local Government Area.

The position and the extent for these features are recorded and shown within the Geographical Names Register of New South Wales. The proposal can be viewed and submissions can be lodged on the Geographical Names Board website at (www.gnb.nsw.gov.au) from Tuesday, 10 June until Thursday, 10 July 2014.

Otherwise submissions can be written to the secretary, Geographical Names Board, 346 Panorama Avenue, Bathurst NSW 2795, during the above dates.

Any person wishing to make comment upon this proposal may, prior to Thursday, 10 July 2014, write to the Secretary of the Board with that comment. In accordance with section 9 of the Geographical Names Act 1966, all submissions lodged may be subject to a freedom of information application and may be viewed by third party to assist the Board in considering this proposal.

D. MOONEY,
Chairman

Geographical Names Board,
PO Box 143, Bathurst NSW 2795.

GEOGRAPHICAL NAMES ACT 1966

PURSUANT to the provisions of section 8 of the Geographical Names Act 1966, the Geographical Names Board hereby notifies that it proposes to assign the names:

Bilgalera, *Beermuna* and *Turamullerer* to three historic Areas located along the "Bundian Way" in the Bega Valley Local Government Area.

The position and the extent for these features are recorded and shown within the Geographical Names Register of New South Wales. The proposal can be viewed and submissions can be lodged on the Geographical Names Board website at (www.gnb.nsw.gov.au) from Tuesday, 10 June until Thursday, 10 July 2014.

Otherwise submissions can be written to the secretary, Geographical Names Board, 346 Panorama Avenue, Bathurst NSW 2795, during the above dates.

Any person wishing to make comment upon this proposal may, prior to Thursday, 10 July 2014, write to the Secretary of the Board with that comment. In accordance with section 9 of the Geographical Names Act 1966, all submissions lodged may be subject to a freedom of information application and may be viewed by third party to assist the Board in considering this proposal.

D. MOONEY,
Chairman

Geographical Names Board,
PO Box 143, Bathurst NSW 2795.

GEOGRAPHICAL NAMES ACT 1966

Notice of Proposal to dual name
Mount Imlay with Balawan

PURSUANT to the provisions of section 8 of the Geographical Names Act 1966, the Geographical Names Board hereby notifies that it proposes to assign the name:

Balawan as a dual name for Mount Imlay in the Bega Valley Local Government. Both names will be entered into the Geographical Names Register as dual names and **neither name will have precedence over the other.**

The proposal can be viewed and submissions can be lodged on the Geographical Names Board website at (www.gnb.nsw.gov.au) from Tuesday, 10 June until Thursday, 10 July 2014.

Otherwise submissions can be written to the secretary, Geographical Names Board, 346 Panorama Avenue, Bathurst NSW 2795, during the above dates.

Any person wishing to make comment upon this proposal may, prior to Thursday, 10 July 2014, write to the Secretary of the Board with that comment. In accordance with section 9 of the Geographical Names Act 1966, all submissions lodged may be subject to a freedom of information application and may be viewed by third party to assist the Board in considering this proposal.

D. MOONEY,
Chairman

Geographical Names Board,
PO Box 143, Bathurst NSW 2795.

GEOGRAPHICAL NAMES ACT 1966

PURSUANT to the provisions of section 8 of the Geographical Names Act 1966, the Geographical Names Board hereby notifies that it proposes to assign the name:

Auburn Memorial Park to a Reserve bounded by Rawson Street and Station Road in the Auburn Local Government Area.

The position and the extent for these features are recorded and shown within the Geographical Names Register of New South Wales. The proposal can also be viewed and submissions can be lodged on the Geographical Names Board website at (www.gnb.nsw.gov.au) from Tuesday, 10 June until Thursday, 10 July 2014.

Otherwise submissions can be written to the secretary, Geographical Names Board, 346 Panorama Avenue, Bathurst NSW 2795, during the above dates.

Any person wishing to make comment upon this proposal may, prior to Thursday, 10 July 2014, write to the Secretary of the Board with that comment. In accordance with section 9 of the Geographical Names Act 1966, all submissions lodged may be subject to a freedom of information application and may be viewed by third party to assist the Board in considering this proposal.

D. MOONEY,
Chairman

Geographical Names Board,
PO Box 143, Bathurst NSW 2795.

GEOGRAPHICAL NAMES ACT 1966

PURSUANT to the provisions of section 8 of the Geographical Names Act 1966, the Geographical Names Board hereby notifies that it proposes to amend the address locality boundary between Cobbadah and Dinoga in the Gwydir Local Government Area as shown on map GNB5030-6-A.

Copies of map GNB5030-6-A should be placed on display at the Council Administration Building at 33 Maitland Street, Bingara and 54 Hope Street, Warialda, from Tuesday, 10 June 2014 until Thursday, 10 July 2014.

A copy of map GNB5030-6-A will also be on display at the office of the Geographical Names Board, Land and Property Information, 346 Panorama Avenue, Bathurst NSW 2795, during the above dates. Details of this proposal may also be viewed and submissions lodged on the Geographical Names Board's internet site at www.gnb.nsw.gov.au.

Any person wishing to make comment upon this proposal may, prior to Thursday, 10 July 2014, write to the Secretary of the Board with that comment. In accordance with section 9 of the Geographical Names Act 1966, all submissions lodged may be subject to a freedom of information application and may be viewed by third party to assist the Board in considering this proposal.

D. MOONEY,
Chairman

Geographical Names Board,
PO Box 143, Bathurst NSW 2795.

GEOGRAPHICAL NAMES ACT 1966

PURSUANT to the provisions of section 8 of the Geographical Names Act 1966, the Geographical Names Board hereby notifies that it proposes to amend the address locality boundary between Croppa Creek and North Star in the Gwydir Local Government Area as shown on map GNB5030-6-A.

Copies of map GNB5030-6-A should be placed on display at the Council Administration Building at 33 Maitland Street, Bingara and 54 Hope Street, Warialda, from Wednesday, 11 June 2014 until Friday, 11 July 2014.

A copy of map GNB5030-6-A will also be on display at the office of the Geographical Names Board, Land and Property Information, 346 Panorama Avenue, Bathurst NSW 2795, during the above dates. Details of this proposal may also be viewed and submissions lodged on the Geographical Names Board's internet site at www.gnb.nsw.gov.au.

Any person wishing to make comment upon this proposal may, prior to Friday, 11 July 2014, write to the Secretary of the Board with that comment. In accordance with section 9 of the Geographical Names Act 1966, all submissions lodged may be subject to a freedom of information application and may be viewed by third party to assist the Board in considering this proposal.

D. MOONEY,
Chairman

Geographical Names Board,
PO Box 143, Bathurst NSW 2795.

GEOGRAPHICAL NAMES ACT 1966

PURSUANT to the provisions of section 10 of the Geographical Names Act 1966, the Geographical Names Board has this day assigned the names listed hereunder as geographical names:

Assigned Name: Grass Tree Grove.
Designation: Reserve.
L.G.A.: Port Stephens Council.
Parish: Sutton.
County: Gloucester.
L.P.I. Map: Karuah.
1:100,000 Map: Newcastle 9232.
Reference: GNB 5687.

Assigned Name: Greengate Park.
Designation: Reserve.
L.G.A.: Ku-ring-gai Council.
Parish: Gordon.
County: Cumberland.
L.P.I. Map: Parramatta River.
1:100,000 Map: Sydney 9130.
Reference: GNB 5688.

Assigned Name: Aunty Mavis Halvorson Park.
Designation: Reserve.
L.G.A.: Blacktown City Council.
Parish: Rooty Hill.
County: Cumberland.
L.P.I. Map: Prospect.
1:100,000 Map: Penrith 9030.
Reference: GNB 5691.

The position and the extent for these features are recorded and shown within the Geographical Names Register of New South Wales. This information can be accessed through the Board's Web Site at www.gnb.nsw.gov.au.

D. MOONEY,
Chairman

Geographical Names Board,
PO Box 143, Bathurst NSW 2795.

INDUSTRIAL RELATIONS ACT 1996**CIVIL PROCEDURE ACT 2005**

Industrial Relations Commission of New South Wales
Practice Note No. 16

Issued pursuant to section 185A of the Industrial Relations Act 1996 and section 15 of the Civil Procedure Act 2005

Filing of Documents in Computer-Readable Format

1. The purposes of this Practice Note are:
 - (a) to facilitate the processing of matters before the Industrial Relations Commission of New South Wales by providing for, encouraging and requiring that documentation filed in certain classes of matters by a party be accompanied by a copy of that documentation in computer-readable format;
 - (b) to provide for and encourage the use of technology in matters before the Commission; and
 - (c) to provide an appropriate foundation for further use of technology in proceedings before the Commission.
2. This Practice Note has effect from the date of issue. When it takes effect it will replace Practice Note No. 16.

3. Except as provided for by paragraph 7 of this Practice Note, it shall not apply to:
 - (a) proceedings under s 84 (Unfair Dismissal) or s 130 (Notification of Industrial Dispute) of the Industrial Relations Act 1996;
 - (b) proceedings under section 106 of the Industrial Relations Act 1996 **until such time** as a Certificate of Unsuccessful Conciliation is issued at which time **both parties** will be required to file, within a period of 28 days, a copy of all documentation filed in the proceedings in compliance with this Practice Note.
 - (c) parties to any matter who are not represented by a barrister, solicitor, agent or industrial organisation.
 - (d) annexures or attachments to documents which are not, or not readily, available in computer-readable format; or
 - (e) in respect of the following forms:
 - Notice of Appearance.
 - Notice of Discontinuance.
 - Appointment or Change of Solicitor or Agent.
 - Certificate pursuant to section 347 of the Legal Profession Act or undertaking to file such certificate.
 - Copies of Summons under section 165 of the Industrial Relations Act 1996 or Notices to Produce (Form 46).

4. For the purpose of this Practice Note:

"computer-readable format" means an electronic version of a document in such medium and in such format as to be compatible with, and readable by, the computer system of the Industrial Relations Commission of New South Wales from time to time and/or as specified by the Industrial Registrar or the Registrar's delegate from time to time.

"compatible with, and readable by" requires that documents be filed:

- (a) in one or more of the following formats:
 - (i) in the case of text, Microsoft Word (DOC) or Rich Text Format (RTF), or
 - (ii) in the case of images, Tagged Image Format (TIF), Graphical Image Format (GIF) or Joint Photographic Experts Group (JPG), or
 - (iii) when (i) or (ii) are not practical, in text-searchable Portable Document Format (PDF), and
- (b) in an electronic medium, that allows for the transfer of the document between computer systems, using:
 - (i) a data storage device (such as CD-ROM, DVD, USB flash drive), or
 - (ii) an electronic communication, unless otherwise specified, via email to the email addresses in paragraph 9

or is in such other format or medium as is approved for the time being by the Registrar.

"matter" means any proceedings heard or to be heard before the Commission.

"party" includes intervenor and any person, firm, corporation, or organisation appearing, or seeking to appear or intervene, in proceedings before the Commission.

5. A party to a matter before the Commission must file a copy of any document lodged in that matter in a computer-readable format at the time of filing of the document. The document provided by the party in electronic form shall contain the same text as the paper copy.

This paragraph requires, amongst other matters, that any party seeking orders to be made (for example, in respect of a matter where judgment has been delivered or where the Commission directs short minutes of orders to be filed) must, when filing the hard copy version of the proposed orders, also provide the document in a computer-readable format.

6. The electronic version of the documents filed in the proceedings are to be named, or labelled, for identification purposes and such name, or label, is to include the Matter Number when allocated, and an abbreviated Title of the document or proceedings.
7. Notwithstanding the foregoing, the Registrar or the Commission may, on application or otherwise, direct one or more parties to a matter to file, or to file and serve, all or any particular documentation in computer-readable format or may waive the obligations of any party from complying in whole or part with the requirements of this Practice Note.
8. In addition, the Registrar or the Commission may in any matter, where application is made therefor or in any case where it is considered appropriate, apply to the matter the terms of Supreme Court Practice Note SC Gen 7 (Supreme Court - Use of Technology, issued on 9 July 2008 in whole or in part, subject to conditions or otherwise). A link to Supreme Court Practice Note No SC Gen 7 is provided on the Commission's website.
9. In respect of the following class of matters the compliance with paragraph 5 of this Practice Note may be made by email transmission to the specified addresses below and the filing of a copy of the transmission report:
- matters to which Rule 6.3 of the Industrial Relations Commission Rules 2009 applies (this rule requires that a copy of an Award or Award Variation must be supplied in computer readable format) [by email to: irc_electronic_services@agd.nsw.gov.au]; and
- matters in which the Commission has directed that submissions of parties be filed [by email to: irc_client_services@agd.nsw.gov.au].

10. In respect of the matters to which paragraph 9 applies the subject heading to the email must include the following:
- Rule 6.3 matters: The title of the matter and the Commission file number in format year/file number, for example, IRC2004/1000.

Submissions: The title of the matter and the Commission file number in format year/file number, for example, IRC2004/1000.

11. Although it is essential that all aspects of this Practice Note are strictly observed it is of particular importance that requirements under Rule 6.3 (that the applicant must file a copy of the award in a computer-readable format) be complied within the time specified by the Commission when the Award or Variation is made as the Industrial Registry publishes such material on the NSW industrial relations website.

Dated: 30 May 2014.

WALTON, J.,
President

LOCAL LAND SERVICES REGULATION 2014

HUNTER LOCAL LAND SERVICES

Determination Concerning Catchment Contributions
1 July 2014 to 30 June 2015

Part 4 of the Local Land Services Regulation 2014

THE Hunter Local Land Services in accordance of PART 4 of the Local Land Services Regulation 2014, does hereby make the following determination in respect of the year commencing 1 July 2014:

- It proposes to raise \$3,940,000 by way of catchment contribution.
- The catchment contribution is to be levied on all rateable land within the Hunter Catchment Contribution area as delineated by maps held at the HLLS' offices.
- The basis of the catchment contribution is a rate based on land values provided by the appropriate local government councils.
- The catchment contribution rate for the year commencing 1 July 2014, will be 0.0109 of a cent in the dollar (land value).

Dated: 19 May 2014.

SUSAN HOOKE,
Chair

NATIONAL PARKS AND WILDLIFE ACT 1974

LAND ACQUISITION (JUST TERMS COMPENSATION) ACT 1991

Notice of Compulsory Acquisition

THE Minister for the Environment, with the approval of Her Excellency the Governor, declares that the land described in the Schedule below is acquired by compulsory process under the provisions of the Land Acquisition (Just Terms Compensation) Act 1991, for the purposes of the National Parks and Wildlife Act 1974.

The land is, on publication of this notice, vested in the Minister administering the National Parks and Wildlife Act 1974.

ROB STOKES, M.P.,
Minister for the Environment

SCHEDULE

Land District – Newcastle; L.G.A. – Lake Macquarie

County Northumberland, Parish Kahibah, 6929 square metres, being Lot 1, DP 1190916.

File No.: OEH/08/5150.

NATIONAL PARKS AND WILDLIFE ACT 1974

Notice of Reservation of a National Park

I, Her Excellency Professor The Honourable MARIE BASHIR, AC, CVO, Governor of the State of New South Wales, with the advice of the Executive Council, reserve the lands described in the Schedule below, as part of Popran National Park, under the provisions of section 30A(1) of the National Parks and Wildlife Act 1974.

Signed and sealed at Sydney, this 26th day of March 2014.

MARIE BASHIR,
Governor

By Her Excellency's Command,

ROBYN PARKER, M.P.,
Minister for the Environment.

GOD SAVE THE QUEEN!

SCHEDULE

Land District – Gosford; L.G.A. – Gosford

County Northumberland, Parish Cowan, 16.19 hectares,
being Lot 107, DP 755221.

File No.: OEH/11/13001.

PARKING SPACE LEVY REGULATION 2009

Clause 10

Notice of Determination of Base Rate

I, GLADYS BEREJIKLIAN, M.P., Minister for Transport, in accordance with Clause 10 of the Parking Space Levy Regulation 2009, specify that the base rate of the levy determined in accordance with Clause 8 of the Parking Space Levy Regulation 2009, being the base rate fixed for the financial year beginning 1 July 2014, is:

- (a) \$2,260, in relation to premises in a category 1 area; and
- (b) \$800, in relation to premises in a category 2 area.

Dated: 30 April 2014.

GLADYS BEREJIKLIAN, M.P.,
Minister for Transport

PASSENGER TRANSPORT REGULATION 2007

Clause 76(1)(c) – Designation of Routes
Order

Bus Passenger Services

Transport for NSW, pursuant to Clause 76 of the Passenger Transport Regulation 2007, does by this Order designate each of the following bus routes as a route for which a smartcard may be used.

Operator: Transdev NSW Pty Ltd.

Routes:

556	558	560	562	565	565U	571	572	573	575
576	576T	577	577P	579	582	586	587	5878	588
589	592	594	594H	595	596	597	598	599	

8001	8002	8003	8004	8005	8006	8008	8010	8013	8014
8015	8016	8017	8018	8019	8020	8021	8022	8024	8025
8026	8027	8028	8029	8030	8032	8033	8034	8035	8036
8037	8038	8039	8040	8042	8043	8044	8045	8046	8047
8048	8049	8050	8051	8052	8054	8055	8056	8057	8058

8059	8060	8061	8062	8063	8066	8067	8070	8071	8072
8073	8074	8076	8077	8091	8092	8098	8101	8102	8104
8105	8106	8107	8108	8109	8110				

9001	9002	9004	9005	9006	9007	9008	9009	9010	9012
9013	9014	9015	9016	9019	9020	9021	9022	9023	9024
9028	9029	9031	9033	9034	9036	9037	9038	9039	9040
9045	9046	9048	9049	9050	9051	9052	9053	9054	9055
9057	9059	9060	9061	9062	9063	9064	9065	9066	9067
9069	9070	9071	9072	9073	9074	9076	9077	9078	9079
9080	9081	9082	9083	9084	9085	9086	9087	9088	9089
9090	9091	9092	9093	9094	9096	9097	9098	9099	9101
9102	9103	9104	9105	9106	9107	9108	9109	9110	9111

N80	N90	N100
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Revocation of Previous Order and Date of Effect:

The previous designation of routes Order in respect of Transdev NSW Pty Ltd as Operator, dated 9 April 2014 and published in the *New South Wales Government Gazette* No. 35 of 11 April 2014, at page 1207, is revoked.

This Order takes effect on 6 June 2014.

Dated: 2 June 2014.

FERGUS GAMMIE,
Deputy Director-General,
Transport Services
(a Delegate of Transport for NSW)

PASSENGER TRANSPORT REGULATION 2007

Clause 76(1)(c) – Designation of Route
Order

Bus Passenger Services

Transport for NSW, pursuant to Clause 76 of the Passenger Transport Regulation 2007, does by this Order designate each of the following bus routes as a route for which a smartcard may be used:

Operator: Forest Coach Lines Pty Ltd.

Routes:

101	102	103	104	105	106	107
108	109	110	111	112	113	114
116	117	119	120	125	126	127
136	137	139	140	141	142	143
144	145	146	147	148	150	151
152	153	154	157	158	159	160
161	162	163	164	165	194	195
195/6	195S1	195S2	195S3	196	196S1	196S4
196S5	196S6	197				

201	202	203	204	205	206	207
208	210	211	212	213	214	215
216	217	218	219	220	221	222
223	224	225	226	227	229	230
231	232	233	235	236	237	238
239	240	241	242	243	244	245
246	247	248	249	250	251	252
253	254	256	258	259	260	261
262	263	264	265	267	268	269
270	271	272	273	274	275	276S
276S1	277	277S1	278	279	280	281
281S	282	283	284	286	287	288
289	290	291	294	297	298	

L70

Date of Effect:

This Order takes effect on 10 June 2014.

Dated: 1 June 2014.

FERGUS GAMMIE,
Deputy Director-General,
Transport Services
(a Delegate of Transport for NSW)

POISONS AND THERAPEUTIC GOODS ACT 1966

Order under Clause 175(1)
Poisons and Therapeutic Goods Regulation 2008

Withdrawal of Drug Authority

IN accordance with the provisions of Clause 175(1) of the Poisons and Therapeutic Goods Regulation 2008, an Order has been made on Mr Adam KENNEDY (PHA0001582846), of 52 Regulus Street, Erskine Park NSW 2759, prohibiting him until further notice, as a Pharmacist from supplying, having possession of, or manufacturing drugs of addiction as authorised by Clauses 101(1) and 102 of the Regulation.

This Order is to take effect on and from 6 June 2014.

Dr MARY FOLEY,
Secretary

Ministry of Health New South Wales.
Sydney, 2 June 2014.

PROTECTION OF THE ENVIRONMENT OPERATIONS ACT 1997

Publication of Exemption Granted under Section 284

NSW Sugar Milling Cooperative Ltd

THE following exemption is published by the Environment Protection Authority (EPA) in accordance with section 284 of the Protection of the Environment Operations Act 1997. Section 284 of the Act provides that the EPA may exempt a person or class of persons from a specified provision of the Act or Regulations under the Act. The Board of the EPA approves the making of the exemption.

Dated: 29 May 2014.

BARRY BUFFIER,
Chair and CEO,
Environment Protection Authority

PROTECTION OF THE ENVIRONMENT OPERATIONS ACT 1997

Order Granting Exemption under Section 284

Preamble

This Order grants a temporary exemption to permit NSW Sugar Milling Co-Operative Limited (SMC) to use native forest bio-material, which has been cleared for infrastructure provision, subdivision, housing development, road clearing, power line clearing and dam construction, as fuel to generate electricity. This clearing must have been approved under the NSW Environmental Planning and Assessment Act 1979, or the equivalent Queensland approvals.

The fuel is to be used at the Harwood sugar mill located on the NSW North Coast.

SMC has requested that the EPA Board considers, under section 284 (2) of the Protection of the Environment Operations Act 1997 (the Act), the granting of an exemption from clause 97 of the Regulation. Clause 97 which specifies that:

The occupier of any premises who causes or allows native forest bio-material to be burned in any electricity generating work in or on those premises is guilty of an offence.

Native forest bio-material is defined as the bio-material comprised in any native tree.

SMC has requested that the EPA Board considers a temporary exemption to permit the burning of native forest bio-material that is derived from developments that are approved under relevant planning legislation. This exemption application follows an earlier exemption approved by the EPA Board in 2010 in relation to the Broadwater and Condong cogeneration plants.

The exemption applies for five years from the date of gazettal of the exemption.

The order contains conditions that require SMC to notify the Environment Protection Authority, in advance, of each proposed source and the predicted volumes of native forest bio-material to be received from that source. SMC must also report at monthly intervals on the actual volume received from each source.

The Environment Protection Authority has reviewed the proposal and concluded that the use of native forest biomass in accordance with this exemption does not pose a significant risk to human health, property or the environment.

Background

- I. The NSW Sugar Milling Co-operative (SMC) operates the Harwood sugar mill (north of Grafton).
- II. The mill holds an Environment Protection Licence (EPL), issued by the Environment Protection Authority (EPA).

The Harwood sugar mill is capable of producing electricity for the sugar mill and exporting any surplus power to the power grid.

It was originally proposed that the sugar cane would be harvested green (unburnt) and the excess cane leaf / trash would be used as fuel. However various operational and financial issues have meant that sugar cane cannot be harvested green, which has eliminated this fuel source.

SMC has found it difficult to secure alternative fuels for the Harwood plant.

- III. Producers of electricity from renewable sources, such as SMC, are eligible to receive renewable energy credits (RECs) from the Office of Renewable Energy and Regulation (ORER).
- IV. SMC has advised the EPA that poor to very poor sugar cane crops in recent years, the depreciation in the value of RECs, the outstanding costs related to installing the cogeneration plants and the shortage of approved boiler fuel, have placed considerable financial stress on SMC.
- V. The Protection of the Environment Operations (General) Regulation 2009 (the Regulation) provides in clause 97 that the occupier of any premises who causes or allows native forest bio-material to be burned in any electricity generating work in or on those premises is guilty of an offence. This provision commenced in 2003.
- VI. SMC has requested a temporary exemption to use native forest bio-material that has been cleared as part of approved infrastructure provision, subdivision, housing development, road clearing, power line clearing and dam construction, as a fuel to generate renewable energy. Examples of these projects include the Pacific Highway Upgrade and major residential developments in south-east Queensland.
- VII. Sections 284 (1) and (2) (b) of the Protection of the Environment Operations Act 1997 provide that the EPA may exempt a person or class of persons from any specified provision of the Act or the regulations under the Act in circumstances where:
 - (i) the EPA is satisfied that it is not practicable to comply with the relevant provision or provisions, by implementing operational changes to plant or practices, and
 - (ii) the EPA is satisfied that non-compliance with the provision or provisions will not have any significant adverse effect on public health, property or the environment, and
 - (iii) the Board of the EPA approves the granting of the exemption.
- VIII. The EPA has concluded from its review of all relevant information that:
 - (i) the exemption will be restricted to native forest bio-material that is derived from developments that have received planning approval under the Environmental Planning and Assessment Act 1979 in NSW or the equivalent approvals in Queensland; and
 - (ii) no other appropriate fuel is immediately available and no plant or operational changes are achievable at present due to financial constraints; and
 - (iii) the exemption will allow SMC to continue operating and producing renewable energy, whilst concurrently identifying, securing and transitioning to an alternative fuel source and allowing time for cane yields to increase; and
 - (iv) there are no changes to the stack emissions expected and air quality monitoring will be undertaken to monitor this; and
 - (v) the temporary use of the native forest biomass will allow the Harwood plant to continue operating in the short term, in anticipation of sugar cane waste being able to be burnt in the longer term, which will be a more positive environmental outcome than the current practice of periodically using coal briquettes when wood waste isn't available for boiler fuel and burning of sugar cane crops pre-harvest in the field.
- IX. On 21 May 2014, the Board of the EPA approved the granting of the exemption, subject to the conditions outlined in the Exemption Order.

The Order

By this Order, the Environment Protection Authority (EPA), with the approval of the Board of the EPA, grants NSW Sugar Milling Co-Operative Ltd (SMC), ABN 52 051 052 209, an exemption from clause 97 of the Protection of the Environment Operations (General) Regulation 2009 (the Regulation) in relation to using native forest bio-material as a fuel for the Harwood sugar mill. The only native forest bio-material that may be used is that which has been cleared in accordance with a current planning approval that has been issued by the relevant government authority in NSW or Queensland.

The exemption applies for five years from the date on which the Order is gazetted.

The EPA is satisfied that:

- (a) It is not practicable for SMC to implement operational changes to the plant or practices at this time to comply with clause 97 of the Regulation as plant changes are not financially viable and this time and no alternative fuel source is available.
- (b) Non-compliance with clause 97 of the Regulation will not have adverse effects on public health, property or the environment as the EPA considers the burning of native forest biomaterial to be of equal or better health and environmental consequences to other fuels currently used.

The exemption is granted under s284 of the Protection of the Environment Operations Act 1997 subject to the following conditions:

1. SMC must comply with all Environment Protection Licence conditions for the sugar mill.
2. No timber suitable for milling or other higher value uses may be used as fuel in the Harwood mill. The use of mulch/chips as erosion and sediment control and for landscaping on the clearing site/s is considered to be a 'other higher value use'.
3. SMC must provide the EPA with written notification, at least seven days in advance of receiving each source of native forest bio-material, of its intent to receive material. This notification must confirm the exact source of the material, the predicted volumes available, confirmation that it complies with the

terms of the exemption and Order and a copy of the relevant planning approval permitting the clearing, issued by the appropriate planning authority in the relevant State.

4. All native forest bio-material to be used must be sourced from clearing undertaken either in accordance with an approval issued under the Environmental Planning and Assessment Act 1979 in NSW or the equivalent approval from the relevant government authority for sources outside NSW. The exemption applies to approved sources of native forest bio-material, sourced from infrastructure provision, subdivision, housing development, road clearing, power line clearing and dam construction.
5. All fuel to be used must meet the requirements of the Commonwealth Office of the Renewable Energy Regulator and be eligible for Renewable Energy Credits.
6. SMC must keep records and must submit those records monthly to the EPA. These records must include details of the volume, source and type (chipped or logs) of all native forest biomaterial received from each source. Information for each source must be presented separately.

Dated: 29 May 2014.

BARRY BUFFIER,
Chair and CEO,
Environment Protection Authority

PROTECTION OF THE ENVIRONMENT OPERATIONS ACT 1997

Publication of Exemption Granted under Section 284

Cape Byron Management Pty Ltd

THE following exemption is published by the Environment Protection Authority (EPA) in accordance with section 284 of the Protection of the Environment Operations Act 1997. Section 284 of the Act provides that the EPA may exempt a person or class of persons from a specified provision of the Act or Regulations under the Act. The Board of the EPA approves the making of the exemption.

Dated: 29 May 2014.

BARRY BUFFIER,
Chair and CEO,
Environment Protection Authority

PROTECTION OF THE ENVIRONMENT OPERATIONS ACT 1997

Order Granting Exemption under Section 284

Preamble

This Order grants a temporary exemption to permit Cape Byron Management Pty Ltd to use native forest bio-material, which has been cleared for infrastructure provision, subdivision, housing development, road clearing, power line clearing and dam construction, as fuel to generate electricity. This clearing must have been approved under the NSW Environmental Planning and Assessment Act 1979, or the equivalent Queensland approvals.

The fuel is to be used at the Broadwater (south of Ballina) and Condong (north of Murwillumbah) cogeneration plants located on the NSW North Coast.

Cape Byron Management Pty Ltd has requested that the EPA Board considers, under section 284 (2) of the Protection of the Environment Operations Act 1997 (the Act), the granting of an exemption from clause 97 of the Regulation. Clause 97 which specifies that:

The occupier of any premises who causes or allows native forest bio-material to be burned in any electricity generating work in or on those premises is guilty of an offence.

Native forest bio-material is defined as the bio-material comprised in any native tree.

Cape Byron Management Pty Ltd has requested that the EPA Board considers a temporary exemption to permit the burning of native forest bio-material that is derived from developments that are approved under relevant planning legislation. This exemption application follows an earlier exemption approved by the EPA Board in 2010 for these facilities.

The exemption applies for five years from the date of gazettal of the exemption.

The order contains conditions that require Cape Byron Management Pty Ltd to notify the Environment Protection Authority, in advance, of each proposed source and the predicted volumes of native forest bio-material to be received from that source. Cape Byron Management Pty Ltd must also report at monthly intervals on the actual volume received from each source.

The Environment Protection Authority has reviewed the proposal and concluded that the use of native forest biomass in accordance with this exemption does not pose a significant risk to human health, property or the environment.

Background

- I. The NSW Sugar Milling Co-operative (SMC) operates three sugar mills; these are located at Condong (north of Murwillumbah), Broadwater (south of Ballina) and Harwood (north of Grafton). The Condong and Broadwater mills have electricity cogeneration facilities.
- II. Each mill holds an Environment Protection Licence (EPL), issued by the Environment Protection Authority (EPA). These licences have been separated to reflect the sugar milling operations (SMC), as distinct from the cogeneration operations (Cape Byron) at Condong and Broadwater.

Cape Byron Management Pty Ltd operates 30 Megawatt cogeneration plants at the Broadwater and Condong sugar mills which are capable of producing electricity sufficient to supply approximately 60,000 homes. These commenced operation in late 2008.

It was originally proposed that sugar cane would be harvested green (unburnt) and the excess cane leaf/trash would be used to fuel the cogeneration plants to generate electricity. However, difficulties in extracting sugar from green cane were encountered due to the increased bulk associated with processing the entire cane stalk unburnt. There is also a significant cost associated with building trash separation equipment to facilitate the extraction of the material for fuel. As a result SMC returned to burning sugar cane in the field and this has resulted in a fuel source shortage for the plants.

- III. Producers of electricity from renewable sources, such as Cape Byron Management Pty Ltd, are eligible to receive renewable energy credits (RECs) from the Office of Renewable Energy and Regulation (ORER).
- IV. Poor to very poor sugar cane crops in recent years, the depreciation in the value of RECs, the outstanding costs related to installing the cogeneration plants and the shortage of approved boiler fuel, have placed considerable financial stress on the cogeneration plants and the NSW sugar industry.
- The Sunshine Electricity Joint Venture (SEJV) was an unincorporated joint venture formed to construct and subsequently operate the two 30 Megawatt biomass cogeneration plants located at Broadwater and Condong Sugar Mills. The SEJV's financial performance suffered as a result of lower than forecast prices for black electricity and Renewable Energy Certificates and restrictions in availability of fuel sources (bagasse or sugar cane waste and wood) for the cogeneration plants in sufficient volume and at an economically viable price. As a result, the SEJV was placed in receivership and was subsequently acquired by another company.
- V. The Protection of the Environment Operations (General) Regulation 2009 (the Regulation) provides in clause 97 that the occupier of any premises who causes or allows native forest bio-material to be burned in any electricity generating work in or on those premises is guilty of an offence. This provision commenced in 2003.
- VI. Cape Byron Management Pty Ltd has requested a temporary exemption to use native forest bio-material, that has been cleared as part of approved infrastructure provision, subdivision, housing development, road clearing, power line clearing and dam construction, as a fuel to generate renewable energy. Examples of these projects include the Pacific Highway Upgrade and major residential developments in south-east Queensland.
- VII. Sections 284 (1) and (2) (b) of the Protection of the Environment Operations Act 1997 provide that the EPA may exempt a person or class of persons from any specified provision of the Act or the regulations under the Act in circumstances where:
- (i) the EPA is satisfied that it is not practicable to comply with the relevant provision or provisions, by implementing operational changes to plant or practices, and
 - (ii) the EPA is satisfied that non-compliance with the provision or provisions will not have any significant adverse effect on public health, property or the environment, and
 - (iii) the Board of the EPA approves the granting of the exemption.
- VIII. The EPA has concluded from its review of all relevant information that:
- (i) the exemption will be restricted to native forest bio-material that is derived from developments that have received planning approval under the Environmental Planning and Assessment Act 1979 in NSW or all the appropriate planning

approvals under relevant state legislation outside NSW; and

- (ii) no other appropriate fuel is immediately available and no plant or operational changes are achievable at present due to financial constraints; and
- (iii) the exemption will allow Cape Byron Management Pty Ltd to continue operating and producing renewable energy, whilst concurrently identifying, securing and transitioning to an alternative fuel source and allowing time for cane yields to increase; and
- (iv) there are no changes to the stack emissions expected and air quality monitoring will be undertaken to monitor this; and
- (v) the temporary use of the native forest biomass will allow the cogeneration plants to continue operating in the short term, in anticipation of sugar cane waste being able to be burnt in the longer term, which will be a more positive environmental outcome than the current practice of burning of sugar cane crops pre-harvest in the field.

- IX. On 21 May 2014, the Board of the EPA approved the granting of the exemption, subject to the conditions outlined in the Exemption Order.

The Order

By this Order, the Environment Protection Authority (EPA), with the approval of the Board of the EPA, grants Cape Byron Management Pty Ltd, ACN 165 320 445, an exemption from clause 97 of the Protection of the Environment Operations (General) Regulation 2009 (the Regulation) in relation to using native forest bio-material to generate electricity. This exemption applies to the cogeneration plants at Condong and Broadwater. The only native forest bio-material that may be used is that which has been cleared in accordance with a current planning approval that has been issued by the relevant government authority in NSW or Queensland.

The exemption applies for five years from the date on which the Order is gazetted.

The EPA is satisfied that:

- (a) It is not practicable for Cape Byron Management Pty Ltd to implement operational changes to the plant or practices at this time to comply with clause 97 of the Regulation as plant changes are not financially viable at this time and no alternative fuel source is available.
- (b) Non-compliance with clause 97 of the Regulation will not have adverse effects on public health, property or the environment as the EPA considers the burning of native forest biomaterial to be of equal or better health and environmental consequences to other fuels currently used.

The exemption is granted under section 284 of the Protection of the Environment Operations Act 1997 subject to the following conditions:

1. Cape Byron Management Pty Ltd must comply with all Environment Protection Licence conditions for each cogeneration plant.
2. No timber suitable for milling or other higher value uses may be used as fuel in the cogeneration plants.

The use of mulch/chips as erosion and sediment control and for landscaping on the clearing site/s is considered to be a 'other higher value use'.

3. Cape Byron Management Pty Ltd must provide the EPA with written notification, at least seven days in advance of receiving each source of native forest bio-material, of its intent to receive material. This notification must confirm the exact source of the material, the predicted volumes available, confirmation that it complies with the terms of the exemption and Order and a copy of the relevant planning approval permitting the clearing, issued by the appropriate planning authority in the relevant State.
4. All native forest bio-material to be used must be sourced from clearing undertaken either in accordance with an approval issued under the Environmental Planning and Assessment Act 1979 in NSW or the equivalent approval from the relevant government authority for sources outside NSW. The exemption applies to approved sources of native forest bio-material, which is sourced from infrastructure provision, subdivision, housing development, road clearing, power line clearing and dam construction.
5. All fuel to be used must meet the requirements of the Commonwealth Office of the Renewable Energy Regulator and be eligible for Renewable Energy Credits.
6. Cape Byron Management Pty Ltd must keep records and must submit those records monthly to the EPA. These records must include details of the volume, source and type (chipped or logs) of all native forest biomaterial received from each source. Information for each source must be presented separately.

Dated: 29 May 2014.

BARRY BUFFIER,
Chair and CEO,
Environment Protection Authority

TRANSPORT ADMINISTRATION ACT 1988

LAND ACQUISITION (JUST TERMS COMPENSATION) ACT 1991

Notice of Compulsory Acquisition of Land for the
Purposes of the Rail Corporation New South Wales

RAIL CORPORATION NEW SOUTH WALES, with the approval of Her Excellency the Governor, declares that all the freehold interest described in the Schedule 1 and all the interest in land described in Schedule 2, Schedule 3, Schedule 4 and Schedule 5 of this notice hereto is acquired by compulsory process under the provisions of the Land Acquisition (Just Terms Compensation) Act 1991, for the purposes of Rail Corporation New South Wales, as authorised by the Transport Administration Act 1988, being for rail facilities in connection with the Southern Sydney Freight Line.

The Minister responsible for Rail Corporation New South Wales is satisfied that Rail Corporation New South Wales requires immediate vacant possession of the land described in the Schedule.

Dated this 30th day of May 2014.

HOWARD COLLINS,
A/Chief Executive

SCHEDULE 1

(Land)

All that piece or parcel of land situate at Campbelltown, in the Local Government Area of Campbelltown, Parish of St Peter, County of Cumberland and State of New South Wales, being Lot 102 in Deposited Plan 1183297, having an area of 125.5 square metres and said to be in the possession of SWANSILK PTY LIMITED.

All that piece or parcel of land situate at Campbelltown, in the Local Government Area of Campbelltown, Parish of St Peter, County of Cumberland and State of New South Wales, being Lot 103 in Deposited Plan 1183297, having an area of 146.7 square metres or thereabouts and said to be in the possession of SAMOAN ASSEMBLY OF GOD CAMPBELLTOWN INCORPORATED.

All that piece or parcel of land situate at Campbelltown, in the Local Government Area of Campbelltown, Parish of St Peter, County of Cumberland and State of New South Wales, being Lots 104 and 105 in Deposited Plan 1183297, having an area of 238.7 square metres and said to be in the possession of WIN CORPORATION PTY LIMITED.

All that piece or parcel of land situate at Campbelltown, in the Local Government Area of Campbelltown, Parish of St Peter, County of Cumberland and State of New South Wales, being Lot 106 in Deposited Plan 1183297, having an area of 211.4 square metres and said to be in the possession of PEDDER NOMINEES PTY LTD.

All that piece or parcel of land situate at Campbelltown, in the Local Government Area of Campbelltown, Parish of St Peter, County of Cumberland and State of New South Wales, being Lot 107 in Deposited Plan 1183297, having an area of 125.6 square metres and said to be in the possession of Peter Roy CLEAVER and Shayne Elizabeth CLEAVER as joint tenants.

All that piece or parcel of land situate at Campbelltown, in the Local Government Area of Campbelltown, Parish of St Peter, County of Cumberland and State of New South Wales, being Lot 108 in Deposited Plan 1183297, having an area of 98 square metres and said to be in the possession of Leslie James TAYLOR and Susanne TAYLOR as tenants in common in equal shares.

All that piece or parcel of land situate at Campbelltown, in the Local Government Area of Campbelltown, Parish of St Peter, County of Cumberland and State of New South Wales, being Lot 109 in Deposited Plan 1183297, having an area of 171.6 square metres and said to be in the possession of Esther Lorraine PRIDHAM.

All that piece or parcel of land situate at Campbelltown, in the Local Government Area of Campbelltown, Parish of St Peter, County of Cumberland and State of New South Wales, being Lot 101 in Deposited Plan 1183297, being part of Bagdally Road, having an area of 88.3 square metres and said to be in the possession of CAMPBELLTOWN CITY COUNCIL.

All that piece or parcel of land situate at Campbelltown, in the Local Government Area of Campbelltown, Parish of St Peter, County of Cumberland and State of New South Wales, being Lot 100 in Deposited Plan 1190428, being a part of Narellan Road, having an area of 30.16 square metres and said to be in the possession of CAMPBELLTOWN CITY COUNCIL.

All that piece or parcel of land situate at Minto, in the Local Government Area of Campbelltown, Parish of Minto, County of Cumberland and State of New South Wales, being Lot 1 in Deposited Plan 1190271, being part of Somerset Street, having an area of 817.4 square metres or thereabouts and said to be in the possession of CAMPBELLTOWN CITY COUNCIL.

All that piece or parcel of land situate at Leumeah, in the Local Government Area of Campbelltown, Parish of St Peter, County of Cumberland and State of New South Wales, being Lots 1 and 3 in Deposited Plan 1190264, having an area of 314.7 square metres or thereabouts and said to be in the possession of CAMPBELLTOWN CITY COUNCIL.

All that piece or parcel of land situate at Leumeah, in the Local Government Area of Campbelltown, Parish of St Peter, County of Cumberland and State of New South Wales, being Lots 52 to 59 inclusive in Deposited Plan 1190273, having an area of 1208.6 square metres or thereabouts and said to be in the possession of CAMPBELLTOWN CITY COUNCIL.

All that piece or parcel of land situate at Casula, in the Local Government Area of Liverpool, Parish of St Luke, County of Cumberland and State of New South Wales, being Lot 100 in Deposited Plan Plan 1190263, having an area of 21.3 square metres or thereabouts and said to be in the possession of LIVERPOOL CITY COUNCIL.

SCHEDULE 2

(Interest in Land for Easement for Transmission Line)

Easement rights on terms set out in Schedule 3, described hereunder as:

All that piece or parcel of land situate at Liverpool, in the Local Government Area of Liverpool, Parish of St Luke, County of Cumberland and State of New South Wales, shown in Deposited Plan 1190269 as '(B) PROPOSED EASEMENT FOR TRANSMISSION LINE VARIABLE WIDTH' over part of Lot 7 in Deposited Plan 247485 and said to be in the possession of Danica BRCIC.

All that piece or parcel of land situate at Liverpool, in the Local Government Area of Liverpool, Parish of St Luke, County of Cumberland and State of New South Wales, shown in Deposited Plan 1190269 as '(B) PROPOSED EASEMENT FOR TRANSMISSION LINE VARIABLE WIDTH' over part of Lot 8 in Deposited Plan 247485 and said to be in the possession of Peter Norman WATERS and Robert James MASON as tenants in common in equal shares.

All that piece or parcel of land situate at Liverpool, in the Local Government Area of Liverpool, Parish of St Luke, County of Cumberland and State of New South Wales, shown in Deposited Plan 1190269 as '(B) PROPOSED EASEMENT FOR TRANSMISSION LINE VARIABLE WIDTH' over part of Lot 5 in Strata Plan 70274 and said to be in the possession of ATKINSON PROPERTIES PTY LIMITED.

All that piece or parcel of land situate at Liverpool, in the Local Government Area of Liverpool, Parish of St Luke, County of Cumberland and State of New South Wales, shown in Deposited Plan 1190269 as '(B) PROPOSED EASEMENT FOR TRANSMISSION LINE VARIABLE WIDTH', over part of the Common Property of Strata Plan 30264 and said to be in the possession of THE OWNERS OF STRATA PLAN NUMBER 30264.

SCHEDULE 3

Easement Rights

1. The Prescribed Authority and its authorised users may:
 - (a) erect, construct, place, repair, renew, maintain, use and remove Electricity Supply Works on the surface, under-surface or subsoil of the Easement Area and in the airspace above the Easement Area and any Electricity Supply Works located on land adjacent to or in the vicinity of the Easement Area for the purpose of transmission of electricity for any Rail Activities from time to time;
 - (b) have any wires or cables forming part of Electricity Supply Works located on land adjacent to or in the vicinity of the Easement Area to encroach into the airspace of the Easement Area from time to time and at any time for the purpose of transmission of electricity for any Rail Activities from time to time;
 - (c) have unimpeded access to the Easement Area at all times and by any reasonable means, go onto, remain on, and pass and re-pass across the Land, but only within the Easement Area, to exercise any rights or comply with any obligations under this easement;
 - (d) cut, trim or lop trees and other growth or foliage and to remove any other obstruction of any kind which encroaches onto the Easement Area and which is likely to, or will, interfere with any rights of the Prescribed Authority for the purposes listed in paragraphs (a) and (b); and
 - (e) install a lock on any gate restricting access to the Easement Area or the Land erected at any time. The Prescribed Authority and its authorised users must be able to gain access to the Easement Area at all times despite the installation of any other lock on that gate.
 - (f) enter and occupy the Easement Area and do anything reasonably necessary for that purpose, including for example:
 - (i) take anything onto the Land;
 - (ii) enter with or without vehicles, plant or equipment;
 - (iii) park vehicles and store plant, equipment and other items within the Easement Area;
 - (g) must:
 - (i) cause as little damage as is practicable to the Land and any improvement on it;
 - (ii) without limiting paragraph (i), take all reasonable precautions to ensure as little disturbance as possible to the surface of the Easement Area and restore the surface as nearly as practical to its original condition; and
 - (iii) make good any damage caused by the Prescribed Authority or its authorised users.

2. Ownership of Electricity Supply Works

The Electricity Supply Works remains the property of, and are owned by, the Prescribed Authority at all times, whether or not affixed to the Land or any part of the Land at any time.

The name of the person empowered to release, vary or modify the easement for electricity purposes:

The Prescribed Authority.

The following definitions apply to this easement:

Easement Area means the area of the land described in Schedule 2, and affected by this easement.

Electricity Supply Works means electricity transmission mains, wires, cables, towers, poles and ancillary works associated with any Rail Activities.

Prescribed Authority means Rail Corporation New South Wales and includes its successors, assigns and transferees.

Railway Activities means the establishment, operation, maintenance and expansion of a passenger and freight train railway including:

- (a) the operation of passenger and freight trains as required from time to time;
- (b) the operation, testing, renewal, replacement, repair, maintenance and upgrading of infrastructure facilities necessary or desirable for the efficient operation of passenger and freight trains; and
- (c) the development, maintenance and upgrading of railway stations or access or facilities for the public to access such stations.

SCHEDULE 4

(Interest in Land for Easement for Right of Carriageway)

Easement rights on terms set out in Schedule 5, described hereunder as:

All that piece or parcel of land situate at Chester Hill, in the Local Government Area of Bankstown, Parish of Liberty Plains, County of Cumberland and State of New South Wales, shown in Deposited Plan 1190270 as '(A) PROPOSED RIGHT OF CARRIAGEWAY, 4.0 WIDE over part of Lot 8 in Deposited Plan 1039882 and said to be in the possession of Tong Hong CHUNG and Tung Hui CHUNG as tenants in common in equal shares.

All that piece or parcel of land situate Minto, in the Local Government Area of Campbelltown, Parish of Minto, County of Cumberland and State of New South Wales, shown in Deposited Plan 1190266 as '(A) PROPOSED RIGHT OF CARRIAGEWAY, ACCESS 6.8 WIDE AND VARIABLE WIDTH' over part of Lot 231 in Deposited Plan 255701 and said to be in the possession of ENDEAVOUR ENERGY.

All that piece or parcel of land situate at Ingleburn, in the Local Government Area of Campbelltown, Parish of Minto, County of Cumberland and State of New South Wales, shown in Deposited Plan 1190265 as '(A) PROPOSED RIGHT OF CARRIAGEWAY, VARIABLE WIDTH' over part of Lot 136 in Deposited Plan 804256 and said to be in the possession of ASCIANO PROPERTIES OPERATIONS PTY. LTD.

All that piece or parcel of land situate at Ingleburn, in the Local Government Area of Campbelltown, Parish of Minto, County of Cumberland and State of New South Wales, shown in Deposited Plan 1190265 as '(A) PROPOSED RIGHT OF CARRIAGEWAY, VARIABLE WIDTH' over part of Lot 53 in Deposited Plan 775608 and said to be in the possession of Michele Domenico DI RE and Rosa Maria DI RE as joint tenants.

All that piece or parcel of land situate at Ingleburn, in the Local Government Area of Campbelltown, Parish of Minto, County of Cumberland and State of New South Wales, shown in Deposited Plan 1190265 as '(A) PROPOSED RIGHT OF CARRIAGEWAY, VARIABLE WIDTH' over part of Lot 512 in Deposited Plan 1046634 and said to be in the possession of SPAFCO HOLDINGS PTY. LIMITED.

SCHEDULE 5

Easement Rights

The Prescribed Authority and its authorised users will have: full and free right for the Prescribed Authority in whose favour this easement is created, and every person authorised by it, to go, pass and repass at all times and for all purposes with or without animals or vehicles or both over the land indicated herein as the servient tenement.

The name of the person empowered to release, vary or modify the easement for right of carriageway purposes:

The Prescribed Authority.

The following definitions apply to this easement:

Easement Area means the area of the land described in Schedule 4, and affected by this easement.

Prescribed Authority means Rail Corporation New South Wales and includes its successors, assigns and transferees.

RailCorp Reference: 305857.

WORK HEALTH AND SAFETY REGULATION 2011

(Clause 684)

Exemption Order No. 007/14

THE WorkCover Authority of New South Wales, pursuant to Clause 684 of the Work Health and Safety Regulation 2011, grants the following exemption.

Dated this 27th day of May 2014.

TONY ROBINSON,
Director,
Specialist Services Group,
Work Health and Safety Division
(delegate, WorkCover Authority of New South Wales)

WORK HEALTH AND SAFETY REGULATION 2011

Exemption Order No. 007/14

1. Name of Order

This Exemption Order is the Work Health and Safety Regulation 2011 Exemption No. 007/14.

2. Commencement

This Order commences on the 27th day of May 2014 and has effect for a period of two years from that date.

3. Exemption

Pesticide users who are staff or contractors of Endeavour Energy specified in Schedule 1 are exempt from Part 9.1 of the Occupational Health and Safety Regulation 2001, requiring users of pesticides to hold a certificate of competency under that Regulation, subject to the conditions specified in Schedule 2.

SCHEDULE 1

1. The pole asset inspection staff of Endeavour Energy and the staff of contractors engaged by Endeavour Energy who use the pesticides to control termites and treat timber under instructions from Endeavour Energy.

SCHEDULE 2

1. The person with control of workplace or person with control of work, who authorises the use of pesticide to control termites and treat timber within Endeavour Energy must:
 - (a) ensure that the pesticides are only used by authorised persons, that is, persons within paragraphs (e), (f) and (g) below;
 - (b) meet all the relevant current requirements of the Pesticides Regulation 2009 including pesticide use notification and record keeping requirements;
 - (c) have attained the relevant chemical user's qualification issued in accordance with Level 4 of the Australian Qualifications Framework (AQF) such as ChemCert or SMARTtrain that includes units AHCCHM401A - Minimise risks in the use of chemicals and AHCCHM402A- Plan and implement a chemical use program;
 - (d) have undergone the Pole Inspectors Training (TAFE Course No.27510);
 - (e) instruct the persons who are to use pesticides for Endeavour Energy in the safe use of the pesticides and ensure that any hazards identified with such use have been assessed and adequately controlled and those persons are advised of the controls;
 - (f) be satisfied those persons can be relied upon to use the pesticides without placing the health and safety of themselves or others at risk; and
 - (g) ensure those persons are made aware of the application and limitations of this exemption order.
2. The person so authorised to use the pesticides to control termites and treat timber, in accordance with this exemption must:
 - a. be not less than eighteen (18) years of age;
 - b. meet all the relevant current requirements of the Pesticides Regulation 2009, including pesticide use notification and record keeping requirements;
 - c. have attained the relevant chemical user's qualification issued in accordance with Level 3 of the Australian Qualifications Framework (AQF) such as ChemCert or SMARTtrain that includes units AHCCHM303A - Prepare and apply chemicals and AHCCHM304A - Transport, handle and store chemicals;
 - d. have undergone the Pole Inspectors Training (TAFE Course No.27510);
 - e. be able to communicate to a level that enables them to perform their duties safely; and
 - f. observe safe work practices at all times whilst using the pesticides and take action to prevent any person being placed at risk.

WORK HEALTH AND SAFETY REGULATION 2011

(Clause 684)

Exemption Order No. 008/14

THE WorkCover Authority of New South Wales, pursuant to Clause 684 of the Work Health and Safety Regulation 2011, grants the following exemption.

Dated this 27th day of May 2014.

TONY ROBINSON,
Director,
Specialist Services Group,
Work Health and Safety Division
(delegate, WorkCover Authority of New South Wales)

WORK HEALTH AND SAFETY REGULATION 2011

Exemption Order No. 008/14

1. Name of Order

This Exemption Order is the Work Health and Safety Regulation 2011 Exemption No. 008/14.

2. Commencement

This Order commences on the 27th day of May 2014 and has effect for a period of two years from that date.

3. Exemption

Pesticide users who are staff or contractors of Essential Energy specified in Schedule 1 are exempt from Part 9.1 of the Occupational Health and Safety Regulation 2001, requiring users of pesticides to hold a certificate of competency under that Regulation, subject to the conditions specified in Schedule 2.

SCHEDULE 1

1. The pole asset inspection staff of Essential Energy and the staff of contractors engaged by Essential Energy who use the pesticides to control termites and treat timber under instructions from Essential Energy.

SCHEDULE 2

1. The person with control of workplace or person with control of work, who authorises the use of pesticide to control termites and treat timber within Essential Energy must:
 - (a) ensure that the pesticides are only used by authorised persons, that is, persons within paragraphs (e), (f) and (g) below;
 - (b) meet all the relevant current requirements of the Pesticides Regulation 2009, including pesticide use notification and record keeping requirements;
 - (c) have attained the relevant chemical user's qualification issued in accordance with Level 4 of the Australian Qualifications Framework (AQF) such as ChemCert or SMARTtrain that includes units AHCCHM401A - Minimise risks in the use of chemicals and AHCCHM402A- Plan and implement a chemical use program;
 - (d) have undergone the Pole Inspectors Training (TAFE Course No.27510);
 - (e) instruct the persons who are to use pesticides for Essential Energy in the safe use of the pesticides and ensure that any hazards identified with such use have been assessed and adequately controlled and those persons are advised of the controls;
 - (f) be satisfied those persons can be relied upon to use the pesticides without placing the health and safety of themselves or others at risk; and
 - (g) ensure those persons are made aware of the application and limitations of this exemption order.

2. The person so authorised to use the pesticides to control termites and treat timber, in accordance with this exemption must:
 - a. be not less than eighteen (18) years of age;
 - b. meet all the relevant current requirements of the Pesticides Regulation 2009 including pesticide use notification and record keeping requirements;
 - c. have attained the relevant chemical user's qualification issued in accordance with Level 3 of the Australian Qualifications Framework (AQF) such as ChemCert or SMARTtrain that includes units AHCCHM303A – Prepare and apply chemicals and AHCCHM304A – Transport, handle and store chemicals;
 - d. have undergone the Pole Inspectors Training (TAFE Course No.27510);
 - e. be able to communicate to a level that enables them to perform their duties safely; and
 - f. observe safe work practices at all times whilst using the pesticides and take action to prevent any person being placed at risk.

WORK HEALTH AND SAFETY REGULATION 2011

(Clause 684)

Exemption Order No. 006/14

THE WorkCover Authority of New South Wales, pursuant to Clause 684 of the Work Health and Safety Regulation 2011 grants the following exemption.

Dated this 27th day of May 2014.

TONY ROBINSON,
Director,
Specialist Services Group,
Work Health and Safety Division
(delegate, WorkCover Authority of New South Wales)

WORK HEALTH AND SAFETY REGULATION 2011

Exemption Order No. 006/14

1. Name of Order

This Exemption Order is the Work Health and Safety Regulation 2011 Exemption No. 006/14.

2. Commencement

This Order commences on the 27th day of May 2014 and has effect for a period of two years from that date.

3. Exemption

Pesticide users who are staff or contractors of Ausgrid specified in Schedule 1 are exempt from Part 9.1 of the Occupational Health and Safety Regulation 2001, requiring users of pesticides to hold a certificate of competency under that Regulation, subject to the conditions specified in Schedule 2.

SCHEDULE 1

1. The pole asset inspection staff of Ausgrid and the staff of contractors engaged by Ausgrid who use the pesticides to control termites and treat timber under instructions from Ausgrid.

SCHEDULE 2

1. The person with control of workplace or person with control of work, who authorises the use of pesticide to control termites and treat timber within Ausgrid must:
 - (a) ensure that the pesticides are only used by authorised persons, that is, persons within paragraphs (e), (f) and (g) below;
 - (b) meet all the relevant current requirements of the Pesticides Regulation 2009, including pesticide use notification and record keeping requirements;
 - (c) have attained the relevant chemical user's qualification issued in accordance with Level 4 of the Australian Qualifications Framework (AQF) such as ChemCert or SMARTtrain that includes units AHCCHM401A - Minimise risks in the use of chemicals and AHCCHM402A- Plan and implement a chemical use program;
 - (d) have undergone the Pole Inspectors Training (TAFE Course No.27510);
 - (e) instruct the persons who are to use pesticides for Ausgrid in the safe use of the pesticides and ensure that any hazards identified with such use have been assessed and adequately controlled and those persons are advised of the controls;
 - (f) be satisfied those persons can be relied upon to use the pesticides without placing the health and safety of themselves or others at risk; and
 - (g) ensure those persons are made aware of the application and limitations of this exemption order.
2. The person so authorised to use the pesticides to control termites and treat timber, in accordance with this exemption must:
 - a. be not less than eighteen (18) years of age;
 - b. meet all the relevant current requirements of the Pesticides Regulation 2009, including pesticide use notification and record keeping requirements;
 - c. have attained the relevant chemical user's qualification issued in accordance with Level 3 of the Australian Qualifications Framework (AQF) such as ChemCert or SMARTtrain that includes units AHCCHM303A – Prepare and apply chemicals and AHCCHM304A – Transport, handle and store chemicals;
 - d. have undergone the Pole Inspectors Training (TAFE Course No.27510);
 - e. be able to communicate to a level that enables them to perform their duties safely; and
 - f. observe safe work practices at all times whilst using the pesticides and take action to prevent any person being placed at risk.

CRIMES (ADMINISTRATION OF SENTENCES) ACT 1999

ERRATUM

THE following three Proclamations which were published in NSW Government Gazette No. 49 on 30 May 2014 on pages 1987 to 1989 are republished as some details in the plans attached to these Proclamations were lost in publication.

The gazettal date remains 30 May 2014.

CRIMES (ADMINISTRATION OF SENTENCES) ACT 1999

Thomas Frederick Bathurst, Lieutenant-Governor

I, Thomas Frederick Bathurst, Lieutenant-Governor of the State of New South Wales, with the advice of the Executive Council, and pursuant to section 225 of the Crimes (Administration of Sentences) Act 1999, do, by this Proclamation, vary the Proclamation of John Morony Correctional Centre published in the NSW Government Gazette on 23 January 2004 and varied on 22 August 2008, 6 March 2009 and 11 April 2014; and in variation thereof I declare John Morony Correctional Centre to be the area comprised within the boundaries hereunder (together with all buildings or premises which are now or may hereafter be erected thereon), viz.:

All that piece or parcel of land situate in the Local Government Area of Penrith, Parish of Londonderry and County of Cumberland, being part of Lot 1 in Deposited Plan 740367, shown by the shading on Plan Catalogue Number 56264 in the Plan Room of the NSW Department of Finance & Services reproduced below and having a total area of 9.215 hectares or thereabouts.

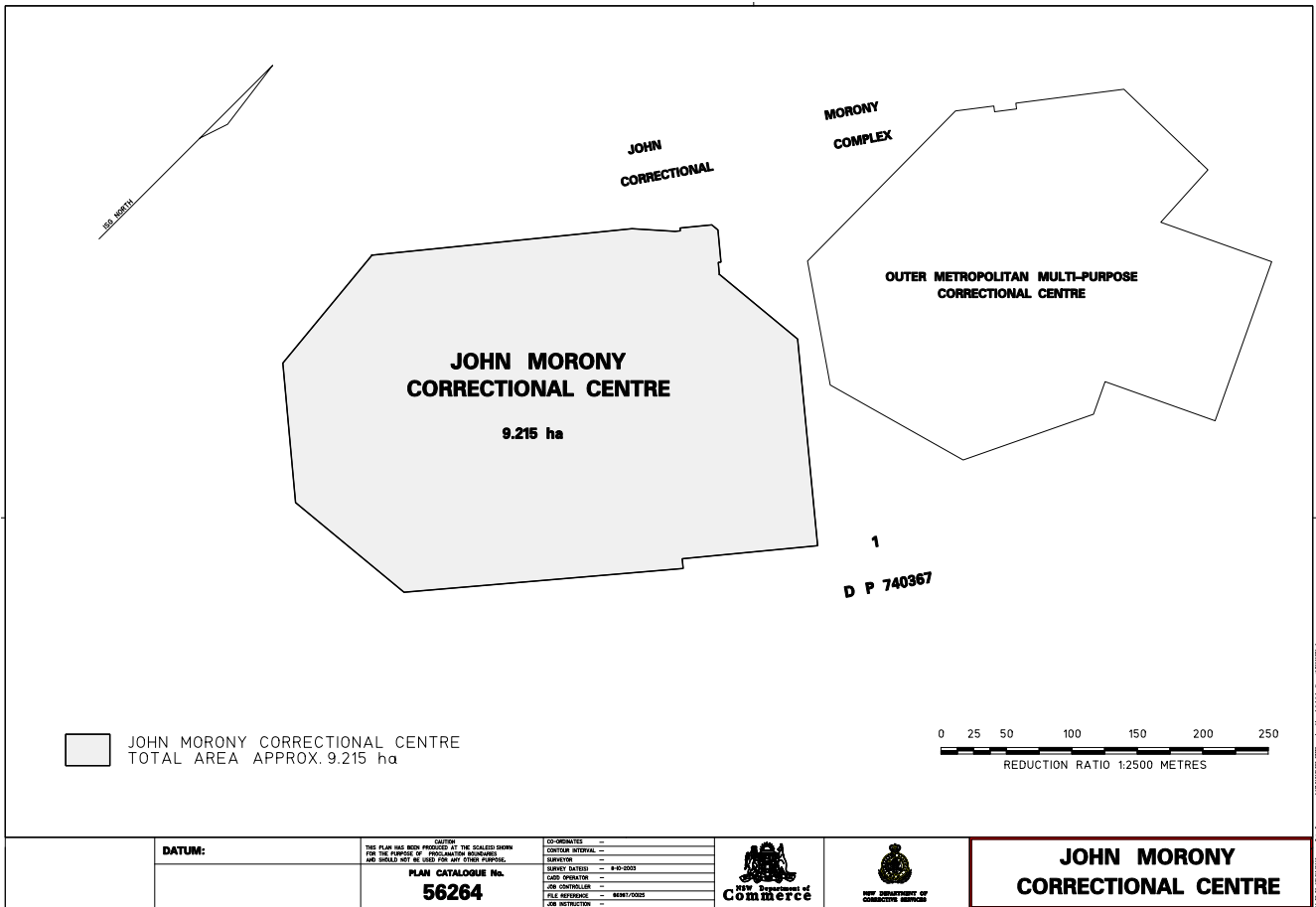
This proclamation is to take effect on and from the date of publication in the NSW Government Gazette.

Signed and sealed at Sydney, this 28th day of May 2014.

By His Excellency's Command,

BRAD HAZZARD, M.P., Attorney General and Minister for Justice

GOD SAVE THE QUEEN!



CRIMES (ADMINISTRATION OF SENTENCES) ACT 1999

Thomas Frederick Bathurst, Lieutenant-Governor

I, Thomas Frederick Bathurst, Lieutenant-Governor of the State of New South Wales, with the advice of the Executive Council, and pursuant to section 224 (3) of the Crimes (Administration of Sentences) Act 1999, do, by this Proclamation, vary the Proclamation of John Morony Correctional Complex published in the NSW Government Gazette on 23 January 2004 and varied on 22 August 2008, 6 March 2009 and 11 April 2014; and in variation thereof I declare John Morony Correctional Complex to be the area comprised within the boundaries hereunder (together with all buildings or premises which are now or may hereafter be erected thereon), viz.:

All that piece or parcel of land situate in the Local Government Area of Penrith, Parish of Londonderry and County of Cumberland, being Lot 1 and Lot 2 in Deposited Plan 740367, shown by the shading on Plan Catalogue Number 57149 in the Plan Room of the NSW Department of Finance & Services reproduced below and having a total area of 226.4 hectares or thereabouts.

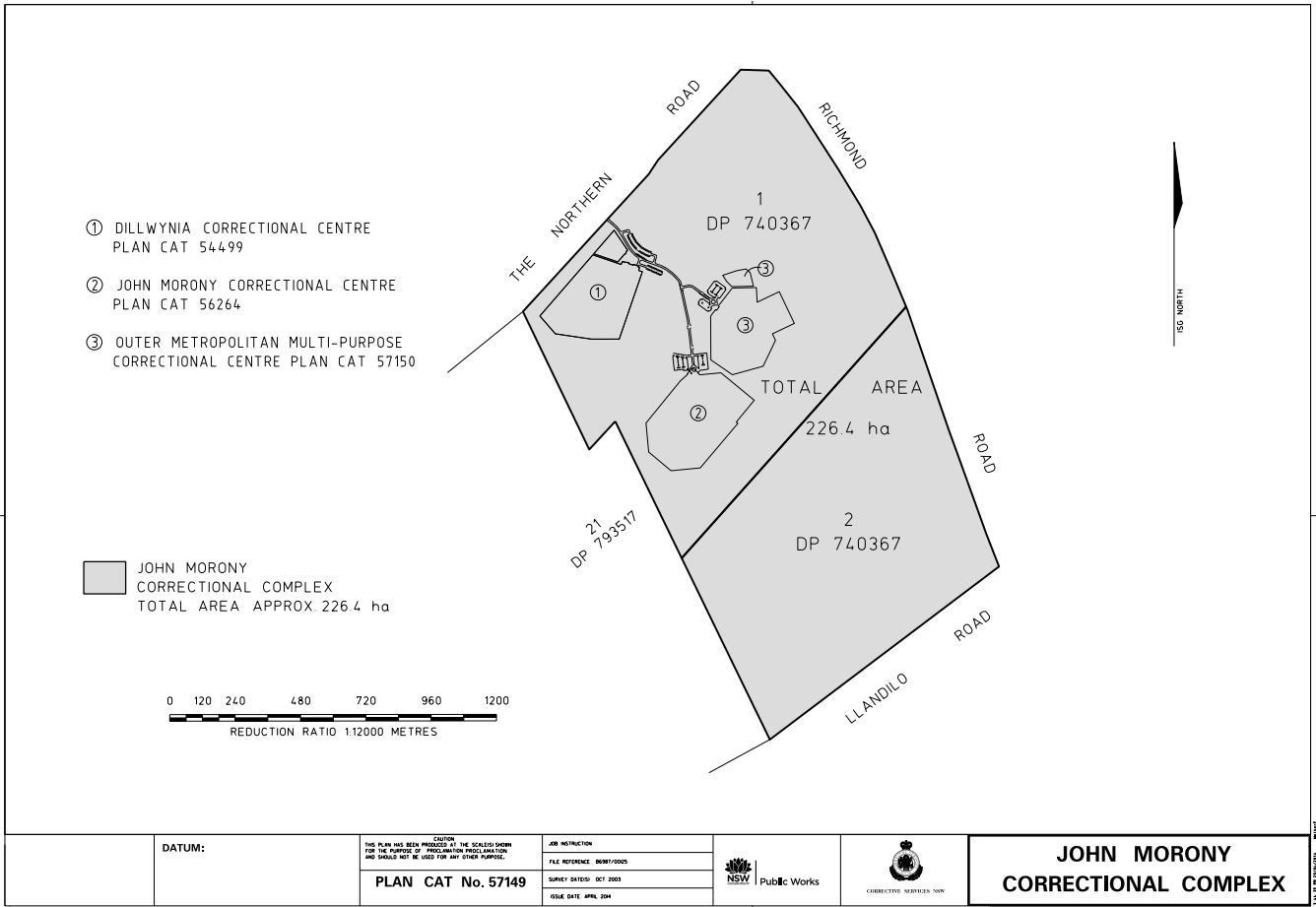
This proclamation is to take effect on and from the date of publication in the NSW Government Gazette.

Signed and sealed at Sydney, this 28th day of May 2014.

By His Excellency's Command,

BRAD HAZZARD, M.P., Attorney General and Minister for Justice

GOD SAVE THE QUEEN!



CRIMES (ADMINISTRATION OF SENTENCES) ACT 1999

Thomas Frederick Bathurst, Lieutenant-Governor

I, Thomas Frederick Bathurst, Lieutenant-Governor of the State of New South Wales, with the advice of the Executive Council, and pursuant to section 225 of the Crimes (Administration of Sentences) Act 1999, do, by this Proclamation, vary the Proclamation of Outer Metropolitan Multi-Purpose Correctional Centre published in the NSW Government Gazette on 6 March 2009; and in variation thereof I declare Outer Metropolitan Multi-Purpose Correctional Centre to be the area comprised within the boundaries hereunder (together with all buildings or premises which are now or may hereafter be erected thereon), viz.:

All that piece or parcel of land situated in the Local Government Area of Penrith City, Parish of Londonderry and County of Cumberland, being part of Lot 1, DP 740367, shown by the shading as Outer Metropolitan Multi-Purpose Correctional Centre on Plan Catalogue Number 57150 in the Plan Room of the NSW Department of Finance and Services and having a total area of 7.26 hectares or thereabouts.

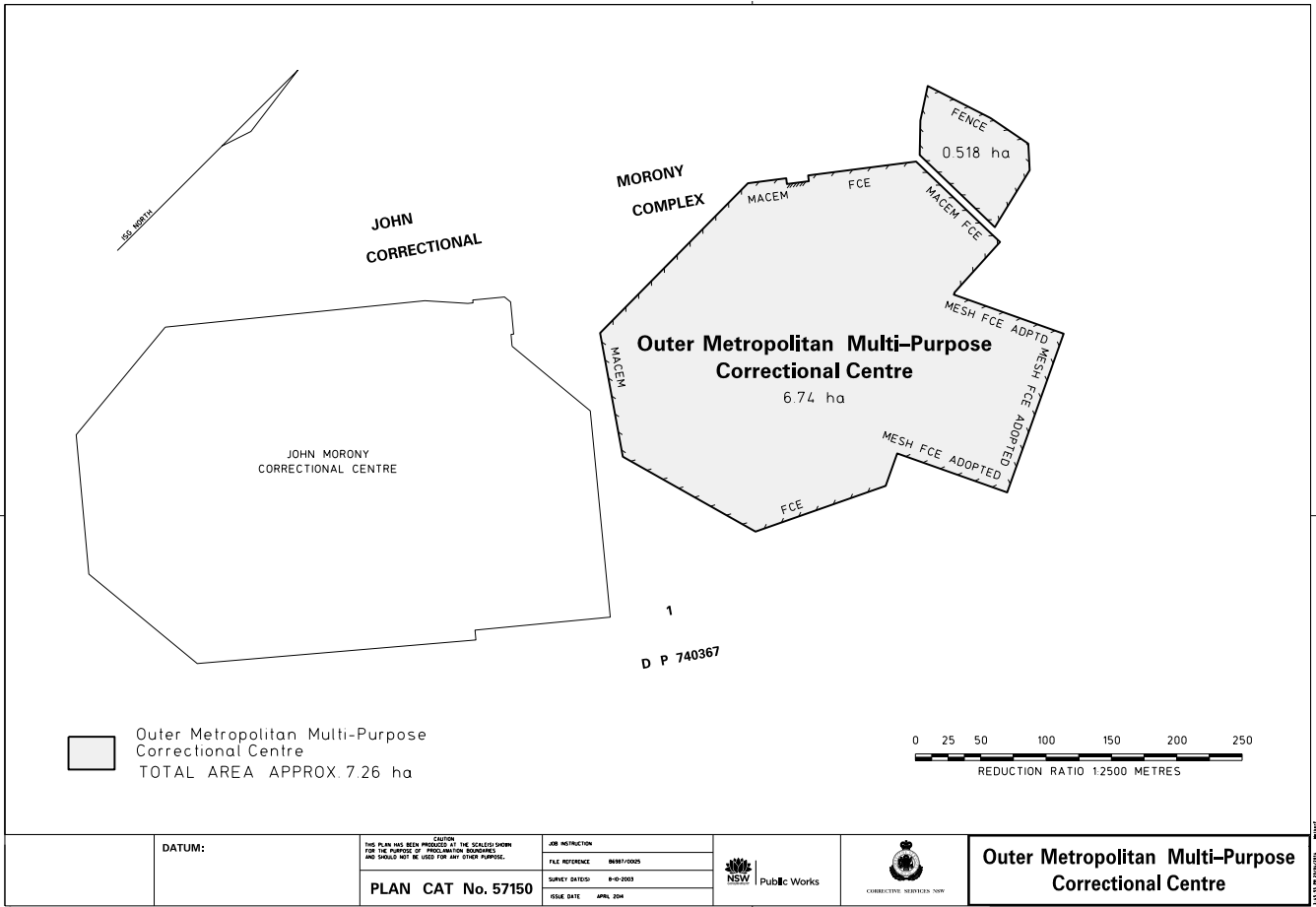
This proclamation is to take effect on and from the date of publication in the NSW Government Gazette.

Signed and sealed at Sydney, this 28th day of May 2014.

By His Excellency's Command,

BRAD HAZZARD, M.P., Attorney General and Minister for Justice

GOD SAVE THE QUEEN!



PROTECTION OF THE ENVIRONMENT OPERATIONS (WASTE) REGULATION 2005

General Exemption under Part 6, Clause 51 and 51A

The Compost Exemption 2014

Name

1. This exemption is to be known as 'The compost exemption 2014'.

Commencement

2. This exemption commences on 6 June 2014. 'The food waste compost exemption 2008' which commenced 25 July 2008 is revoked from 6 June 2014.

Duration

3. This exemption is valid until revoked by the Environment Protection Authority (EPA) by notice published in the *New South Wales Government Gazette*.

Legislation

4. Under the Protection of the Environment Operations (Waste) Regulation 2005 (the Regulation):
 - 4.1. Clause 51 (2) authorises the EPA to grant an exemption in relation to any matter or thing including an activity or class of activities, and
 - 4.2. Clause 51A authorises the EPA to exempt a person from any of the following provisions in relation to an activity or class of activities relating to certain waste that is to be land applied or used as a fuel, or used in connection with a process of thermal treatment:
 - the provisions of sections 47 to 49 and 88 of the Protection of the Environment Operations Act 1997 (the Act),
 - the provisions of Schedule 1 to the Act, either in total or as they apply to a particular activity, and
 - the provisions of Part 3 and clauses 45 and 47 of the Regulation.

Exemption

5. In this Notice of Exemption:
 - 5.1. The responsible person listed in Column 1 of Table 1 is exempt from the provision/s listed in Column 2 of that table but only:
 - in relation to activities involving the relevant waste, and
 - where the responsible person complies with the conditions referred to in Column 3 of the table, and
 - in the case of a consumer, in relation to the premises where the waste is applied to land as permitted by clause 7.1.

However, this Notice of Exemption does not exempt the responsible person from the provisions specified in Column 2 where the relevant waste is received at premises that are, despite this exemption, required to be licensed for waste disposal (application to land) activities under the provisions of the Act.
 - 5.2. Where a responsible person complies with the conditions of this Notice of Exemption, the activity referred to in Schedule 1 from which that person is exempt is taken to be a non-scheduled activity for the purposes of the Act.

Table 1

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Responsible person</i>	<i>Provisions from which the responsible person is exempt</i>	<i>Conditions to be met by the responsible person</i>
Processor	section 48 of the Act in respect of clause 39 of Schedule 1 to the Act	all requirements specified in section 7 and 8
Consumer	section 48 of the Act in respect of clauses 39 and 42 of Schedule 1 to the Act section 88 of the Act clause 47 of the Regulation	all requirements specified in section 7 and 9

This Notice of Exemption is a general exemption for the purposes of clause 51(3) of the Regulation.

Definitions

6. In this Notice of Exemption:

Animal waste means dead animals and animal parts and any mixture of dead animals and animal parts.

Compost means any combination of raw mulch, garden organics and food waste, that has undergone composting. Compost must not include material containing asbestos, engineered wood products and preservative treated or coated wood residues.

Composting means a process of managed biological transformation:

- (a) to achieve pasteurisation, and
- (b) for a period of not less than a total of 6 weeks of composting and curing at an adequate moisture level (>40 % by weight), and/or until an equivalent level of biological stability can be demonstrated, and;
- (c) produce a product that passes the threshold level for 3 tests, including at least one from Group A and one from Group B specified in Australian Standard AS 4454 – 2012 Composts, soil conditioners and mulches, “Appendix N – Table N3.2 – Biological Stability and Plant Growth Tests Compost Maturity”.

Composting does not include drying or dehydration processes.

Consumer means a person who applies, causes, or permits the application to land of compost within the definitions of “application to land” in accordance with the Act.

Corrosive means a substance having properties that may damage or destroy living organisms and components of the soil, including soil organic matter. Commonly this includes strong acids and strong bases, or weak acids and weak bases occurring in concentrated form.

Drying or dehydration processes are those that use externally supplied energy to heat and ventilate food wastes (or any other compostable waste) in order to rapidly dry the waste material over a short time period (typically 24 to 48 hours), either with or without the addition of an inoculum. This is distinct from those processes of managed biological transformation that use heat generated by the aerobic microorganisms that are responsible for decomposition under moist conditions during pasteurisation and composting, and traditional forced aeration composting methods such as aerated static pile composting.

Engineered wood products means engineered, painted, treated or composite wood products such as particleboard, oriented strand board, plywood, laminated veneer lumber, glulam or fibreboard that are manufactured with glues, resins, water repellents, fire retardants, fungal inhibitors and/or other chemicals.

Food waste means waste from the manufacture, preparation, sale or consumption of food but does not include grease trap waste or animal waste, and must not be corrosive.

Forestry and sawmill residues are untreated and uncontaminated plant materials from forestry operations such as logging, silviculture and sawmilling. Forestry and sawmill residues include materials such as bark, woodchip, sawdust and wood fibre that are collected as a source separated material stream for processing.

Garden organics means raw mulch and/or other plant material including leaves, plant trimmings, grass, flowers, fruit and plant propagules. Garden organics must not include material containing asbestos, engineered wood products and preservative treated or coated wood residues.

Pasteurisation means a process to significantly reduce the numbers of plant and animal pathogens and plant propagules. Pasteurisation requires that the entire mass of organic material be subjected to either of the following:

- (a) Appropriate turning of outer material to the inside of the windrow so that the whole mass is subjected to a minimum of 3 turns with the internal temperature reaching a minimum of 55°C for 3 consecutive days before each turn. Where materials with a higher risk of containing pathogens are present, including but not limited to manure and food waste, the core temperature of the compost mass should be maintained at 55°C or higher for 15 days or longer, and during this period the windrow should be turned a minimum of 5 times.
- (b) An alternative process that guarantees the same level of pathogen reduction, and the reduction of plant propagules as in (a). Any such alternative process must be clearly defined in writing and validated by a suitably qualified person prior to claiming compliance with this exemption. A written record of the validation report must be kept for a minimum period of three years.

Preservative treated or coated wood residues means wood residues that are preservative treated with chemicals such as copper chrome arsenate (CCA), high temperature creosote (HTC), pigmented emulsified creosote (PEC) and light organic solvent preservative (LOSP) and/or coated with substances such as varnish or paint.

Processor means a person who processes, mixes, blends, or otherwise incorporates materials to produce compost for supply to a consumer.

Raw mulch means plant material that by virtue of the nature and source of the material poses minimal risk of the presence of plant propagules, pathogens and other contaminants. Such materials may be shredded and/or screened to a preferred particle size grading for particular applications. Raw mulch only includes:

- (a) horticultural barks, leaf mulch and wood chip mulch produced from forestry and sawmill residues, and urban wood residues; and
- (b) branches, tree stumps and bark that are absent of leaves, flowers, fruit and plant propagules.

Raw mulch must not contain asbestos, engineered wood products, preservative treated or coated wood residues, or physical contaminants, including but not limited to glass, metal, rigid plastics, flexible plastics, or polystyrene.

Relevant waste means compost that meets the requirements of Section 7.

Urban wood residues means untreated, unpainted, and uncontaminated urban derived timber and wood material that is collected as a separate material stream for processing. Urban wood residues include materials such as off-cuts, saw dust, wood shavings, packaging crates and pallets.

General conditions

7. This Notice of Exemption is subject to the following conditions:
- 7.1. The compost can only be applied to land as a soil amendment material.

Processor Responsibilities

8. The following conditions must be met by the processor for this exemption to apply:
- 8.1. The processor must undertake the process of composting.
- 8.2. Information on sampling and sample storage must be detailed in a written sampling plan.
- 8.3. The processor must ensure that the attribute of compost listed in Column 1 of Table 2 does not exceed the absolute maximum value listed in Column 2 of Table 2.
- 8.4. The processor must not mechanically size reduce the compost through methods such as hammer milling, crushing or grinding, as a way of managing the physical contaminant loading.
- 8.5. The processor must ensure that the compost is ready for land application prior to transport to a consumer.
- 8.6. The processor must provide a written statement of compliance to the consumer with each transaction, certifying that the compost complies with the relevant conditions of this exemption.
- 8.7. Processors must keep a written record of all test results for a period of three years.
- 8.8. The processor must make information on the latest test results available to the consumer and the EPA upon request.

Consumer Responsibilities

9. The following conditions must be met by the consumer for this exemption to apply:
- 9.1. The consumer must land apply the compost as soon as possible after receipt at the land application site.
- 9.2. The consumer must ensure that they do not cause or permit the migration of leachate from the land application site.

Material property requirements

10. This Notice of Exemption only applies to compost where the attributes listed in Column 1 of Table 2 comply with the values listed in Column 2 of Table 2, when analysed according to test methods specified in Column 3 of Table 2.

Table 2

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Attributes</i>	<i>Absolute maximum (% 'dry weight' unless otherwise specified)</i>	<i>Test method specified within Section</i>
1. Glass, metal and rigid plastics > 2 mm	0.5	11.1
2. Plastics – light, flexible or film > 5 mm	0.05	11.1
3. Salmonella spp	absent in 50 g	11.2
4. Escherichia Coli (E. Coli)	<100 MPN/g	11.3
5. Faecal coliforms	<1000 MPN/g	11.4

Test Methods

11. All testing must be undertaken by analytical laboratories accredited by the National Association of Testing Authorities (NATA), or equivalent. The attributes listed in Column 1 of Table 2 must be measured in accordance with the relevant test methods specified below:
- 11.1. Test method for measuring physical contaminants 1 and 2 in compost:
- 11.1.1. For analysis - Australian Standard AS 4454-2012 Composts, soil conditioners and mulches, "Appendix I - Method For Determination Of Moisture Content And Level Of Visible Contamination". This test must be conducted under bright and direct light.
- 11.1.2. Results must be reported as % contamination on a dry mass basis.
- 11.2. Test method for the detection of Salmonella:
- 11.2.1. For analysis - Australian Standard AS 5013.10-2009 Food microbiology - Microbiology of food and animal feeding stuffs - Horizontal method for the detection of Salmonella spp., or an equivalent analytical method.
- 11.2.2. Report as absent or present.

11.3. Test method for the detection of E. Coli:

11.3.1. For analysis - Australian Standard AS 5013.15-2006 Food microbiology - Microbiology of food and animal feeding stuffs - Horizontal method for the detection and enumeration of presumptive Escherichia coli - Most probable number technique, or an equivalent analytical method.

11.3.2. Report as most probable number (MPN) /g.

11.4. Test method for the detection of Faecal Coliforms:

11.4.1. For analysis - Australian Standard AS 5013.3-2009 Food microbiology - Microbiology of food and animal feeding stuffs - Horizontal method for the detection and enumeration of coliforms - Most probable number technique, or an equivalent analytical method.

11.4.2. Report as most probable number (MPN) /g.

Exemption Granted

HENRY MOORE,
Manager,
Waste Strategy and Innovation,
Environment Protection Authority
(by delegation)

Notes

The EPA may amend or revoke this exemption at any time. It is the responsibility of the generator, processor and consumer to ensure that they comply with all relevant requirements of the most current exemption. The current version of a general exemption will be available on the EPA website: www.epa.nsw.gov.au.

In gazetting this general exemption, the EPA is exempting the relevant waste from the specific requirements of the Act and Regulations as stated in this exemption. The EPA is not in any way endorsing the use of this substance or guaranteeing that the substance will confer benefit.

The use of exempted material remains subject to other relevant environmental regulations within the Act and Regulations. For example, a person who pollutes land (s142A) or water (s120), or causes air pollution through the emission of odours (s126), or does not meet the special requirements for asbestos waste (clause 42), regardless of having an exemption, is guilty of an offence and subject to prosecution.

The use of exempted material remains subject to other relevant Commonwealth or State legislation, including requirements and constraints in relation to health, work health and safety, transport, biosecurity and stockfood. All responsible parties identified in this exemption are responsible for ensuring compliance with all other applicable legislation.

For the purposes of arrangements between a generator, a processor and a consumer, a 'transaction' is taken to mean the contractual agreement between the two parties which specifies the exchange of waste material from one party to another. A 'statement of compliance' must be in writing and be provided with each transaction.

The conditions set out in this exemption are designed to minimise the risk of potential harm to the environment, human health or agriculture, however, neither this exemption nor these conditions guarantee that the environment, human health or agriculture will not be harmed.

It should be noted that other contaminants may be present in the relevant waste that can potentially cause harm. Application rates need to be determined based on local circumstances prior to application. Plants may display symptoms of toxicity, and/or reductions in yield may occur at values below the maximum concentration limits specified in this exemption.

Whilst this exemption requires that the compost must not contain engineered wood products, the EPA recognises that the compost may contain extremely low and incidental amounts of engineered wood products. The processor must implement procedures to prevent the presence of engineered wood products in the compost. These procedures must be formally documented. However, as noted in this exemption, the compost must not contain any asbestos, or preservative treated or coated wood residues.

The compost that meets the conditions of this exemption should be applied to land by the consumer within 2 weeks of being received. Where there are extenuating circumstances the compost should be land applied within 4 weeks. The EPA considers that 6 weeks would be the absolute limit in all circumstances.

The consumer should assess whether or not the exempted material is fit for the purpose the material is proposed to be used for and whether this use will cause harm. The consumer may need to seek expert engineering or technical advice.

This exemption does not apply to any material received at a premises that is required to be licensed for waste disposal (application to land) activities under the provisions of the Act. This exemption does not remove the need for a site at which processing occurs to be licensed, if required under Schedule 1 of the Act.

This exemption does not alter the requirements of any other relevant legislation that must be met in utilising this material, including for example, the need to prepare a Safety Data Sheet (SDS) and to provide it to customers as a key source of information that includes the manufacturer's recommended control measures.

Regardless of any exemption provided by the EPA, the person who causes or permits the application of the substance to land must ensure that the action is lawful and consistent with the development consent requirements of the land.

All records required to be kept under this exemption must be made available to authorised officers of the EPA upon request.

Failure to comply with the conditions of this Notice of Exemption may constitute an offence under clause 51 of the Regulation and the responsible person will be required to comply with the normal regulatory provisions.

PROTECTION OF THE ENVIRONMENT OPERATIONS (WASTE) REGULATION 2005

General Exemption Under Part 6, Clause 51 and 51A

The Liquid Food Waste Exemption 2014

Name

1. This exemption is to be known as ‘The liquid food waste exemption 2014’.

Commencement

2. This exemption commences on 6 June 2014. ‘The food waste exemption 2009’ which commenced 1 November 2009 is revoked from 6 June 2014.

Duration

3. This exemption is valid until revoked by the Environment Protection Authority (EPA) by notice published in the *New South Wales Government Gazette*.

Legislation

4. Under the Protection of the Environment Operations (Waste) Regulation 2005 (the Regulation):
 - 4.1. Clause 51 (2) authorises the EPA to grant an exemption in relation to any matter or thing including an activity or class of activities, and
 - 4.2. Clause 51A authorises the EPA to exempt a person from any of the following provisions in relation to an activity or class of activities relating to certain waste that is to be land applied or used as a fuel, or used in connection with a process of thermal treatment:
 - the provisions of sections 47 to 49 and 88 of the Protection of the Environment Operations Act 1997 (the Act),
 - the provisions of Schedule 1 to the Act, either in total or as they apply to a particular activity, and
 - the provisions of Part 3 and clauses 45 and 47 of the Regulation.

Exemption

5. In this Notice of Exemption:
 - 5.1. The responsible person listed in Column 1 of Table 1 is exempt from the provision/s listed in Column 2 of that table but only:
 - in relation to activities involving the relevant waste, and
 - only where the responsible person complies with the conditions referred to in Column 3 of the table, and
 - in the case of a consumer, in relation to the premises where the waste is applied to land as permitted by clause 7.1.

However, this Notice of Exemption does not exempt the responsible person from the provisions specified in Column 2 where the relevant waste is received at premises that are, despite this exemption, required to be licensed for waste disposal (application to land) activities under the provisions of the Act.
 - 5.2. Where a responsible person complies with the conditions of this Notice of Exemption, the activity referred to in Schedule 1 from which that person is exempt is taken to be a non-scheduled activity for the purposes of the Act.

Table 1

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Responsible person</i>	<i>Provisions from which the responsible person is exempt</i>	<i>Conditions to be met by the responsible person</i>
Processor	section 48 of the Act in respect of clause 39 of Schedule 1 to the Act	all requirements specified in section 7 and 8
Consumer	section 48 of the Act in respect of clauses 39 and 42 of Schedule 1 to the Act section 88 of the Act clause 47 of the Regulation	all requirements specified in section 7 and 9

This Notice of Exemption is a general exemption for the purposes of clause 51(3) of the Regulation.

Definitions

6. In this Notice of Exemption:

Animal waste means dead animals and animal parts and any mixture of dead animals and animal parts.

Consumer means a person who applies, causes, or permits the application to land of liquid food waste within the definitions of “application to land” in accordance with the Act. The consumer may be the landholder responsible for the land to which liquid food waste is applied. Where a person responsible for transporting the liquid food waste to the land application site is also the party applying the liquid food waste, this person must also meet the responsibilities of the consumer.

Corrosive means a substance having properties that may damage or destroy living organisms and components of the soil, including soil organic matter. Commonly this includes strong acids and strong bases, or weak acids and weak bases occurring in concentrated form.

Liquid food waste means liquid food waste from the manufacture, preparation, sale or consumption of food but does not include grease trap waste or animal waste. The liquid food waste must not be corrosive, or contain any physical contaminants, including but not limited to glass, metal, rigid plastics, flexible plastics, or polystyrene.

Liquid waste means any waste (other than special waste) that exhibits any of the following:

- (a) has an angle of repose of less than 5 degrees above horizontal, or
- (b) becomes free-flowing at or below 60°C or when it is transported, or
- (c) is generally not capable of being picked up by a spade or shovel.

As defined in the Act.

Processor means a person who generates, supplies, causes, or permits the supply of liquid food waste to a consumer, or who processes, mixes, blends, or otherwise incorporates liquid food waste into a material for supply to a consumer.

Relevant waste means the liquid food waste that meets the requirements of Section 7.

General conditions

7. This Notice of Exemption is subject to the following conditions:
 - 7.1. The liquid food waste can only be applied to land as a soil amendment material.
 - 7.2. The relevant waste must be land applied as soon as possible after receipt at the land application site.

Processor Responsibilities

8. The following conditions must be met by the processor for this exemption to apply:
 - 8.1. The processor must ensure that the liquid food waste is in a form and condition that is suitable for land application prior to transport to a consumer.
 - 8.2. Records of the quantity of liquid food waste supplied to the consumer and the consumer's name and address must be kept for a period of three years.
 - 8.3. The processor must provide each consumer with a copy of this exemption and inform them of the consumer responsibilities contained within this exemption.

Consumer Responsibilities

9. The following conditions must be met by the consumer for this exemption to apply:
 - 9.1. The consumer must ensure that liquid food waste is appropriately contained on receipt at the land application site, such that leaching or runoff of waste is prevented prior to land application. The containment must also ensure minimal risk of exposure to and transfer of pathogenic materials from the site by vectors (animals, birds and insects).
 - 9.2. Application rates must be calculated prior to the liquid food waste being land applied and must be equal to or less than the agronomic rate for the most limiting factor.
 - 9.3. The liquid food waste must not flow off-site either by means of surface or lateral sub-surface flow.
 - 9.4. The liquid food waste must be injected between 10 cm and 30 cm below the soil surface at the time of the land application. The consumer must ensure that furrows are covered shortly after injection.
 - 9.5. The liquid food waste must not be applied to land where the site characteristics specified in Column 1 of Table 2 do not meet the requirements in Column 2 of Table 2.
 - 9.6. The liquid food waste must not be applied to land that is within the buffer zones for the protected areas specified in Table 3.
 - 9.7. The consumer must ensure that they do not cause or permit the migration of leachate from the premises from liquid food waste following receipt at the land application site, but prior to land application, and when applying liquid food waste to land.
 - 9.8. Where the liquid food waste is land applied within 4 weeks of any other exempted waste, an investigation to determine the suitability of the proposed application must be undertaken prior to the waste being received at the application site. A report must be prepared including, but not necessarily limited to, information detailing how the receiving site will benefit from multiple wastes being applied, how the matrices and constituents of the different wastes will interact, and what application rates will be appropriate to minimise the potential for environmental harm. The investigation should determine whether the land application will deliver a net benefit. Where a net benefit is not demonstrated the land application of liquid food waste must not proceed. A written record of the report must be kept for a minimum period of three years.

Table 2 – Landform requirements for the application site

<i>Column 1</i>	<i>Column 2</i>
<i>Site Characteristic</i>	<i>Requirement</i>
Slope	Less than 10%
Drainage	No application of wastes permitted in: – Waterlogged soil; and/or – Slowly or highly permeable soil
Depth to bedrock	Greater than 60 cm
Surface rock outcrop	Less than 10%

Table 3 – Buffer zones for protected areas

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<i>Protected Area</i>	<i>Minimum width of buffer zones (m)</i>		
	<i>Flat (<3% or 2° slope)</i>	<i>Downslope (> 3% or 2° slope)</i>	<i>Upslope</i>
Surface waters	50	100	5
Farm dams ¹	20	30	5
Drinking water bores	250	250	250
Other bores	50	50	50
Farm driveways and fence lines	5	5	5
Native forests and other significant vegetation types	10	10	5
Animal enclosures	25	50	25
Occupied dwelling	50	100	50
Residential zone	250	500	250

¹ Buffer zones to other drainage features in the landscape, including drainage depressions, may be required to minimise run-off contaminating protected areas both on and off site.

Exemption Granted

HENRY MOORE,
Manager,
Waste Strategy and Innovation,
Environment Protection Authority
(by delegation)

Notes

The EPA may amend or revoke this exemption at any time. It is the responsibility of the generator, processor and consumer to ensure that they comply with all relevant requirements of the most current exemption. The current version of a general exemption will be available on the EPA website: www.epa.nsw.gov.au

In gazetting this general exemption, the EPA is exempting the relevant waste from the specific requirements of the Act and Regulations as stated in this exemption. The EPA is not in any way endorsing the use of this substance or guaranteeing that the substance will confer benefit.

The use of exempted material remains subject to other relevant environmental regulations within the Act and Regulations. For example, a person who pollutes land (s142A) or water (s120), or causes air pollution through the emission of odours (s126), or does not meet the special requirements for asbestos waste (clause 42), regardless of having an exemption, is guilty of an offence and subject to prosecution.

The use of exempted material remains subject to other relevant Commonwealth or State legislation, including requirements and constraints in relation to health, work health and safety, transport, biosecurity and stockfood. All responsible parties identified in this exemption are responsible for ensuring compliance with all other applicable legislation.

For the purposes of arrangements between a generator, a processor and a consumer, a 'transaction' is taken to mean the contractual agreement between the two parties which specifies the exchange of waste material from one party to another. A 'statement of compliance' must be in writing and be provided with each transaction.

The conditions set out in this exemption are designed to minimise the risk of potential harm to the environment, human health or agriculture, however, neither this exemption nor these conditions guarantee that the environment, human health or agriculture will not be harmed.

It should be noted that other contaminants may be present in the relevant waste that can potentially cause harm. Application rates may need to be lower than those listed in the exemption depending on local circumstances and should be determined as appropriate to those circumstances prior to application. Plants may display symptoms of toxicity, and/or reductions in yield may occur at values below the maximum concentration limits specified in this exemption.

The consumer should assess whether or not the exempted material is fit for the purpose the material is proposed to be used and whether this use will cause harm. The consumer may need to seek expert engineering or technical advice.

This exemption does not apply to any material received at a premises that is required to be licensed for waste disposal (application to land) activities under the provisions of the Act. This exemption does not remove the need for a site at which processing occurs to be licensed, if required under Schedule 1 of the Act.

This exemption does not alter the requirements of any other relevant legislation that must be met in utilising this material, including for example, the need to prepare a Safety Data Sheet (SDS) and to provide it to customers as a key source of information that includes the manufacturer's recommended control measures.

Regardless of any exemption provided by the EPA, the person who causes or permits the application of the substance to land must ensure that the action is lawful and consistent with the development consent requirements of the land.

All records required to be kept under this exemption must be made available to authorised officers of the EPA upon request.

Failure to comply with the conditions of this Notice of Exemption may constitute an offence under clause 51 of the Regulation and the responsible person will be required to comply with the normal regulatory provisions.

PROTECTION OF THE ENVIRONMENT OPERATIONS (WASTE) REGULATION 2005

General Exemption under Part 6, Clause 51 and 51A

The Organic Outputs Derived from Mixed Waste Exemption 2014

Name

1. This exemption is to be known as 'The organic outputs¹ derived from mixed waste exemption 2014'.

Commencement

2. This exemption commences on 6 June 2014. 'The organic outputs derived from mixed waste exemption 2011' which commenced 4 March 2011 is revoked from 6 June 2014.

Duration

3. This exemption is valid until revoked by the Environment Protection Authority (EPA) by notice published in the *New South Wales Government Gazette*.

Legislation

4. Under the Protection of the Environment Operations (Waste) Regulation 2005 (the Regulation):
 - 4.1. Clause 51 authorises the EPA to grant an exemption in relation to any matter or thing including an activity or class of activities, and
 - 4.2. Clause 51A authorises the EPA to exempt a person or class of persons from any of the following provisions in relation to an activity or class of activities relating to certain waste that is to be land applied or used as a fuel, or used in connection with a process of thermal treatment:
 - the provisions of sections 47 to 49 and 88 of the Protection of the Environment Operations Act 1997 (the Act),
 - the provisions of Schedule 1 to the Act, either in total or as they apply to a particular activity, and
 - the provisions of Part 3 and clauses 45 and 47 of the Regulation.

Exemption

5. In this Notice of Exemption:
 - 5.1. The responsible person listed in Column 1 of Table 1 is exempt from the provision/s listed in Column 2 of that table but only:
 - in relation to activities involving the relevant waste, and
 - where the responsible person complies with the conditions referred to in Column 3 of the table, and
 - in the case of a consumer, in relation to the premises where the waste is applied to land as permitted by clause 7.2.

However, this Notice of Exemption does not exempt the responsible person from the provisions specified in Column 2 where the relevant waste is received at premises that are, despite this exemption, required to be licensed for waste disposal (application to land) activities under the provisions of the Act.
 - 5.2. Where a responsible person complies with the conditions of this Notice of Exemption, the activity referred to in Schedule 1 from which that person is exempt is taken to be a non-scheduled activity for the purposes of the Act.

Table 1

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Responsible person</i>	<i>Provisions from which the responsible person is exempt</i>	<i>Conditions to be met by the responsible person</i>
Processor	section 48 of the Act in respect of clause 39 of Schedule 1 to the Act	all requirements specified in section 7, 8, 10 and 11
Consumer	section 48 of the Act in respect of clauses 39 and 42 of Schedule 1 to the Act section 88 of the Act clauses 47 of the Regulation	all requirements specified in section 7, 9, 10 and 11

This Notice of Exemption is a general exemption for the purposes of clause 51(3) of the Regulation.

Definitions

6. In this Notice of Exemption:

AOAC International 18th Edition means Dr. William Horwitz and Dr. George Latimer, Jr. Editors. "Official Methods of Analysis of AOAC International", 18th Edition Revision 2 (2007), AOAC INTERNATIONAL, Gaithersburg, MD, USA.

¹ These organic outputs are not the same as the source segregated outputs that are covered by the exemptions for compost, pasteurised garden organics, or raw mulch.

Application to land includes application by any of the following methods:

- (a) spraying, spreading or depositing organic outputs on the land,
- (b) ploughing, injecting or mixing organic outputs into the land, or
- (c) filling, raising, reclaiming or contouring the land.

Animal waste means dead animals and animal parts and any mixture of dead animals and animal parts.

Biological stabilisation means a process whereby mixed waste undergoes a process of managed biological transformation for a period of not less than a total of 6 weeks of composting and curing, or until an equivalent level of biological stability can be demonstrated. Any such alternative process must be clearly defined in writing and validated by a suitably qualified person prior to claiming compliance with this exemption. A written record of the validation report must be kept for a minimum period of three years.

Biologically stabilised means the mixed waste that has undergone biological stabilisation.

Biosolids Guidelines means the document entitled Environmental Guidelines: Use and Disposal of Biosolids Products, published by the EPA and as in force from time to time.

Broad acre agricultural use means application to land where the land is used for agriculture. This does not include the keeping and breeding of poultry or pigs, food root crops, vegetables or crops where the harvested parts touch or are below the surface of the land.

Characterisation means sampling and testing that must be conducted on the organic outputs for the range of chemicals and other attributes listed in Column 1 of Table 4.

Composite sample means, in relation to a sample of organic outputs for the purposes of determining in-product chemical and other attributes, a sample that combines the prescribed number of discrete sub-samples (each of the same size) into a single sample for the purpose of analysis.

Consumer means a person who applies, causes, or permits the application to land of organic outputs. The consumer is responsible for the land to which organic outputs are applied. Where a person responsible for transporting the organic outputs to the land application site is also the party applying the organic outputs, this person must also meet the responsibilities of the consumer.

Food waste means waste from the manufacture, preparation, sale or consumption of food but does not include grease trap waste.

Garden waste means waste that consists of branches, grass, leaves, plants, loppings, tree trunks, tree stumps and similar materials, and includes any mixture of those materials.

Manure means any mixture of manure and biodegradable animal bedding (such as straw).

Mine site means land disturbed by mining on which rehabilitation is being carried out by or on behalf of:

- (a) the holder of an authority under the Mining Act 1992 pursuant to an approved rehabilitation plan, or
- (b) the State of NSW.

Mixed waste means:

- (a) residual household waste that contains putrescible organics and/or
- (b) waste from litter bins that are collected by or on behalf of local councils.

It may only be mixed with any one or more of the following:

- (i) waste collected from commercial premises by or on behalf of councils as part of its kerbside household waste collection service,
- (ii) commercial waste sourced from restaurants, clubs, pubs, hotels, motels, resorts, offices, schools and shopping centres that is similar in composition to household waste (but may include a higher proportion of food waste),
- (iii) manure,
- (iv) food waste,
- (v) animal waste,
- (vi) grit or screenings from sewage treatment systems that have been dewatered so that the grit or screenings do not contain free liquids,
- (vii) up to 20% source separated household garden and food waste.

It must not contain any other waste. For example, it must not contain:

- (a) any special waste, hazardous waste, restricted solid waste or liquid waste as defined in clause 49 of Schedule 1 to the Act; or
- (b) any source separated recyclable household waste other than those set out in (vii) above.

NA means Not Applicable.

Non-contact agricultural use means application to land where the land is used for the growing of fruit or nut trees or vines but not where fallen produce is or may be collected off the ground. It does not include application to land where the land is used for grazing or for any other cropping purpose.

Organic outputs means the pasteurised and biologically stabilised organic outputs produced from the mechanical biological treatment of mixed waste.

Pasteurisation means a process to significantly reduce the numbers of plant and animal pathogens and plant propagules. Pasteurisation requires that the entire mass of organic material be subjected to either of the following:

- (a) Appropriate turning of outer material to the inside of the windrow so that the whole mass is subjected to a minimum of 3 turns with the internal temperature reaching a minimum of 55°C for 3 consecutive days before each turn. Where materials with a higher risk of containing pathogens are present, including but not limited to manure and food waste, the core temperature of the compost mass should be maintained at 55°C or higher for 15 days or longer, and during this period the windrow should be turned a minimum of 5 times.
- (b) An alternative process that guarantees the same level of pathogen reduction, and the reduction of plant propagules as in (a). Any such alternative process must be clearly defined in writing and validated by a suitably qualified person prior to claiming compliance with this exemption. A written record of the validation report must be kept for a minimum period of three years.

Pasteurised means that the mixed waste that has been subject to a process of pasteurisation.

Pathogen means a living organism that could be harmful to humans, animals, plants or other living organisms.

Plantation forestry use means application to an area of land on which the predominant number of trees or shrubs forming, or expected to form, the canopy are trees or shrubs that have been planted (whether by sowing seed or otherwise) for the purpose of timber production.

Processor means a person who processes, mixes, blends, or otherwise incorporates organic outputs into a material for supply to a consumer.

Public contact sites means land with a high potential for contact by the public, including public parks, fields, cemeteries, plant nurseries and golf courses.

Relevant waste means organic outputs that meet the requirements of Section 7.

Routine sampling means sampling and testing that must be conducted on the organic outputs on an ongoing and regular basis.

Source separated recyclable household waste means household waste from kerbside waste collection services that has been separated for the purpose of recycling.

General conditions

7. This Notice of Exemption is subject to the following conditions:
 - 7.1. The chemical concentration or other attribute of the organic outputs listed in Column 1 of Table 4 must not exceed the absolute maximum concentration or other value listed in Column 2 of Table 4.
 - 7.2. The organic outputs can only be applied to land as a soil amendment material for:
 - 7.2.1. soil improvement or site rehabilitation at mine sites,
 - 7.2.2. plantation forestry use, or
 - 7.2.3. non-contact agricultural use, or
 - 7.2.4. broad acre agricultural use.
 - 7.3. The organic outputs must not be used:
 - 7.3.1. in urban landscaping,
 - 7.3.2. at public contact sites,
 - 7.3.3. on or in home lawns and gardens,
 - 7.3.4. in potting mix, or
 - 7.3.5. in turf production.

Processor responsibilities

8. The following conditions must be met by the processor for this exemption to apply:
 - 8.1. The processor must ensure that the organic outputs do not contain contaminants that will degrade land or present a risk of harm to human health or to the environment.
 - 8.2. The processor must ensure that the organic outputs do not contain sharp pieces of glass, metal or plastic of a size, shape (e.g. glass shards), or type that might cause damage or injury to humans, animals, plants or soil.
 - 8.3. The processor must ensure that the organic outputs do not contain any asbestos.
 - 8.4. The processor must implement a lead reduction program by 1 March 2011 to reduce the lead levels in the mixed waste used as an input to the process.

- 8.5. The processor must ensure that it provides effective pre-sorting mechanisms to remove lead-acid batteries and other sortable lead containing wastes by 31 December 2010. The quantities and nature of the lead containing wastes removed per month must be recorded.
- 8.6. The processor must review collection procedures, available technologies and processes for each facility with the aim of reducing the lead content and physical contaminant levels in the organic outputs.
- 8.7. Sampling and information on sample storage and preparation must be detailed in a written sampling plan.
- 8.8. The processor must:
 - 8.8.1. sample the organic outputs in accordance with the requirements listed in Column 1 of Table 5, and
 - 8.8.2. ensure that each of those composite samples are tested for each of the chemicals and other attributes listed in Column 1 of Table 4, using the test method prescribed for that chemical or other attribute in Column 3 of Table 4, within 25 working days from the date of sampling.
- 8.9. The processor must ensure that all practicable measures have been taken to remove:
 - 8.9.1. glass, metal and rigid plastics, and
 - 8.9.2. plastics – light, flexible or filmso that they are not present at unacceptable levels (including in particle sizes less than 2 mm and 5 mm respectively) in the organic outputs.
- 8.10. The processor must keep a written record of all characterisation test results for a period of five years.
- 8.11. For each load of organic outputs supplied, the processor must keep a written record of the following matters for a period of five years:
 - 8.11.1. the quantity of organic outputs supplied to the consumer,
 - 8.11.2. the name and address of the consumer of each delivery of organic outputs,
 - 8.11.3. the location(s) where the organic outputs are applied, including the address and paddock or plot identification.
 - 8.11.4. the rate(s) at which the organic outputs are applied to the land at each location as defined in 8.11.3.
 - 8.11.5. the date(s) upon which the organic outputs are applied to the land at each location as defined in 8.11.3.
- 8.12. The processor must provide each consumer with a copy of this exemption and inform them of the consumer responsibilities contained within this exemption.
- 8.13. The processor must provide a written statement of compliance to the consumer with each transaction, certifying that:
 - 8.13.1. the organic outputs comply with the relevant conditions of this exemption, and
 - 8.13.2. the processor has complied with the relevant conditions of this exemption.
- 8.14. The processor of organic outputs must make the latest characterisation test results available to the consumer and the EPA upon request.
- 8.15. The processor must not deliver organic outputs to a consumer unless the consumer has provided the processor with a certificate of compliance for that supply of organic outputs in accordance with section 9.14.

Consumer responsibilities

9. The following conditions must be met by the consumer for this exemption to apply:
 - 9.1. For each load of organic outputs received, the consumer must keep a written record of the following matters for a period of five years:
 - 9.1.1. the quantity of organic outputs received by the consumer,
 - 9.1.2. the name and address of the supplier of each delivery of organic outputs,
 - 9.1.3. the location(s) where the organic outputs are applied including the address and paddock or plot identification,
 - 9.1.4. the rate(s) at which the organic outputs are applied to the land at each location as defined in 9.1.3,
 - 9.1.5. the date(s) upon which the organic outputs are applied to the land at each location as defined in 9.1.3,
 - 9.1.6. for land application sites, other than mine sites, where the consumer is not the owner of the land on which the organic outputs are applied, the consumer must obtain a statement of consent from the owner of the land that the owner has received a copy of the exemption and accepts the application on the land.
 - 9.2. The consumer must land-apply the organic outputs within a reasonable period of time.
 - 9.3. The consumer must ensure that no windblown litter leaves the premises as a result of the application to land of organic outputs.

- 9.4. For mine sites, no more than 140 tonnes/hectare (dry weight) of organic outputs may be applied in total to a given location.
- 9.5. For plantation forestry use and for non-contact agricultural use, no more than 50 tonnes/hectare (dry weight) of organic outputs may be applied in total to a given location.
- 9.6. For broad acre agricultural use, no more than 10 tonnes/hectare (dry weight) of organic outputs may be applied in total to a given location.
- 9.7. Organic outputs must not be applied to land with a slope in excess of 18% (10^0), unless used for mine site rehabilitation where all practicable measures have been taken to control stability and prevent runoff.
- 9.8. The organic outputs must not be applied to:
- 9.8.1. soil having a pH less than 5.0² when measured in a 1:5 soil:water extract, or
- 9.8.2. land that is within the buffer zones for the protected areas specified in Table 2.
- 9.9. Animals must not be allowed to graze the land for 30 days after the application of organic outputs to land.
- 9.10. Lactating and new born animals must not be allowed to graze the land for 90 days after the application of organic outputs to land.
- 9.11. Crops must not be harvested for 30 days after the application of organic outputs to land.

Table 2 – Buffer zones for protected areas

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<i>Protected Area</i>	<i>Minimum width of Buffer Zones (m)</i>		
	<i>Flat (< 3% or 2° slope)</i>	<i>Downslope (> 3% or 2° slope)</i>	<i>Upslope</i>
Surface waters	50	100	5
Drinking water bores	250	250	250
Other bores	50	50	50

- 9.12. Prior to receiving and land applying any organic outputs, where the application will result in greater than 10 tonnes/hectare (dry weight) total organic outputs in or on the land, the consumer must:
- 9.12.1. sample the soil to which the organic outputs are to be applied by taking the following samples at a depth of 0 to 15 centimetres:
- (a) For plantation forestry use and non-contact agricultural use:
- i. For land equal to, or less than 10 hectares - 2 composite samples (comprising of 5 sub-samples each), and
- ii. For land greater than 10 hectares - 1 composite sample (comprising of 5 sub-samples) per 10 ha.
- (b) For mine site rehabilitation:
- i. For land equal to, or less than, 20 hectares - 2 composite samples (comprising of 5 sub-samples each), and
- ii. For land greater than 20 hectares - 1 composite sample (comprising of 5 sub-samples) per 20 ha.
- 9.12.2. ensure that each of the composite samples referred to in section 9.12.1 are tested for the contaminants listed in Column 1 of Table 3.
- 9.12.3. ensure that the contaminant concentrations in the soil prior to application of organic outputs to the land must not exceed the maximum levels specified for those contaminants for the relevant land use in either Column 2 or Column 3 of Table 3.
- 9.13. The soil where the organic outputs have been applied to land must be re-sampled and re-tested as set out in section 9.12 prior to receiving or applying any additional organic outputs to the land.
- 9.14. The consumer must provide a written statement of compliance to any person that it engages to supply organic outputs certifying that:
- 9.14.1. it has complied with any sampling and testing requirements listed in section 9.12 and 9.13 that are relevant to the receipt of the organic outputs, and
- 9.14.2. none of those test results show that existing contaminant concentrations in the soil exceed any of the maximum allowable soil contaminant concentrations in Table 3.

² Where organic outputs are proposed for land application for soils (such as mine sites) where the pH is less than 5.0, a specific exemption may be considered where low concentrations of metals can be achieved.

Table 3 – Maximum allowable soil contaminant concentrations¹ prior to organic outputs application to land

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>	<i>Column 4</i>
<i>Contaminant</i>	<i>Mine sites Maximum allowable soil contaminant concentration (dry weight of soil in mg/kg, unless otherwise specified)</i>	<i>Plantation forestry use, non-contact agricultural use and broad acre agricultural use land Maximum allowable soil contaminant concentration (dry weight of soil in mg/kg, unless otherwise specified)</i>	<i>Test method specified within the following section of this Notice of Exemption</i>
1. Arsenic	20	20	12.2
2. Cadmium	5	1	12.2
3. Chromium (total)	250	100	12.2
4. Copper	375	100	12.2
5. Lead	150	150	12.2
6. Mercury	4	1	12.1
7. Nickel	125	60	12.2
8. Selenium	8	5	12.2
9. Zinc	700	200	12.2
10. DDT/DDD/DDE	0.5	0.5	12.3
11. Aldrin	0.2	0.02	12.3
12. Dieldrin	0.2	0.02	12.3
13. Chlordane	0.2	0.02	12.3
14. Heptachlor	0.2	0.02	12.3
15. Hexachlorobenzene (HCB)	0.2	0.02	12.3
16. Lindane	0.2	0.02	12.3
17. Benzene hexachloride (BHC)	0.2	0.02	12.3
18. Polychlorinated Biphenyls (PCBs)	0.3	ND ²	12.3

Notes and Definitions for the purposes of Table 3:

- Maximum allowable soil contaminant concentrations are mean concentration values based on the sampling requirements set out in Section 9.12.
- No detected PCBs at a limit of detection of 0.1 mg PCB/kg soil. Organic outputs must not be applied to land where any individual PCB Aroclor has been detected at a limit of detection of 0.1 mg PCB/kg.

Chemical and other material property requirements

10. This Notice of Exemption only applies to organic outputs where the chemical and other attributes listed in Column 1 of Table 4 comply with the chemical concentrations and other values listed in Column 2 of Table 4, when analysed according to test methods specified in Column 3 of Table 4. Note that while limits are not included for chemicals and attributes 16 - 21, these must be tested in each sample and records kept of results.

Table 4 – Chemical and other material properties

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Chemicals and other attributes</i>	<i>Absolute maximum concentration (dry weight in mg/kg unless otherwise specified)</i>	<i>Test method specified within the following section of this Notice of Exemption</i>
1. Mercury	4	12.1

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Chemicals and other attributes</i>	<i>Absolute maximum concentration (dry weight in mg/kg unless otherwise specified)</i>	<i>Test method specified within the following section of this Notice of Exemption</i>
2. Cadmium	3	12.2
3. Lead	420 for mine sites 300 for plantation forestry use, non-contact agricultural use and broad acre agricultural use until 31 December 2011 250 for plantation forestry use, non-contact agricultural use and broad acre agricultural use from 1 January 2012 ^{1,2}	12.2
4. Arsenic	20	12.2
5. Chromium (total)	100	12.2
6. Copper	375	12.2
7. Nickel	60	12.2
8. Selenium	5	12.2
9. Zinc	700	12.2
10. DDT/DDD/DDE	0.5	12.3
11. Other pesticides ³	0.2	12.3
12. Polychlorinated Biphenyls (PCBs)	ND ⁴	12.4
13. Glass, metal and rigid plastics > 2 mm	5% for mine sites until 31 December 2011 (as % dry matter on weight/weight basis) 4% for mine sites from 1 January 2012 until 30 June 2013 (as % dry matter on weight/weight basis) 2.5% for mine sites from 1 July 2013 (as % dry matter on weight/weight basis) ¹	12.5
	2.5% for plantation forestry use, non-contact agricultural use and broad acre agricultural use until 31 December 2011 (as % dry matter on weight/weight basis) 1.5% for plantation forestry use, non-contact agricultural use and broad acre agricultural use from 1 January 2012 (as % dry matter on weight/weight basis) ¹	12.5
14. Plastics – light, flexible or film > 5 mm	0.5% for mine sites until 31 December 2011 (as % dry matter on weight/weight basis) 0.4% for mine sites from 1 January 2012 until 30 June 2013 (as % dry matter on weight/weight basis) 0.25% for mine sites from 1 July 2013 (as % dry matter on weight/weight basis) ¹	12.5
	0.25% for plantation forestry use, non-contact agricultural use and broad acre agricultural use until 31 December 2011 (as % dry matter on weight/weight basis) 0.2% for plantation forestry use, non-contact agricultural use and broad acre agricultural use from 1 January 2012 (as % dry matter on weight/weight basis) ¹	12.5
15. Maximum particle size	16 mm (particle size)	12.6
16. Other metals ⁵	NA	12.2

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Chemicals and other attributes</i>	<i>Absolute maximum concentration (dry weight in mg/kg unless otherwise specified)</i>	<i>Test method specified within the following section of this Notice of Exemption</i>
17. Total Polycyclic Aromatic Hydrocarbons (PAHs) ⁶	NA	12.3
18. Phthalates ⁷	NA	12.3
19. Pesticides (non-scheduled) ⁸	NA	12.7
20. Monobutyltin	NA	12.8

Notes and Definitions for the purposes of Table 4:

- Future contaminant levels will be set after considering the outcomes of research and trials that are to be conducted as well as the other considerations outlined in the notes to this Notice of Exemption.
- The effectiveness of mechanisms, programs, and reviews implemented by each facility in clauses 8.4, 8.5 and 8.6 in reducing the levels of lead present in the organic outputs will be evaluated. The maximum lead concentration may be amended following this review.
- Other pesticides* means Aldrin, Dieldrin, Chlordane, Heptachlor, Hexachlorobenzene (HCB), Lindane and Benzene Hexachloride (BHC).
- No detected individual PCB Aroclor at a limit of detection of 0.2 mg PCB Aroclor/kg.
- Other metals* means antimony, beryllium, boron, cobalt, manganese, molybdenum, tin, and vanadium.
- PAHs* means the following 16 USEPA priority pollutant polycyclic aromatic hydrocarbons (with CAS registry numbers): Acenaphthene (83-32-9), Chrysene (218-01-9), Acenaphthylene (208-96-8), Dibenzo(a,h)anthracene (53-70-3), Anthracene (120-12-7), Fluoranthene (206-44-0), Benzo(a)anthracene (56-55-3), Fluorene (86-73-7), Benzo(a)pyrene (50-32-8), Indeno(1,2,3-cd)pyrene (193-39-5), Benzo(b)fluoranthene (205-99-2), Naphthalene (91-20-3), Benzo(ghi)perylene (191-24-2), Phenanthrene (85-01-8), Benzo(k)fluoranthene (207-08-9), and Pyrene (129-00-0).
- Phthalates* means (with CAS registry numbers): Di-2-ethylhexylphthalate (DEHP) (117-81-7) and Dibutylphthalate (DBP) (84-74-2).
- Pesticides (non-scheduled)* means the following pesticides, herbicides, fungicides and insecticides (with CAS registry numbers): Brodifacoum (56073-10-0), Chlorpyrifos (2921-88-2), Cypermethrin (52315-07-8), Dichlofluanid (1085-98-9), Emamectin benzoate (137515-75-4 & 155569-91-8), Permethrin (52645-53-1), Profenofos (41198-08-7), Simazine (122-34-9), and Tebuconazole (107534-96-3).

Sampling and testing requirements

11. The organic outputs must be sampled according to the requirements in Table 5:

Table 5

<i>Column 1</i>	<i>Column 2</i>
<i>Characterisation frequency</i>	<i>Routine sampling frequency</i>
20 composite samples (comprising 5 sub-samples each) must be taken within 12 months of the commencement of this Exemption. Each composite sample must be taken from a different batch, truckload or stockpile. A maximum of 2 composite samples may be collected per month.	Not applicable ¹ .

Notes and Definitions for the purposes of Table 5:

- Routine sampling requirements will be determined on review of the results of characterisation testing.

Test Methods

- All testing must be undertaken by analytical laboratories accredited by the National Association of Testing Authorities, or equivalent. The chemicals and other attributes listed in Column 1 of Table 4 must be measured in accordance with the relevant test methods specified below:
 - Test method for measuring the mercury concentration in organic outputs:
 - Particle size reduction & sample splitting may be required.

- 12.1.2. For analysis - USEPA SW-846 Method 7471B Mercury in solid or semisolid waste (manual cold-vapor technique), or an equivalent analytical method with a detection limit < 20% of the stated absolute maximum concentration in Table 4, Column 2.
- 12.1.3. Results must be reported as mg/kg dry weight.
- 12.2. Test methods for measuring metals 2 – 9 and 16 listed in Table 4 in organic outputs:
- 12.2.1. Particle size reduction & sample splitting may be required.
- 12.2.2. For sample preparation by digestion - USEPA SW-846 Method 3050B acid digestion of sediments, sludges, soils, and oils, or using an equivalent digestion method.
- 12.2.3. For analysis - USEPA SW-846 Method 6010C Inductively coupled plasma - atomic emission spectrometry, or an equivalent analytical method with a detection limit < 10% of the stated absolute maximum concentration in Table 4, Column 2.
- 12.2.4. Results must be reported as mg/kg dry weight.
- 12.3. Test method for measuring 10, 11, 17 and 18 listed in Table 4 in organic outputs:
- 12.3.1. For analysis - USEPA SW-846 Method 8270D Semivolatile Organic Compounds by Gas Chromatography/Mass Spectrometry (GC/MS), or equivalent.
- 12.3.2. Results must be reported as mg/kg dry weight.
- 12.4. Test method for measuring Polychlorinated Biphenyls in organic outputs:
- 12.4.1. For analysis - USEPA SW-846 Method 8082A Polychlorinated Biphenyls (PCBs) By Gas Chromatography (GC), or equivalent.
- 12.4.2. Measure the following PCBs: Aroclor 1016 (CAS Registry No. 12674-11-2), Aroclor 1221 (CAS Registry No. 11104-28-2), Aroclor 1232 (CAS Registry No. 11141-16-5), Aroclor 1242 (CAS Registry No. 53469-21-9), Aroclor 1248 (CAS Registry No. 12672-29-6), Aroclor 1254 (CAS Registry No. 11097-69-1), Aroclor 1260 (CAS Registry No. 11096-82-5).
- 12.4.3. Results must be reported as mg/kg dry weight.
- 12.5. Test method for measuring physical contaminants in organic outputs:
- 12.5.1. For analysis - Australian Standard AS4454-2003 Composts, soil conditioners and mulches, "Appendix H - Method For Determination Of Moisture Content And Level Of Visible Contamination".
- 12.5.2. Results must be reported as % contamination on a dry mass basis.
- 12.6. Test method for measuring maximum particle size of organic outputs:
- 12.6.1. For analysis - Australian Standard AS4454-2003 Composts, soil conditioners and mulches, "Appendix F – Method For Determination Of Particle Size Grading".
- 12.6.2. Results must be reported as % by mass retained on a sieve with 16 mm apertures.
- 12.6.3. The entire sample must pass through the sieve.
- 12.7. Test method for measuring pesticides (non-scheduled) in organic outputs:
- 12.7.1. For analysis - USEPA SW-846 Method 8270D Semivolatile Organic Compounds By Gas Chromatography/Mass Spectrometry (GC/MS) for all pesticides (non-scheduled) or equivalent, except for the following:
- (a) Analysis of Dichlofluanid – AOAC method 2007.01 Pesticide Residues in Foods by GC/MS.
 - (b) Emamectin benzoate – acceptable analytical methods for the determination of emamectin benzoate include high-performance liquid chromatography (HPLC) with fluorescence detection.
 - (c) Brodifacoum – acceptable analytical methods for the determination of brodifacoum include high-performance liquid chromatography (HPLC) with fluorescence detection such as AOAC International 18th Edition, Method 983.11 and Journal of Chromatography A, 1985, Volume 321, Pages 255-272.
- 12.7.2. Results must be reported as mg/kg dry weight.
- 12.8. Test method for measuring monobutyltin in organic outputs:
- 12.8.1. For analysis - International Organization for Standardization ISO/DIS 23161.2:2007 Selected organotin compounds – Soil quality by Gas-chromatographic method (GC), or equivalent.
- 12.8.2. Results must be reported as mg/kg dry weight.

I, Henry Moore delegate of the EPA, grant this exemption under clauses 51 and 51A of the Protection of the Environment (Waste) Regulation 2005.

Dated: 4 June 2014.

HENRY MOORE,
Manager,
Waste Strategy and Innovation,
Environment Protection Authority

(by delegation made under section 21 of the Protection of Environment Administration Act 1991)

Notes

The goal of the general exemption is to facilitate the resource recovery of fit for purpose organic outputs by minimising the amount of physical and chemical contaminants.

Trials and research will be conducted to examine the environmental and human health impacts of contaminants in the organic outputs.

The EPA intends to extend this general exemption for agricultural uses following a review of the results of the research and trials. The nature of the extended general exemption for broad acre agricultural use, non-contact agricultural use and plantation forestry use will be determined taking into account:

- trials that are to be conducted in collaboration with the processors of mixed waste,
- the goal of the general exemption,
- the environmental, agricultural and human health impacts of the use of organic outputs,
- the technological capabilities of AWT facilities including the adequacy of pre-sorting processes, and
- community acceptance of the use of organic outputs.

The EPA may amend or revoke this exemption at any time if problems with the higher levels of physical contaminants arise during the transitional period.

It is the responsibility of the generator, processor and consumer to ensure that they comply with all relevant requirements of the most current exemption. The current version of a general exemption will be available on the EPA website: www.environment.nsw.gov.au.

In gazetting this general exemption, the EPA is exempting the relevant waste from the specific requirements of the Act and Regulations as stated in this exemption. The EPA is not in any way endorsing the use of this substance or guaranteeing that the substance will confer benefit.

The use of exempted material remains subject to other relevant laws. For example, a person who pollutes land (s142A of the Act) or water (s120 of the Act), or does not meet the special requirements for asbestos waste (clause 42 of the Regulation), regardless of having an exemption, is guilty of an offence and subject to prosecution.

For the purposes of arrangements between a generator, a processor and a consumer, a transaction is taken to mean the contractual agreement between the two parties which specifies the exchange of waste material from one party to another. A 'statement of compliance' must be in writing and be provided with each transaction.

The conditions set out in this exemption are designed to minimise the risk of potential harm to the environment and to human health, however, neither this exemption nor these conditions guarantee that the environment or human health will not be harmed.

It should be noted that other contaminants may be present in the relevant waste that can potentially cause harm. Application rates may need to be lower than those listed in the exemption depending on local circumstances and should be determined as appropriate to those circumstances prior to application. Plants may display symptoms of toxicity, and/or reductions in yield may occur at values below the maximum concentration limits specified in this exemption.

The consumer should assess whether or not the exempted material is fit for the purpose the material is proposed to be used and whether this use will cause harm. The consumer may need to seek expert advice from a certified practicing soil scientist (the Australian Society of Soil Science maintains a CPSS database at <http://www.asssi.asn.au/cpss/accredlist.php>).

Application at the maximum rates allowed in this exemption can add physical contaminants to land as follows:

Glass, metal and rigid plastics > 2 mm	7 tonnes per hectare for mine sites until 31 December 2011 5.6 tonnes per hectare for mine sites until 30 June 2013 3.5 tonnes per hectare for mine sites from 1 July 2013
	1.25 tonnes per hectare for plantation forestry use and non-contact agricultural use until 31 December 2011 0.75 tonnes per hectare for plantation forestry use and non-contact agricultural use from 1 January 2012
	0.25 tonnes per hectare for broad acre agricultural use until 31 December 2011 0.15 tonnes per hectare for broad acre agricultural use from 1 January 2012

Plastics – light, flexible or film > 5 mm	0.7 tonnes per hectare for mine sites until 31 December 2011 0.56 tonnes per hectare for mine sites until 30 June 2013 0.35 tonnes per hectare for mine sites from 1 July 2013
	0.125 tonnes per hectare for plantation forestry use and non-contact agricultural use until 31 December 2011 0.1 tonnes per hectare for plantation forestry use and non-contact agricultural use from 1 January 2012
	0.025 tonnes per hectare for broad acre agricultural use until 31 December 2011 0.02 tonnes per hectare for broad acre agricultural use from 1 January 2012

Physical contaminants may also be present in substantial quantities below 2 mm (for glass, metal and rigid plastics) and 5 mm (for Plastics – light, flexible or film).

This exemption does not apply to any material received at a premises that is required to be licensed for waste disposal (application to land) activities under the provisions of the Act, i.e. a landfill. This exemption does not remove the need for a site at which processing occurs to be licensed, if required under Schedule 1 of the Act. While not needing an exemption for use on landfills, organic outputs approval for use as cover in landfills can be sought under the conditions of the facility's Environment Protection Licence.

This exemption does not alter the requirements of any other relevant legislation that must be met in utilising this material, including for example, the need to prepare a Material Safety Data Sheet (MSDS).

Regardless of any exemption provided by the EPA, the person who causes or permits the application of the substance to land must ensure that the action is lawful and consistent with the development consent requirements of the land and meets any other legal requirements.

All records required to be kept under this exemption must be made available to authorised officers of the EPA upon request.

Failure to comply with the conditions of this Notice of Exemption may constitute an offence under clause 51 of the Regulation. If the responsible person fails to comply with the conditions of the Notice of Exemption he or she will not be exempt from the provisions to which this Notice of Exemption applies.

PROTECTION OF THE ENVIRONMENT OPERATIONS (WASTE) REGULATION 2005

General Exemption Under Part 6, Clause 51 and 51A

The Pasteurised Garden Organics Exemption 2014

Name

1. This exemption is to be known as ‘The pasteurised garden organics exemption 2014’.

Commencement

2. This exemption commences on 6 June 2014.

Duration

3. This exemption is valid until revoked by the Environment Protection Authority (EPA) by notice published in the *New South Wales Government Gazette*.

Legislation

4. Under the Protection of the Environment Operations (Waste) Regulation 2005 (the Regulation):
 - 4.1. Clause 51 (2) authorises the EPA to grant an exemption in relation to any matter or thing including an activity or class of activities, and
 - 4.2. Clause 51A authorises the EPA to exempt a person from any of the following provisions in relation to an activity or class of activities relating to certain waste that is to be land applied or used as a fuel, or used in connection with a process of thermal treatment:
 - the provisions of sections 47 to 49 and 88 of the Protection of the Environment Operations Act 1997 (the Act),
 - the provisions of Schedule 1 to the Act, either in total or as they apply to a particular activity, and
 - the provisions of Part 3 and clauses 45 and 47 of the Regulation.

Exemption

5. In this Notice of Exemption:
 - 5.1. The responsible person listed in Column 1 of Table 1 is exempt from the provision/s listed in Column 2 of that table but only:
 - in relation to activities involving the relevant waste, and
 - where the responsible person complies with the conditions referred to in Column 3 of the table, and
 - in the case of a consumer, in relation to the premises where the waste is applied to land as permitted by clause 7.1.

However, this Notice of Exemption does not exempt the responsible person from the provisions specified in Column 2 where the relevant waste is received at premises that are, despite this exemption, required to be licensed for waste disposal (application to land) activities under the provisions of the Act.

- 5.2. Where a responsible person complies with the conditions of this Notice of Exemption, the activity referred to in Schedule 1 from which that person is exempt is taken to be a non-scheduled activity for the purposes of the Act.

Table 1

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
Responsible person	Provisions from which the responsible person is exempt	Conditions to be met by the responsible person
Processor	section 48 of the Act in respect of clause 39 of Schedule 1 to the Act	all requirements specified in section 7 and 8
Consumer	section 48 of the Act in respect of clauses 39 and 42 of Schedule 1 to the Act section 88 of the Act clause 47 of the Regulation	all requirements specified in section 7 and 9

This Notice of Exemption is a general exemption for the purposes of clause 51(3) of the Regulation.

Definitions

6. In this Notice of Exemption:

Consumer means a person who applies, causes, or permits the application to land of pasteurised garden organics within the definitions of “application to land” in accordance with the Act.

Engineered wood products means engineered, painted, treated or composite wood products such as particleboard, oriented strand board, plywood, laminated veneer lumber, glulam or fibreboard that are manufactured with glues, resins, water repellents, fire retardants, fungal inhibitors and/or other chemicals.

Forestry and sawmill residues are untreated and uncontaminated plant materials from forestry operations such as logging, silviculture and sawmilling. Forestry and sawmill residues include materials such as bark, woodchip, sawdust and wood fibre that are collected as a source separated material stream for processing.

Garden organics means raw mulch and/or other plant material including leaves, plant trimmings, grass, flowers, fruit and plant propagules. Garden organics must not include material containing asbestos, engineered wood products and preservative treated or coated wood residues.

Pasteurisation means a process to significantly reduce the numbers of plant and animal pathogens and plant propagules. Pasteurisation requires that the entire mass of organic material be subjected to either of the following:

- (a) Appropriate turning of outer material to the inside of the windrow so that the whole mass is subjected to a minimum of 3 turns with the internal temperature reaching a minimum of 55°C for 3 consecutive days before each turn. Where materials with a higher risk of containing pathogens are present, including but not limited to manure, the core temperature of the compost mass should be maintained at 55°C or higher for 15 days or longer, and during this period the windrow should be turned a minimum of 5 times.
- (b) An alternative process that guarantees the same level of pathogen reduction, and the reduction of plant propagules as in (a). Any such alternative process must be clearly defined in writing and validated by a suitably qualified person prior to claiming compliance with this exemption. A written record of the validation report must be kept for a minimum period of three years.

Pasteurised garden organics means raw mulch and/or garden organics that have undergone the process of pasteurisation as a minimum. Pasteurised garden organics must not include material containing asbestos, engineered wood products and preservative treated or coated wood residues.

Preservative treated or coated wood residues means wood residues that are preservative treated with chemicals such as copper chrome arsenate (CCA), high temperature creosote (HTC), pigmented emulsified creosote (PEC) and light organic solvent preservative (LOSP) and/or coated with substances such as varnish or paint.

Processor means a person who processes, mixes, blends, or otherwise incorporates materials to produce pasteurised garden organics for supply to a consumer.

Raw mulch means plant material that by virtue of the nature and source of the material poses minimal risk of the presence of plant propagules, pathogens and other contaminants. Such materials may be shredded and/or screened to a preferred particle size grading for particular applications. Raw mulch only includes:

- (a) horticultural barks, leaf mulch and wood chip mulch produced from forestry and sawmill residues, and urban wood residues; and
- (b) branches, tree stumps and bark that are absent of leaves, flowers, fruit and plant propagules.

Raw mulch must not contain asbestos, engineered wood products, preservative treated or coated wood residues, or physical contaminants, including but not limited to glass, metal, rigid plastics, flexible plastics, or polystyrene.

Relevant waste means pasteurised garden organics that meets the requirements of Section 7.

Urban wood residues means untreated, unpainted, and uncontaminated urban derived timber and wood material that is collected as a separate material stream for processing. Urban wood residues include materials such as off-cuts, saw dust, wood shavings, packaging crates and pallets.

General conditions

7. This Notice of Exemption is subject to the following conditions:

- 7.1. The pasteurised garden organics can only be applied to land as a soil amendment material.

Processor Responsibilities

8. The following conditions must be met by the processor for this exemption to apply:

- 8.1. The processor must undertake the process of pasteurisation as a minimum.
- 8.2. Information on sampling and sample storage must be detailed in a written sampling plan.
- 8.3. The processor must ensure that the attribute of pasteurised garden organics listed in Column 1 of Table 2 does not exceed the absolute maximum value listed in Column 2 of Table 2.
- 8.4. The processor must not mechanically size reduce the pasteurised garden organics through methods such as hammer milling, crushing or grinding, as a way of managing the physical contaminant loading.
- 8.5. The processor must ensure that the pasteurised garden organics is ready for land application prior to transport to a consumer.
- 8.6. The processor must provide a written statement of compliance to the consumer with each transaction, certifying that the pasteurised garden organics complies with the relevant conditions of this exemption.
- 8.7. The processor must keep a written record of all test results for a period of three years.
- 8.8. The processor must make information on the latest test results available to the consumer and the EPA upon request.

Consumer Responsibilities

9. The following conditions must be met by the consumer for this exemption to apply:
- 9.1. The consumer must land apply the pasteurised garden organics as soon as possible after receipt at the land application site.
 - 9.2. The consumer must ensure that they do not cause or permit the migration of leachate from the land application site.

Material property requirements

10. This Notice of Exemption only applies to pasteurised garden organics where the attributes listed in Column 1 of Table 2 comply with the values listed in Column 2 of Table 2, when analysed according to test methods specified in Column 3 of Table 2.

Table 2

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Attributes</i>	<i>Absolute maximum (% 'dry weight')</i>	<i>Test method specified within Section</i>
1. Glass, metal and rigid plastics > 2 mm	0.5	11.1
2. Plastics – light, flexible or film > 5 mm	0.05	11.1

Test Methods

11. All testing must be undertaken by analytical laboratories accredited by the National Association of Testing Authorities (NATA), or equivalent. The attributes listed in Column 1 of Table 2 must be measured in accordance with the relevant test methods specified below:
- 11.1. Test method for measuring physical contaminants 1 and 2 in pasteurised garden organics:
 - 11.1.1. For analysis - Australian Standard AS4454-2012 Composts, soil conditioners and mulches, “Appendix I - Method For Determination Of Moisture Content And Level Of Visible Contamination”. This test must be conducted under bright and direct light.
 - 11.1.2. Results must be reported as % contamination on a dry mass basis.

Exemption Granted

Henry Moore,
Manager,
Waste Strategy and Innovation,
Environment Protection Authority
(by delegation)

Notes

The EPA may amend or revoke this exemption at any time. It is the responsibility of the generator, processor and consumer to ensure that they comply with all relevant requirements of the most current exemption. The current version of a general exemption will be available on the EPA website: www.epa.nsw.gov.au

In gazetting this general exemption, the EPA is exempting the relevant waste from the specific requirements of the Act and Regulations as stated in this exemption. The EPA is not in any way endorsing the use of this substance or guaranteeing that the substance will confer benefit.

The use of exempted material remains subject to other relevant environmental regulations within the Act and Regulations. For example, a person who pollutes land (s142A) or water (s120), or causes air pollution through the emission of odours (s126), or does not meet the special requirements for asbestos waste (clause 42), regardless of having an exemption, is guilty of an offence and subject to prosecution.

The use of exempted material remains subject to other relevant Commonwealth or State legislation, including requirements and constraints in relation to health, work health and safety, transport, biosecurity and stockfood. All responsible parties identified in this exemption are responsible for ensuring compliance with all other applicable legislation.

For the purposes of arrangements between a generator, a processor and a consumer, a ‘transaction’ is taken to mean the contractual agreement between the two parties which specifies the exchange of waste material from one party to another. A ‘statement of compliance’ must be in writing and be provided with each transaction.

The conditions set out in this exemption are designed to minimise the risk of potential harm to the environment, human health or agriculture, however, neither this exemption nor these conditions guarantee that the environment, human health or agriculture will not be harmed.

The EPA considers pasteurisation the minimum treatment to significantly reduce the numbers of plant and animal pathogens and plant propagules. However the EPA recommends full composting of garden organics to achieve maximum biological transformation.

It should be noted that other contaminants may be present in the relevant waste that can potentially cause harm. Application rates need to be determined based on local circumstances prior to application. Plants may display symptoms of toxicity, and/or reductions in yield may occur at values below the maximum concentration limits specified in this exemption.

Whilst this exemption requires that the pasteurised garden organics must not contain engineered wood products, the EPA recognises that the pasteurised garden organics may contain extremely low and incidental amounts of engineered wood products. The processor must implement procedures to prevent the presence of engineered wood products in the pasteurised garden organics. These procedures must be formally documented. However, as noted in this exemption, the pasteurised garden organics must not contain any asbestos, or preservative treated or coated wood residues.

The pasteurised garden organics that meets the conditions of this exemption should be applied to land by the consumer within 2 weeks of being received. Where there are extenuating circumstances the pasteurised garden organics should be land applied within 4 weeks. The EPA considers that 6 weeks would be the absolute limit in all circumstances.

The consumer should assess whether or not the exempted material is fit for the purpose the material is proposed to be used for and whether this use will cause harm. The consumer may need to seek expert engineering or technical advice.

This exemption does not apply to any material received at a premises that is required to be licensed for waste disposal (application to land) activities under the provisions of the Act. This exemption does not remove the need for a site at which processing occurs to be licensed, if required under Schedule 1 of the Act.

This exemption does not alter the requirements of any other relevant legislation that must be met in utilising this material, including for example, the need to prepare a Material Safety Data Sheet (MSDS).

Regardless of any exemption provided by the EPA, the person who causes or permits the application of the substance to land must ensure that the action is lawful and consistent with the development consent requirements of the land.

All records required to be kept under this exemption must be made available to authorised officers of the EPA upon request.

Failure to comply with the conditions of this Notice of Exemption may constitute an offence under clause 51 of the Regulation and the responsible person will be required to comply with the normal regulatory provisions.

PROTECTION OF THE ENVIRONMENT OPERATIONS (WASTE) REGULATION 2005

General Exemption Under Part 6, Clause 51 and 51A

The Raw Mulch Exemption 2014

Name

1. This exemption is to be known as 'The raw mulch exemption 2014'.

Commencement

2. This exemption commences on 6 June 2014. 'The raw mulch exemption 2008' which commenced 20 June 2008 is revoked from 6 June 2014.

Duration

3. This exemption is valid until revoked by the Environment Protection Authority (EPA) by notice published in the *New South Wales Government Gazette*.

Legislation

4. Under the Protection of the Environment Operations (Waste) Regulation 2005 (the Regulation):
 - 4.1. Clause 51 (2) authorises the EPA to grant an exemption in relation to any matter or thing including an activity or class of activities, and
 - 4.2. Clause 51A authorises the EPA to exempt a person from any of the following provisions in relation to an activity or class of activities relating to certain waste that is to be land applied or used as a fuel, or used in connection with a process of thermal treatment:
 - the provisions of sections 47 to 49 and 88 of the Protection of the Environment Operations Act 1997 (the Act),
 - the provisions of Schedule 1 to the Act, either in total or as they apply to a particular activity, and
 - the provisions of Part 3 and clauses 45 and 47 of the Regulation.

Exemption

5. In this Notice of Exemption:
 - 5.1. The responsible person listed in Column 1 of Table 1 is exempt from the provision/s listed in Column 2 of that table but only:
 - in relation to activities involving the relevant waste, and
 - where the responsible person complies with the conditions referred to in Column 3 of the table, and
 - in the case of a consumer, in relation to the premises where the waste is applied to land as permitted by clause 7.1.

However, this Notice of Exemption does not exempt the responsible person from the provisions specified in Column 2 where the relevant waste is received at premises that are, despite this exemption, required to be licensed for waste disposal (application to land) activities under the provisions of the Act.
 - 5.2. Where a responsible person complies with the conditions of this Notice of Exemption, the activity referred to in Schedule 1 from which that person is exempt is taken to be a non-scheduled activity for the purposes of the Act.

Table 1

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
Responsible person	Provisions from which the responsible person is exempt	Conditions to be met by the responsible person
Processor	section 48 of the Act in respect of clause 39 of Schedule 1 to the Act	all requirements specified in section 7
Consumer	section 48 of the Act in respect of clauses 39 and 42 of Schedule 1 to the Act section 88 of the Act clause 47 of the Regulation	all requirements specified in section 7

This Notice of Exemption is a general exemption for the purposes of clause 51(3) of the Regulation.

Definitions

6. In this Notice of Exemption:

Consumer means a person who applies, causes, or permits the application to land of raw mulch within the definitions of "application to land" in accordance with the Act.

Engineered wood products means engineered, painted, treated or composite wood products such as particleboard, oriented strand board, plywood, laminated veneer lumber, glulam or fibreboard that are manufactured with glues, resins, water repellents, fire retardants, fungal inhibitors and/or other chemicals.

Forestry and sawmill residues means untreated and uncontaminated plant materials from forestry operations such as logging, silviculture and sawmilling. Forestry and sawmill residues include materials such as bark, woodchip, sawdust and wood fibre that are collected as a source separated material stream for processing.

Preservative treated or coated wood residues means wood residues that are preservative treated with chemicals such as copper chrome arsenate (CCA), high temperature creosote (HTC), pigmented emulsified creosote (PEC) and light organic solvent preservative (LOSP) and/or coated with substances such as varnish or paint.

Processor means a person who generates, processes, supplies, causes, or permits the supply of raw mulch to a consumer.

Raw mulch means plant material that by virtue of the nature and source of the material poses minimal risk of the presence of plant propagules, pathogens and other contaminants¹. Such materials may be shredded and/or screened to a preferred particle size grading for particular applications. Raw mulch only includes:

- (a) horticultural barks, leaf mulch and wood chip mulch produced from forestry and sawmill residues, and urban wood residues; and
- (b) branches, tree stumps and bark that are absent of leaves, flowers, fruit and plant propagules.

Raw mulch must not contain asbestos, engineered wood products, preservative treated or coated wood residues, or physical contaminants, including but not limited to glass, metal, rigid plastics, flexible plastics, or polystyrene.

Relevant waste means raw mulch that meets the requirements of Section 7.

Urban wood residues means untreated, unpainted, and uncontaminated urban derived timber and wood material that is collected as a separate material stream for processing. Urban wood residues include materials such as off-cuts, saw dust, wood shavings, packaging crates and pallets.

General conditions

7. This Notice of Exemption is subject to the following conditions:
 - 7.1. The raw mulch can only be applied to land as a soil amendment material.
 - 7.2. The processor must ensure that the raw mulch is ready for land application prior to transport to a consumer.
 - 7.3. The consumer must not undertake further processing of the raw mulch at the land application site.
 - 7.4. The consumer must land apply the raw mulch as soon as possible after receipt at the land application site.
 - 7.5. The consumer must ensure that they do not cause or permit the migration of leachate from the land application site.

Exemption Granted

HENRY MOORE,
Manager,
Waste Strategy and Innovation,
Environment Protection Authority
(by delegation)

Notes

The EPA may amend or revoke this exemption at any time. It is the responsibility of the generator, processor and consumer to ensure that they comply with all relevant requirements of the most current exemption. The current version of a general exemption will be available on the EPA website: www.epa.nsw.gov.au.

In gazetting this general exemption, the EPA is exempting the relevant waste from the specific requirements of the Act and Regulations as stated in this exemption. The EPA is not in any way endorsing the use of this substance or guaranteeing that the substance will confer benefit.

The use of exempted material remains subject to other relevant environmental regulations within the Act and Regulations. For example, a person who pollutes land (s142A) or water (s120), or causes air pollution through the emission of odours (s126), or does not meet the special requirements for asbestos waste (clause 42), regardless of having an exemption, is guilty of an offence and subject to prosecution.

The use of exempted material remains subject to other relevant Commonwealth or State legislation, including requirements and constraints in relation to health, work health and safety, transport, biosecurity and stockfood. All responsible parties identified in this exemption are responsible for ensuring compliance with all other applicable legislation.

For the purposes of arrangements between a generator, a processor and a consumer, a 'transaction' is taken to mean the contractual agreement between the two parties which specifies the exchange of waste material from one party to another. A 'statement of compliance' must be in writing and be provided with each transaction.

The conditions set out in this exemption are designed to minimise the risk of potential harm to the environment, human health or agriculture, however, neither this exemption nor these conditions guarantee that the environment, human health or agriculture will not be harmed.

¹ Where there is a significant risk of the presence of plant propagules, pathogens and other contaminants, the raw mulch must be assessed against and comply with the conditions of the pasteurised garden organics exemption 2014.

It should be noted that other contaminants may be present in the relevant waste that can potentially cause harm. Application rates may need to be lower than those listed in the exemption depending on local circumstances and should be determined as appropriate to those circumstances prior to application. Plants may display symptoms of toxicity, and/or reductions in yield may occur at values below the maximum concentration limits specified in this exemption.

Whilst this exemption requires that the raw mulch must not contain engineered wood products and/or physical contaminants, the EPA recognises that the raw mulch may contain extremely low and incidental amounts of engineered wood products and/or physical contaminants of glass, metal, rigid plastics, flexible plastics, or polystyrene. The processor must implement procedures to prevent the presence of engineered wood products and/or physical contaminants in the raw mulch. These procedures must be formally documented. However, as noted in this exemption, the raw mulch must not contain any asbestos, or preservative treated or coated wood residues.

The raw mulch that meets the conditions of this exemption should be applied to land by the consumer within 2 weeks of being received. Where there are extenuating circumstances the raw mulch should be land applied within 4 weeks to ensure that composting of the raw mulch does not occur. The EPA considers that 6 weeks would be the absolute limit in all circumstances.

The consumer should assess whether or not the exempted material is fit for the purpose the material is proposed to be used for and whether this use will cause harm. The consumer may need to seek expert engineering or technical advice.

This exemption does not apply to any material received at a premises that is required to be licensed for waste disposal (application to land) activities under the provisions of the Act. This exemption does not remove the need for a site at which processing occurs to be licensed, if required under Schedule 1 of the Act.

This exemption does not alter the requirements of any other relevant legislation that must be met in utilising this material, including for example, the need to prepare a Material Safety Data Sheet (MSDS).

Regardless of any exemption provided by the EPA, the person who causes or permits the application of the substance to land must ensure that the action is lawful and consistent with the development consent requirements of the land.

All records required to be kept under this exemption must be made available to authorised officers of the EPA upon request.

Failure to comply with the conditions of this Notice of Exemption may constitute an offence under clause 51 of the Regulation and the responsible person will be required to comply with the normal regulatory provisions.

PROTECTION OF THE ENVIRONMENT OPERATIONS (WASTE) REGULATION 2005

General Exemption under Part 6, Clause 51 and 51A

The Solid Food Waste Exemption 2014

Name

1. This exemption is to be known as 'The solid food waste exemption 2014'.

Commencement

2. This exemption commences on 6 June 2014. 'The food waste exemption 2009' which commenced 1 November 2009 is revoked from 6 June 2014.

Duration

3. This exemption is valid until revoked by the Environment Protection Authority (EPA) by notice published in the *New South Wales Government Gazette*.

Legislation

4. Under the Protection of the Environment Operations (Waste) Regulation 2005 (the Regulation):
 - 4.1. Clause 51 (2) authorises the EPA to grant an exemption in relation to any matter or thing including an activity or class of activities, and
 - 4.2. Clause 51A authorises the EPA to exempt a person from any of the following provisions in relation to an activity or class of activities relating to certain waste that is to be land applied or used as a fuel, or used in connection with a process of thermal treatment:
 - the provisions of sections 47 to 49 and 88 of the Protection of the Environment Operations Act 1997 (the Act),
 - the provisions of Schedule 1 to the Act, either in total or as they apply to a particular activity, and
 - the provisions of Part 3 and clauses 45 and 47 of the Regulation.

Exemption

5. In this Notice of Exemption:
 - 5.1. The responsible person listed in Column 1 of Table 1 is exempt from the provision/s listed in Column 2 of that table but only:
 - in relation to activities involving the relevant waste, and
 - only where the responsible person complies with the conditions referred to in Column 3 of the table, and
 - in the case of a consumer, in relation to the premises where the waste is applied to land as permitted by clause 7.1.

However, this Notice of Exemption does not exempt the responsible person from the provisions specified in Column 2 where the relevant waste is received at premises that are, despite this exemption, required to be licensed for waste disposal (application to land) activities under the provisions of the Act.
 - 5.2. Where a responsible person complies with the conditions of this Notice of Exemption, the activity referred to in Schedule 1 from which that person is exempt is taken to be a non-scheduled activity for the purposes of the Act.

Table 1

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
<i>Responsible person</i>	<i>Provisions from which the responsible person is exempt</i>	<i>Conditions to be met by the responsible person</i>
Processor	section 48 of the Act in respect of clause 39 of Schedule 1 to the Act	all requirements specified in section 7 and 8
Consumer	section 48 of the Act in respect of clauses 39 and 42 of Schedule 1 to the Act section 88 of the Act clause 47 of the Regulation	all requirements specified in section 7 and 9

This Notice of Exemption is a general exemption for the purposes of clause 51(3) of the Regulation.

Definitions

6. In this Notice of Exemption:

Animal waste means dead animals and animal parts and any mixture of dead animals and animal parts.

Consumer means a person who applies, causes, or permits the application to land of solid food waste within the definitions of "application to land" in accordance with the Act. The consumer may be the landholder responsible for the land to which solid food waste is applied. Where a person responsible for transporting the solid food waste to the land application site is also the party applying the solid food waste, this person must also meet the responsibilities of the consumer.

Corrosive means a substance having properties that may damage or destroy living organisms and components of the soil, including soil organic matter. Commonly this includes strong acids and strong bases, or weak acids and weak bases occurring in concentrated form.

Post-consumer food waste means food waste generated by the end consumer of food and collected from kerbside collections either as a single stream or co-collected with garden waste.

Processor means a person who generates, supplies, causes, or permits the supply of solid food waste to a consumer, or who processes, mixes, blends, or otherwise incorporates solid food waste into a material for supply to a consumer.

Relevant waste means the solid food waste that meets the requirements of Section 7.

Solid food waste means solid food waste from the manufacture, preparation, sale or consumption of food but does not include post-consumer food waste, grease trap waste, animal waste or liquid waste. The solid food waste must not be corrosive, or contain any physical contaminants, including but not limited to glass, metal, rigid plastics, flexible plastics, or polystyrene.

General conditions

7. This Notice of Exemption is subject to the following conditions:
 - 7.1. The solid food waste can only be applied to land as a soil amendment material.
 - 7.2. The relevant waste must be land applied as soon as possible after receipt at the land application site.
 - 7.3. Where solid food waste has decomposed or changed characteristics such that it meets the definition of liquid food waste prior to land application, the Liquid food waste exemption 2014 must apply.

Processor responsibilities

8. The following conditions must be met by the processor for this exemption to apply:
 - 8.1. The processor must ensure that the solid food waste is in a form and condition that is suitable for immediate land application prior to transport to a consumer.
 - 8.2. Records of the quantity of solid food waste supplied to the consumer and the consumer's name and address must be kept for a period of three years.
 - 8.3. The processor must provide each consumer with a copy of this exemption and inform them of the consumer responsibilities contained within this exemption.

Consumer responsibilities

9. The following conditions must be met by the consumer for this exemption to apply:
 - 9.1. The consumer must ensure that solid food waste is appropriately contained on receipt at the application site, such that leaching or runoff from the waste is prevented prior to land application. The containment must also ensure minimal risk of exposure to and transfer of pathogenic materials from the site by vectors (animals, birds and insects).
 - 9.2. Application rates must be calculated prior to the solid food waste being land applied and must be equal to or less than the agronomic rate for the most limiting factor.
 - 9.3. The consumer must incorporate the solid food waste into the topsoil at the time of application.
 - 9.4. The consumer must ensure that they do not cause or permit the migration of leachate from the premises from solid food waste following receipt at the land application site, but prior to land application, and when applying solid food waste to land.
 - 9.5. A livestock-withholding period of 30 days (90 days for lactating and newborn animals) applies following the land application of solid food waste.
 - 9.6. Where the solid food waste is land applied within 4 weeks of any other exempted waste, an investigation to determine the suitability of the proposed application must be undertaken prior to the waste being received at the application site. A report must be prepared including, but not necessarily limited to, information detailing how the receiving site will benefit from multiple wastes being applied, how the matrices and constituents of the different wastes will interact, and what application rates will be appropriate to minimise the potential for environmental harm. The investigation should determine whether the land application will deliver a net benefit. Where a net benefit is not demonstrated the land application of solid food waste must not proceed. A written record of the report must be kept for a minimum period of three years.

Exemption Granted

HENRY MOORE,
Manager,
Waste Strategy and Innovation,
Environment Protection Authority
(by delegation)

Notes

The EPA may amend or revoke this exemption at any time. It is the responsibility of the generator, processor and consumer to ensure that they comply with all relevant requirements of the most current exemption. The current version of a general exemption will be available on the EPA website: www.epa.nsw.gov.au

In gazetting this general exemption, the EPA is exempting the relevant waste from the specific requirements of the Act and Regulations as stated in this exemption. The EPA is not in any way endorsing the use of this substance or guaranteeing that the substance will confer benefit.

The use of exempted material remains subject to other relevant environmental regulations within the Act and Regulations. For example, a person who pollutes land (s142A) or water (s120), or causes air pollution through the emission of odours (s126), or does not meet the special requirements for asbestos waste (clause 42), regardless of having an exemption, is guilty of an offence and subject to prosecution.

The use of exempted material remains subject to other relevant Commonwealth or State legislation, including requirements and constraints in relation to health, work health and safety, transport, biosecurity and stockfood. All responsible parties identified in this exemption are responsible for ensuring compliance with all other applicable legislation.

For the purposes of arrangements between a generator, a processor and a consumer, a 'transaction' is taken to mean the contractual agreement between the two parties which specifies the exchange of waste material from one party to another. A 'statement of compliance' must be in writing and be provided with each transaction.

The conditions set out in this exemption are designed to minimise the risk of potential harm to the environment, human health or agriculture, however, neither this exemption nor these conditions guarantee that the environment, human health or agriculture will not be harmed.

It should be noted that other contaminants may be present in the relevant waste that can potentially cause harm. Application rates may need to be lower than those listed in the exemption depending on local circumstances and should be determined as appropriate to those circumstances prior to application. Plants may display symptoms of toxicity, and/or reductions in yield may occur at values below the maximum concentration limits specified in this exemption.

The consumer should assess whether or not the exempted material is fit for the purpose the material is proposed to be used for and whether this use will cause harm. The consumer may need to seek expert engineering or technical advice.

This exemption does not apply to any material received at a premises that is required to be licensed for waste disposal (application to land) activities under the provisions of the Act. This exemption does not remove the need for a site at which processing occurs to be licensed, if required under Schedule 1 of the Act.

This exemption does not alter the requirements of any other relevant legislation that must be met in utilising this material, including for example, the need to prepare a Safety Data Sheet (SDS) and to provide it to customers as a key source of information that includes the manufacturer's recommended control measures.

Regardless of any exemption provided by the EPA, the person who causes or permits the application of the substance to land must ensure that the action is lawful and consistent with the development consent requirements of the land.

All records required to be kept under this exemption must be made available to authorised officers of the EPA upon request.

Failure to comply with the conditions of this Notice of Exemption may constitute an offence under clause 51 of the Regulation and the responsible person will be required to comply with the normal regulatory provisions.



Independent Pricing and Regulatory Tribunal

Review of prices for land valuation services provided by the Valuer-General to councils

From 1 July 2014 to 30 June 2019

Other Industries — Determination
May 2014



Independent Pricing and Regulatory Tribunal

Review of prices for land valuation services provided by the Valuer-General to councils

From 1 July 2014 to 30 June 2019

Determination No. 2, 2014

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Preliminary

1 Background

- (a) Section 12 of the *Independent Pricing and Regulatory Tribunal Act 1992* (**IPART Act**) provides that IPART is to conduct investigations and make reports to the Minister on the determination of the pricing for a specified government monopoly service referred to IPART by the Minister.
- (b) The services which, if supplied by the Valuer-General, are declared as government monopoly services under the *Government Pricing Tribunal (Valuer-General's Services) Order 1993* are:
 - Furnishing valuation lists and supplementary lists under Part 5 of the *Valuation of Land Act 1916* by the Valuer-General to a council of an area under the *Local Government Act 1993* (**Monopoly Service**).
- (c) On 30 December 2013, IPART received a referral from the Minister (**Referral**) requesting that IPART, pursuant to section 12 of the IPART Act, make a new determination or determinations of the maximum pricing for the provision of the Monopoly Service to apply in total for a period of 5 years (**Referral Period**).
- (d) Accordingly, IPART may determine the maximum prices for the Monopoly Service during the Referral Period.
- (e) In investigating and reporting on the pricing of the Monopoly Service, IPART has had regard to a broad range of matters, including:
 - (1) the matters set out in the Referral; and
 - (2) the matters set out in section 15(1) of the IPART Act.
- (f) In accordance with section 13A of the IPART Act, IPART has fixed maximum prices for the Monopoly Service.
- (g) Under section 18(2) of the IPART Act, the Valuer-General may not fix a price below that determined by IPART for the Monopoly Service without the approval of the Treasurer.

| Preliminary

2 Application of this determination

- (a) Under section 12 of the IPART Act, this determination fixes the maximum prices that the Valuer-General may charge for the Monopoly Service.
- (b) This determination commences on the later of:
 - (1) 1 July 2014; and
 - (2) the date that it is published in the NSW Government Gazette, (Commencement Date).
- (c) The maximum prices in this determination apply from the Commencement Date until the earlier of:
 - (1) the date that this determination is replaced during the Referral Period; and
 - (2) 30 June 2019.

3 Replacement of Determination No. 2 of 2008

This determination replaces Determination No. 2 of 2008 from the Commencement Date. The replacement does not affect anything done or omitted to be done, or rights or obligations accrued, under Determination No 2. of 2008 prior to its replacement.

4 Pricing schedule

Schedule 1 sets out the maximum prices that the Valuer-General may charge for the Monopoly Service.

5 Definitions and Interpretation

Schedule 2 sets out the definitions and interpretation provisions used in this determination.

Schedule 1 Maximum prices for the Monopoly Service

1 Application

This Schedule sets the maximum prices that the Valuer-General may charge for the Monopoly Service.

2 Maximum prices for the Monopoly Service

The maximum price that the Valuer-General may charge a Council for the Monopoly Service is a single annual charge calculated as follows:

- (a) the amount specified in Table 1 for the applicable Period multiplied by the number of entries relating to Residential Land on the Valuation Roll of that Council; plus
- (b) the amount specified in Table 2 for the applicable Period multiplied by the number of entries relating to Non-Residential Land on the Valuation Roll of that Council.

Tables 1 and 2

Table 1 Residential Land entry charge

Commencement Date to 30 June 2015 \$ per entry	1 July 2015 to 30 June 2016 \$ per entry	1 July 2016 to 30 June 2017 \$ per entry	1 July 2017 to 30 June 2018 \$ per entry	1 July 2018 to 30 June 2019 \$ per entry
\$5.50	$\$5.50 \times (1 + \Delta\text{CPI}_1)$	$\$5.50 \times (1 + \Delta\text{CPI}_2)$	$\$5.50 \times (1 + \Delta\text{CPI}_3)$	$\$5.50 \times (1 + \Delta\text{CPI}_4)$

Table 2 Non-Residential Land entry charge

Commencement Date to 30 June 2015 \$ per entry	1 July 2015 to 30 June 2016 \$ per entry	1 July 2016 to 30 June 2017 \$ per entry	1 July 2017 to 30 June 2018 \$ per entry	1 July 2018 to 30 June 2019 \$ per entry
\$12.09	$\$12.09 \times (1 + \Delta\text{CPI}_1)$	$\$12.09 \times (1 + \Delta\text{CPI}_2)$	$\$12.09 \times (1 + \Delta\text{CPI}_3)$	$\$12.09 \times (1 + \Delta\text{CPI}_4)$

Schedule 2 Definitions and Interpretation

1 Definitions

1.1 General definitions

In this determination:

Commencement Date is defined in clause 2(b) of the *Preliminary* section of this determination.

Council has the meaning given to that term under the *Local Government Act 1993* (NSW).

Determination No. 2 of 2008 means IPART's Determination No. 2, 2008 entitled "*Price review of rating valuation services provided by the Valuer General to local government*".

IPART means the Independent Pricing and Regulatory Tribunal of New South Wales established under the IPART Act.

IPART Act means the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW).

Minister means the Minister responsible for administering the IPART Act.

Monopoly Service means the Monopoly Service as defined in clause 1(b) of the *Preliminary* section of this determination.

Non-Residential Land means land categorised as farmland, mining or business for the purposes of ordinary rates under Chapter 15, Part 3 of the *Local Government Act 1993* (NSW).

Period means:

- (a) the Commencement Date to 30 June 2015;
- (b) 1 July 2015 to 30 June 2016;
- (c) 1 July 2016 to 30 June 2017;
- (d) 1 July 2017 to 30 June 2018; or
- (e) 1 July 2018 to 30 June 2019.

Referral is defined in clause 1(c) of the *Preliminary* section of this Determination.

Referral Period is defined in clause 1(c) of the *Preliminary* section of this Determination.

Residential Land means land categorised as residential for the purposes of ordinary rates under Chapter 15, Part 3 of the *Local Government Act 1993* (NSW).

Valuation Roll has the meaning given to it under section 53 of the *Valuation of Land Act 1916* (NSW).

Valuer-General means the person from time to time appointed to that office in accordance with section 8 of the *Valuation of Land Act 1916* (NSW).

1.2 Consumer Price Index

- (a) CPI means the consumer price index All Groups index number for the weighted average of eight capital cities, published by the Australian Bureau of Statistics, or if the Australian Bureau of Statistics does not or ceases to publish the index, then CPI will mean an index determined by IPART.

(b)

$$\Delta\text{CPI}_1 = \left(\frac{\text{CPI}_{\text{March2015}}}{\text{CPI}_{\text{March2014}}} \right) - 1$$

$$\Delta\text{CPI}_2 = \left(\frac{\text{CPI}_{\text{March2016}}}{\text{CPI}_{\text{March2014}}} \right) - 1$$

$$\Delta\text{CPI}_3 = \left(\frac{\text{CPI}_{\text{March2017}}}{\text{CPI}_{\text{March2014}}} \right) - 1$$

$$\Delta\text{CPI}_4 = \left(\frac{\text{CPI}_{\text{March2018}}}{\text{CPI}_{\text{March2014}}} \right) - 1$$

- (c) The subtext (for example _{March2014}) when used in relation to the CPI in paragraph 1.2(b) above refers to the CPI for the quarter and year indicated (in the example, the March quarter for 2014).

2 Interpretation

2.1 General provisions

In this determination, unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of this determination;
- (b) a reference to a schedule, annexure, clause or table is a reference to a schedule, annexure, clause or table to this determination unless otherwise indicated;

- (c) a construction that would promote the purpose or object expressly or impliedly underlying the IPART Act is to be preferred to a construction that would not promote that purpose or object;
- (d) words importing the singular include the plural and vice versa;
- (e) a reference to a law or statute includes regulations, rules, codes and other instruments under it and consolidations, amendments, re-enactments or replacements of them;
- (f) where a word is defined, other grammatical forms of that word have a corresponding meaning;
- (g) a reference to a day is to a calendar day;
- (h) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to persons taking by novation), replacements and assigns;
- (i) a reference to an officer includes a reference to the officer which replaces it or which substantially succeeds to its powers or functions;
- (j) a reference to a body, whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

2.2 Explanatory notes, simplified outlines, examples and clarification notices

- (a) Explanatory notes, simplified outlines and examples do not form part of this determination, but in the case of uncertainty may be relied on for interpretation purposes.
- (b) IPART may publish a clarification notice in the NSW Government Gazette to correct any manifest error in this determination. Such a clarification notice is taken to form part of this determination.

2.3 Prices exclusive of GST

Prices or charges specified in this determination do not include GST (unless indicated otherwise).



Independent Pricing and Regulatory Tribunal

Review of prices for land valuation services provided by the Valuer-General to councils

From 1 July 2014 to 30 June 2019

Other Industries — Final Report
May 2014



Independent Pricing and Regulatory Tribunal

Review of prices for land valuation services provided by the Valuer-General to councils

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Other Industries — Final Report
May 2014

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Final Report14-02

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1 Introduction and executive summary

The Independent Pricing and Regulatory Tribunal of NSW (IPART – hereafter referred to as "we," "us," or "our") has set the maximum prices the Valuer-General can charge for land valuation services provided to councils for rating purposes.¹ The new prices will take effect on 1 July 2014 and continue until 30 June 2019.

We do not have a standing reference to determine these prices. Rather, we conduct these price determinations when referred to us by the NSW Government under section 12 of the *Independent Pricing and Regulatory Tribunal Act 1992* (the IPART Act).

The Premier wrote to IPART on 30 December 2013 and requested a new price determination or determinations, so that determined maximum prices take effect from 1 July 2014. The Terms of Reference (ToR) for this review are included at Appendix A.

The 2009 Determination for the Valuer-General was released in July 2008.² It set maximum prices for the period 1 July 2009 to 30 June 2014. Before that, IPART made a determination in 1995, which prescribed maximum prices for the period from 1 July 1995.³

This Final Report explains our Determination of these prices, including the rationale and analysis that underpin our decisions.

1.1 Overview of the Determination

We took all stakeholder submissions and comments made at the public hearing into consideration in making our decisions. This includes the Valuer-General's pricing submission, and his submission to the Draft Report.

¹ Under Part 5 of the *Valuation of Land Act 1916* (NSW), the Valuer-General must provide valuation lists and supplementary lists to councils of areas under the *Local Government Act 1993* (NSW) for their rating purposes. These land valuation services to councils are declared as government monopoly services under section 4 of the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW).

² IPART, *Price review of rating valuation services provided by the Valuer-General to local government – Final Report and Final Determination*, July 2008.

³ Government Pricing Tribunal, *Valuer-General's Office Charges to Councils from 1 July 1995*.

1 Introduction and executive summary

Under our Determination, the Valuer-General's maximum prices to councils for land valuation services decrease by 0.5% in 2014/15, compared to current prices, and remain constant in real terms thereafter (see Table 1.1). This excludes the effects of inflation.

We have decided to hold prices constant in real terms over the determination period, as this results in a stable price path. We have smoothed prices to give no disadvantage to the Valuer-General or the users of these valuations, with prices set so that the target revenue is equal to the notional revenue requirement in Net Present Value (NPV) terms.

In nominal terms, maximum prices to councils for land valuation services will increase by 2.3% in 2014/15, compared to current prices, which is less than the rate of inflation (see Table 1.1). Prices will then change with inflation over the remainder of the determination period, which we have assumed to be 2.5% per annum.

Table 1.1 IPART's decision on the Valuer-General's prices to councils (\$/per valuation)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
IPART's decision						
\$2012/13 – we have set prices in real terms						
Residential	5.37	5.34	5.34	5.34	5.34	5.34
Non-Residential	11.81	11.75	11.75	11.75	11.75	11.75
% change ^a		-0.5%	0%	0%	0%	0%
\$ nominal - prices in nominal terms for comparison^b						
Residential	5.37	5.50	5.63	5.77	5.92	6.07
Non-Residential	11.81	12.09	12.39	12.70	13.02	13.34
% change ^a		2.3%	2.5%	2.5%	2.5%	2.5%

^a Based on pre-rounded results.

^b Prices for 2014/15 are based on CPI of 2.9%, as per March14 March13 indices for 8 capital cities as published by the ABS. CPI of 2.5% is assumed for following years.

We note that our remit was to review prices charged for a specific portion of the services performed by the Valuer-General – ie, furnishing land valuations to councils for rating purposes. The Valuer-General's other land valuation services are outside the scope of this review.

However, in setting prices we used the building block approach to calculate the Valuer-General's notional revenue requirement of providing land valuation services for both *rating and taxing* purposes for each year of the determination period. We then determined the portion of this revenue required by the Valuer-General to service councils (ie, land valuation services for rating purposes only).

The very small change in prices (and revenue) under our Determination, as compared to the 2.8% real increase in prices under the Valuer-General's proposal, is due mainly to our decision to lower the allocation of the Valuer-General's costs to councils to 34% from the 40% proposed by the Valuer-General. This means that, despite the increase in the Valuer-General's costs, prices to councils remain relatively constant.

In allocating costs to councils, we considered how much and how frequently the Valuer-General's services are used by councils. In particular, we applied a bottom-up approach based on:

1. **usage share of mass valuations** - allocating *mass valuation contract costs* based on the number of valuations received by councils as a portion of the total number of valuations *issued* by the Valuer-General annually
2. **direct costs to councils** - allocating *other costs* on an activity basis or client specific basis, where possible
3. **frequency of valuations** - allocating *remaining costs* based on the number of valuations received by councils as a portion of the total number of valuations *conducted* by the Valuer-General.

We consider this to be a robust and transparent method of allocating costs to councils.

Over the 5-year determination period, the difference between the amount the Valuer-General proposed to be recovered from councils and our decision is approximately \$14.8 million (see Table 1.2).

Approximately \$13.7 million of this difference is due to our decision to allocate 34% of costs to councils, rather than the Valuer-General's proposed 40%. This revenue should not be lost to the Valuer-General, but will need to be recovered from the Office of State Revenue (OSR), the Valuer-General's other customer. We note that changing the allocation between councils and OSR has budget implications for the NSW Government. This is because funding from OSR for the valuation services provided by the Valuer-General is based on a grant from Treasury. OSR attended our Public Hearing, however did not make a submission to the Draft Report.

The remaining amount, about \$1.1 million, is due to our decisions on the Weighted Average Cost of Capital (WACC) and treatment of depreciation, tax and working capital.

1 Introduction and executive summary

Our final decisions are consistent with those of the Draft Report, released for consultation in April 2014. However, relative to the Draft Report, we have made the following 2 changes in calculating prices for this Final Determination:

- ▼ we have applied a higher WACC of 5.1% (compared to a WACC of 4.8% for draft prices), reflecting our new approach to use Reserve Bank of Australia (RBA) data in determining the debt margin⁴ and updated market parameters
- ▼ we have reversed a deduction to operating costs relating to corporate overheads (about \$1.4 million over the 5 years), based on additional information provided by the Valuer-General in his submission to our Draft Report.

These 2 modelling changes have a minimal impact on prices. From the Draft Report, prices have increased in real terms by about 0.7% - or 4 cents per residential valuation and 9 cents per non-residential valuation.

Table 1.2 IPART's finding on the Valuer-General's notional revenue requirement for councils (\$'000, \$2013/14)

	2014/15	2015/16	2016/17	2017/18	2018/19
Valuer-General's proposal^a					
Operating Expenditure	17,265	17,265	17,265	17,265	17,265
Depreciation (regulatory)	796	882	961	1,043	1,130
Return on fixed assets	293	287	273	255	235
Return on working capital	-	-	-	-	-
Tax allowance	44	49	53	57	61
Notional Revenue Requirement	18,398	18,482	18,551	18,620	18,691
IPART's decisions					
Operating Expenditure	14,675	14,675	14,675	14,675	14,675
Depreciation (regulatory)	859	798	698	605	493
Return on fixed assets	174	160	147	140	139
Return on working capital	42	43	44	45	46
Tax allowance	25	24	21	18	15
Notional Revenue Requirement	15,774	15,699	15,585	15,483	15,369

^a Supplementary information provided by the Valuer-General, 5 March 2014. These costs are a 40% allocation of the Valuer-General's total proposed costs shown in Table 4.1. With the exception of operating expenditure, they are consistent with Table 8-1 (p 62) of the Valuer-General's submission, adjusted from nominal to \$2013/14. The operating expenditure in that table is not consistent with a 40% allocation, and would result in only 39% of costs being recovered from councils.

Note: Totals may vary due to rounding.

We consider that our maximum prices recover an appropriate level of revenue needed to support the Valuer-General's land valuation services to councils in an efficient and effective manner.

⁴ IPART, *WACC - IPART's New Approach to Estimating the Cost of Debt - Fact Sheet*, April 2014.

However, under section 12 of the IPART Act and our ToR, we have the ability to make a new determination or determinations at our discretion during the 5-year period. For instance, we could elect to make a new determination for maximum prices during this period in the event that the NSW Government reforms the valuation or land tax system in a way that significantly impacts on the Valuer-General's cost base.⁵

1.2 List of decisions

Our decisions are:

- | | | |
|---|---|----|
| 1 | To adopt a 5-year determination period from 1 July 2014 to 30 June 2019. | 20 |
| 2 | To set the Valuer-General's notional revenue requirement for land valuation services provided for rating and taxing purposes as shown in Table 4.1. | 27 |
| 3 | To accept the Valuer-General's forecast operating expenditure over the period 2014/15 to 2018/19 as shown in Table 4.2 as efficient. | 29 |
| 4 | To accept the Valuer-General's actual capital expenditure over the period 2008/09 to 2012/13 and forecast capital expenditure for 2013/14 as shown in Table 4.5 as prudent and efficient. | 39 |
| | – This capital expenditure is to be used to establish the opening value of the RAB for the 2014 determination period. | 39 |
| 5 | To accept the Valuer-General's forecast capital expenditure over the period 2014/15 to 2018/19 as shown in Table 4.4 as prudent and efficient. | 39 |
| | – This capital expenditure is to be included in the roll forward of the RAB for the 2014 determination period. | 39 |
| 6 | To adopt a real post-tax WACC of 5.1% for the purposes of calculating the allowance for a return on assets. | 43 |
| 7 | To set an allowance for a return on assets as shown in Table 4.1. | 43 |
| 8 | To calculate regulatory depreciation using a straight line depreciation method for each asset class, applying the asset lives set out in Table 4.7. | 44 |
| 9 | To set an allowance for a regulatory depreciation as shown in Table 4.1. | 44 |

⁵ For example, if the Government were to accept our recommendation that the Valuer-General construct an annual land value index for use by councils when escalating land acquisition costs in their local infrastructure plans in future years; and if this recommendation were to materially impact on the cost base or the appropriate share of costs amongst the Valuer-General's customers within this cost base. See Recommendation 14 in IPART, *Local Infrastructure Benchmark Costs - Costing infrastructure in Local Infrastructure Plans - Final Report*, April 2014.

1	Introduction and executive summary	
10	To continue to not allocate fixed costs to minor users of the Valuer-General's land valuations services.	47
11	To allocate 34% of the Valuer-General's notional revenue requirement (as set out in Table 4.1) to councils.	49
12	To set the Valuer-General's maximum prices for land valuation services to councils as shown in Table 6.1.	56
13	To adopt an NPV neutral approach to setting prices that recover the target revenue shown in Table 6.2.	58
14	To use the forecast number of valuations shown in Table 6.3 as the basis for setting prices.	58
15	To retain the current price relativities between residential and non-residential properties.	59
16	To not use an indexation approach for this Determination to set the Valuer-General's maximum prices to councils.	61

2 Context for this review

This chapter provides background and context to the review, including our review process, the matters we have considered, the Valuer-General's services and regulatory environment, and the Valuer-General's submissions to the review.

In providing context for the review, we note that our remit was to review prices charged for a specific portion of the services performed by the Valuer-General – ie, furnishing land valuations to councils for rating purposes. The Valuer-General's other land valuation functions were outside the scope of this review.

This review also did not address issues with the land valuation system itself, including the integrity of valuations. However, the methodology used to determine land values is outlined as background, as it influences the costs of undertaking land valuations

2.1 What has IPART been asked to do?

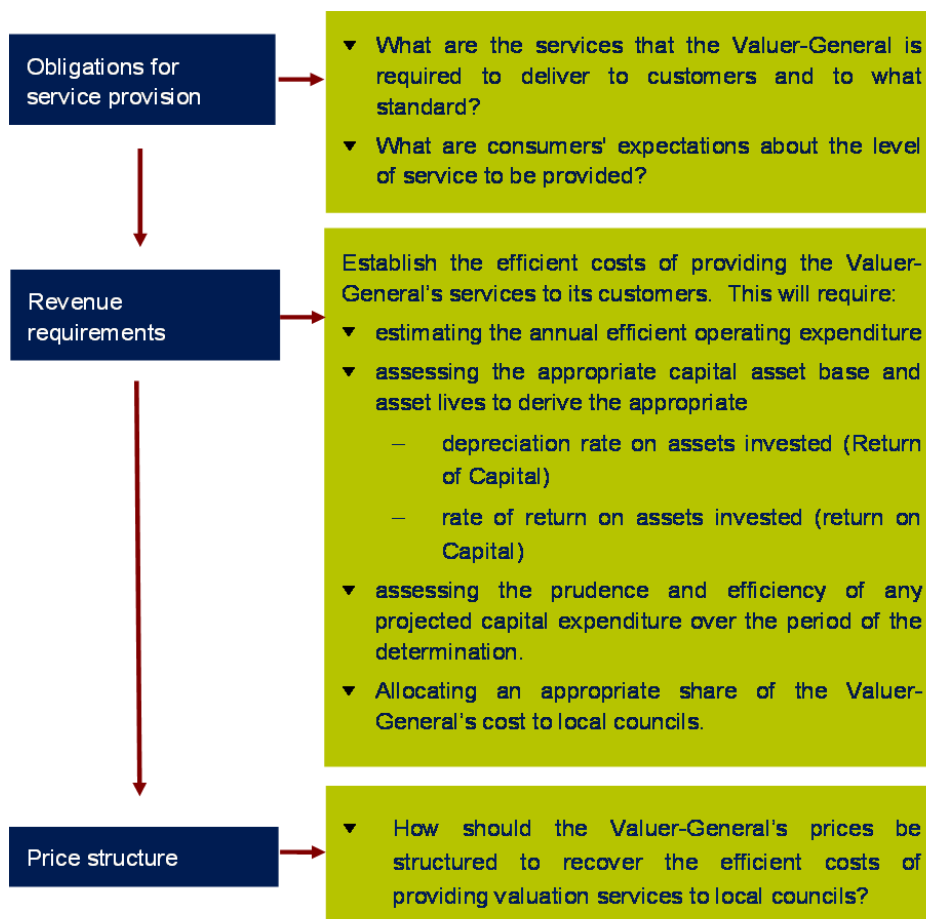
In accordance with our ToR, our review involved:

- ▼ identifying the services provided by the Valuer-General to its customers (ie, the obligations for service and expected level of service provided)
- ▼ establishing the efficient costs of providing those services (ie, determining the revenue requirements), including consideration of the scope for efficiency savings
- ▼ allocating costs (revenue requirements) to the various user groups (in particular, councils)
- ▼ setting maximum prices for the valuation services provided to councils – by either determining a price path for the charges or a methodology for determining those charges in future years.

In making this determination, we also have had regard to a range of matters under section 15 of the IPART Act (see Appendix B). This includes the protection of consumers from abuses of monopoly power, the standard of services, and the social impact of the determination.

In considering these matters, we aimed to balance the diverse needs and interests of stakeholders, while also ensuring that the Valuer-General is adequately recompensed for the services he provides. Our general approach to determining monopoly prices for the Valuer-General is set out in Figure 2.1.

Figure 2.1 IPART's approach to the review



2.2 IPART's review process

As part of our review, we have undertaken an extensive investigation and public consultation process. We have:

- ▼ released an Issues Paper in January 2014 to assist in identifying and understanding the key issues for the review

- ▼ invited the Valuer-General to make a submission to the review detailing his pricing proposals, and requiring him to provide financial data on the future capital and operating expenditure necessary to maintain service levels and respond to regulatory demands⁶
- ▼ invited other interested parties to make submissions on the Issues Paper and the Valuer-General's submission⁷
- ▼ held a public hearing on 25 February 2014 to discuss key issues raised by the Valuer-General and other stakeholders
- ▼ released a Draft Report and Draft Determination on 7 April 2014
- ▼ invited the Valuer-General and other interested parties to make submissions on the Draft Report and Draft Determination⁸
- ▼ released this Determination and Final Report.

We have considered all matters raised in submissions in making our Determination. The maximum prices are to apply from 1 July 2014.

Our Issues Paper, Draft Report and Draft Determination, Final Report and Determination, stakeholder submissions, and the transcript from the public hearing are all available on IPART's website (www.ipart.nsw.gov.au).

2.3 Valuer-General's role and services

The sections below outline the role of the Valuer General, the governance of the valuation system, and the valuation services provided by the Valuer General.

2.3.1 What is the role of the Valuer-General?

The Valuer-General is an independent statutory officer appointed by the Governor of New South Wales to oversee the land valuation system.⁹ The Valuer-General sets the standards for the provision of a valuation system to meet the needs of various users, which include landowners, members of the public, ratepayers, land tax clients and state and local government. The Office of the Valuer-General is a small team of about 6 people.¹⁰

The general role of the Valuer-General is to:¹¹

- ▼ exercise functions with respect to the valuation of land in the State
- ▼ ensure the integrity of valuations

⁶ The Valuer-General's submission was received on 7 February 2014.

⁷ A total of 20 written submissions were received from other interested parties.

⁸ The Valuer-General's submission was received on 28 April 2014.

⁹ s 8, *Valuation of Land Act 1916*.

¹⁰ Valuer-General submission, 28 April 2014, p 2.

¹¹ s 8, *Valuation of Land Act*.

2 Context for this review

- ▼ keep a Register of Land Values, which must contain information on ownership, occupation, title, location, description, area, and value of the land.¹²

The Valuer-General delegates operational responsibilities, as permitted under the *Valuation of Land Act 1916* (Valuation of Land Act),¹³ to Land and Property Information (LPI), within the Office of Finance and Services (OFS).¹⁴ Accordingly, our determination of the Valuer-General's prices for land valuation services involves a review of LPI's efficient cost of service to the Valuer-General.

What is the role of Land and Property Information?

As noted above, LPI is a division of OFS. LPI manages land and property information services across government, including land titling, surveying, mapping and spatial information and land valuation. LPI is a non-budget dependent agency and operates under a similar framework to a government business enterprise.¹⁵

Each year, the Valuer-General enters into a service level agreement with LPI, which defines the services that LPI is required to deliver.¹⁶ The service level agreement defines the separation of responsibilities and accountabilities between the Valuer-General and LPI and establishes clear performance goals within the valuation system. The majority of services under the service level agreement are provided by the Valuation Services business unit of LPI (VSLPI), with support from a range of other LPI business units.¹⁷ VSLPI has about 119 Full-Time Equivalent staff (FTE) responsible for delivering land valuations.¹⁸

VSLPI manages the valuation system on behalf of the Valuer-General. This includes managing valuation contracts (that is, LPI engages external contractors to conduct mass valuations, though a competitive tender process) and maintaining a database of valuations (the Register of Land Values).

¹² s 14CC, Valuation of Land Act.

¹³ s 8, Valuation of Land Act.

¹⁴ Since our Draft Report, the Department of Finance and Services (DFS) has changed its name to the Office of Finance and Services (OFS). Therefore, all references to DFS in our Draft Report have been replaced with OFS.

¹⁵ Valuer-General submission, 7 February 2014, p 18.

¹⁶ Joint Standing Committee on the Office of the Valuer-General, Parliament NSW, *Report on the inquiry into the land valuation system and the eighth general meeting with the Valuer-General*, Report 2/55, May 2013, p 10.

¹⁷ Valuer-General submission, 7 February 2014, p 18.

¹⁸ Valuer-General submission, 28 April 2014, p 2. We note that VSLPI and the Office of the Valuer-General is forecast return to 125 FTE's by 2014/15 from about a current level of 120 FTEs. Valuer-General submission, 7 February 2014, p 41.

2.3.2 Governance of the valuation system

The statutory functions of the Valuer-General are set out in the *Valuation of Land Act*. The Valuer-General reports administratively to the Minister for Finance and Services and the Chief Executive of OFS.¹⁹

The Valuer-General may only be removed from office through a strict process:

- ▼ The Governor suspends the Valuer-General from office for misbehaviour or incompetence.
- ▼ The Minister, within 7 sitting days, provides both Houses of Parliament with a full statement on the grounds of suspension.
- ▼ Each House of Parliament, within 21 sitting days, declares by resolution that the Valuer-General ought to be removed from office.
- ▼ If both Houses do so declare, the Governor shall remove the Valuer-General.²⁰

The protections in place establish the structural separation of the valuation and rating/taxing functions of government.²¹

The Parliamentary Committee on the Office of the Valuer-General monitors and reviews the exercise of the Valuer-General's functions with respect to land valuations. The Parliamentary Committee was first established in 2003 as a statutory committee, and re-established in 2008 as a joint standing committee – the Joint Standing Committee on the Office of the Valuer-General (JSCOVG).²²

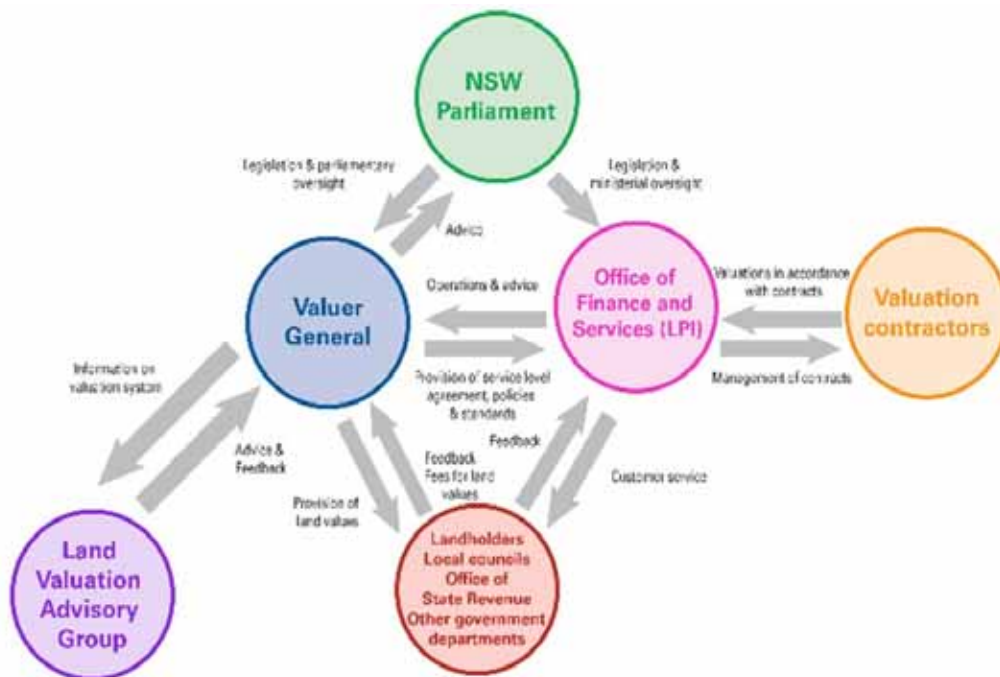
The governance and administrative arrangements for the Valuer-General are presented in Figure 2.2.

¹⁹ NSW Government, *Valuer-General's role*, accessed 13 May 2014 from http://www.lpi.nsw.gov.au/valuation/role_of_the_valuer_general.

²⁰ s 8, *Valuation of Land Act*.

²¹ Joint Standing Committee on the Office of the Valuer-General, Parliament NSW, *Report on the inquiry into the land valuation system and the eighth general meeting with the Valuer-General*, Report 2/55, May 2013, p 2.

²² Joint Standing Committee on the Office of the Valuer-General, Parliament NSW, *Report on the inquiry into the land valuation system and the eighth general meeting with the Valuer-General*, Report 2/55, May 2013, p 3.

Figure 2.2 Governance of the NSW valuation system

Data source: Accessed on 13 May 2014 from http://www.valuergeneral.nsw.gov.au/about_us/governance_and_accountability

2.3.3 What land valuation services does the Valuer-General provide?

The Valuer-General provides the following land valuation services:²³

- ▼ land values for rating and taxing purposes
- ▼ the determination of compensation following the compulsory acquisition of land
- ▼ an objections and appeals process against valuations
- ▼ specialist/private valuations and property advice to government.

In this review, we set the maximum prices for only the land valuation services provided to councils for rating purposes.²⁴ The Valuer-General's other land valuation services are outside the scope of this review. This includes valuation services provided to Government for taxing purposes.

²³ NSW Government, *Valuer-General's role*, and *NSW land values*, accessed on 26 November 2013 from:

http://www.lpi.nsw.gov.au/valuation/role_of_the_valuer_general

http://www.lpi.nsw.gov.au/land_valuation/nsw_land_values.

²⁴ These services are declared government monopoly services that are regulated by IPART.

However, in determining the Valuer-General's prices for valuation services to councils, we assess the Valuer-General's total required revenue for providing land valuation services for both rating and taxing purposes. We then allocate a proportion of these costs to councils for the purpose of setting prices to councils. The components of the revenue required to provide valuation services are outlined in further detail in Chapter 3.

The different valuation services provided by the Valuer-General, including those to councils for ratings purposes, are outlined below.

Valuation of land for council rates and land tax

The principal purpose for assessing and recording values of land is to enable the levying of taxes, rates, and duties by the State and local governments.

The Valuer-General must issue land values to councils for rating at least every 4 years.²⁵ These land values are fixed for rating until new land values are issued to councils. The Valuer-General must also issue a Notice of Valuation to the landowner or any person liable to pay a rate in respect of the land.²⁶

Land values are also provided each year to OSR for the calculation of land tax under the *Land Tax Management Act 1956* (NSW).²⁷ We do not regulate prices for these services, and we remove the costs of providing these services from the Valuer-General's revenue requirement before setting prices for councils (see Chapter 3).

Those who receive a Notice of Valuation have a right of objection to the valuation by the Valuer-General. They have a further right to appeal to the Land and Environment Court if they are dissatisfied with the results of the objections process.²⁸ The costs associated with the objection process (and any revaluation required) are included in prices, as this process forms part of the land valuation service provided to councils.

Compensation for compulsory acquisitions

State and local government agencies may compulsorily acquire land for a range of purposes.

²⁵ s 48, Valuation of Land Act (The Valuer-General may furnish a valuation list for an area within 6 years if the Valuer-General is of the opinion that there has been so little movement in values in the area that a valuation within 4 years is not warranted).

²⁶ s 29, Valuation of Land Act.

²⁷ s 48, Valuation of Land Act.

²⁸ Joint Standing Committee on the Office of the Valuer-General, Parliament NSW, *Report on the inquiry into the land valuation system and eighth general meeting with the Valuer-General*, Report 2/55, May 2013, p 4.

2 Context for this review

If a settlement cannot be negotiated between the acquiring authority and the landowner, the Valuer-General is to determine, in accordance with the *Land Acquisition (Just Terms Compensation) Act 1991* (NSW), the amount of compensation to be offered.²⁹ Relevant matters determining compensation include the market value of the land. LPI manages this process under delegated authority from the Valuer-General.³⁰

These valuations are charged on a fee-for-service basis. These fees are outside the scope of this review.

Private valuations and valuation services to other government agencies

The Valuer-General may make a valuation of land at the request of any person.³¹ Other government agencies that use the Valuer-General's services include:

- ▼ **NSW Fire and Rescue:** to set levies on the insurance industry and local councils. Land values are provided for all rateable land within any area constituted as a fire district under section 5 of the *Fire Brigades Act 1989* (NSW).³²
- ▼ **NSW Roads and Maritime and NSW Crown Lands:** use valuations for the calculation of leases (ie, rental of Crown land and Government property).
- ▼ **Local Government Grants Commission:** uses land valuations to assist in the allocation of general purpose grants to councils under the provisions of the *Local Government (Financial Assistance) Act 1995* (Cth).

Private valuations and the valuation services provided to other government agencies are generally charged on a fee-for-service basis. These fees are outside the scope of this review.

However, some stakeholders have questioned whether these minor users should be charged more than just on a fee-for-service basis. That is, they query whether these minor users should also contribute to some of the joint costs of providing valuation services, which are currently recovered only from councils and OSR. We assess this issue in Chapter 5.

²⁹ s 68, Valuation of Land Act.

³⁰ NSW Government, *Compulsory acquisition of land*, accessed on 26 November 2013 from http://www.valuergeneral.nsw.gov.au/compulsory_acquisitions.

³¹ s 9A, Valuation of Land Act.

³² The Valuer-General must provide these valuations under s 67, Valuation of Land Act.

2.3.4 Land valuation process

Most land in New South Wales is valued using a mass valuation technique, where properties are valued in groups called components.³³ The properties in each component are similar or are expected to reflect changes in value in a similar way.

Representative properties in each component are individually valued as at 1 July each year to determine how much the land value has changed from the previous year.³⁴ The change is then applied to all properties in the component to determine their new land values. Sample valuations are then checked to confirm the accuracy of the new values.³⁵

Land values refer to the value of the land plus the land improvements (eg, clearing, levelling, drainage, and improvement of soil fertility).³⁶ Capital improvements to the land are excluded from land valuations.³⁷ Land value is also based upon the 'best use' of the land that the current zoning allows.³⁸

Property sales are the most important factor considered when determining land values. Valuers analyse sales of both vacant land and improved properties, making adjustments for the added value of improvements.³⁹ Finding a comparable sales base is difficult for certain, more specialised property types.⁴⁰

When comparing property sales to the land being valued, valuers consider factors such as:⁴¹

- ▼ location of the land
- ▼ constraints on use such as zoning and heritage restrictions
- ▼ land size, shape and land features such as slope and soil type

³³ NSW Government, *Land valuation process*, accessed on 27 November 2013 from http://www.valuergeneral.nsw.gov.au/your_land_value/valuation_methodologies.

³⁴ s 14B, Valuation of Land Act.

³⁵ NSW Government, *Land valuation process*, accessed on 27 November 2013 from http://www.valuergeneral.nsw.gov.au/your_land_value/valuation_methodologies.

³⁶ s 6A and 4, Valuation of Land Act; and see http://www.valuergeneral.nsw.gov.au/__data/assets/pdf_file/0007/194074/Your_land_valu_e_factsheet.pdf

³⁷ Therefore, the rent of land, which determines its value, is a pure surplus, not a consequence of any economic actions by the land owner. (Hefferan, M.J. & Boyd, T 2010, 'Property taxation and mass appraisal valuations in Australia – adapting to a new environment', *Property Management*, vol. 28, no. 3, p 4.)

³⁸ s 6A(2), Valuation of Land Act (ie, best use refers to the principle that a land valuation can be based on the purpose 'for which it could be used, at the date to which the valuation relates').

³⁹ NSW Government, *Land valuation process*, accessed on 27 November 2013 from http://www.valuergeneral.nsw.gov.au/your_land_value/valuation_methodologies.

⁴⁰ Hefferan, M.J. & Boyd, T 2010, 'Property taxation and mass appraisal valuations in Australia – adapting to a new environment', *Property Management*, vol. 28, no. 3, p 9.

⁴¹ NSW Government, *Land valuation process*, accessed on 27 November 2013 from http://www.valuergeneral.nsw.gov.au/your_land_value/valuation_methodologies.

2 Context for this review

- ▼ nearby development and infrastructure
- ▼ views.

Our review did not address the integrity of land valuations nor how they are used (ie, as the basis for *ad valorem* taxes). We note that the land valuation process (ie, the basis on which land is valued, the frequency of valuations, and sampling methods used to determine land values) will influence the cost of undertaking mass valuations (eg, contractor costs) and ultimately prices charged to users of the Valuer-General's land valuation services.

2.4 Key developments since the 2009 Determination

This section outlines our understanding of the key developments since our 2009 Determination of the Valuer-General's prices to councils.

2.4.1 Inquiry into the land valuation system

The JSCOVG completed its inquiry into the land valuation system in January 2013. This inquiry reviewed the exercise of the Valuer-General's functions with respect to land valuations under the Valuation of Land Act and the *Land Tax Management Act 1956* (NSW).⁴² The JSCOVG made 29 recommendations to address concerns that it identified with the:

- ▼ integrity of valuations and, in particular, their volatility
- ▼ transparency of valuation methodologies
- ▼ procedural fairness currently afforded to landholders.

The JSCOVG's main recommendations included:⁴³

- ▼ **New governance framework:** replace the Valuer-General with a Valuation Commission. The model involves 3 Valuation Commissioners (a Chief Commissioner to lead the valuation system, and separate Commissioners for general valuations and objection and compulsory acquisition valuations). The JSCOVG found that the independence of the valuation system from executive government has been undermined through LPI performing functions that should be performed by the Valuer-General.

⁴² This report addresses the terms of reference for the JSCOVG's inquiry into the land valuation system, as well as those for the JSCOVG's eighth general meeting with the Valuer-General. Joint Standing Committee on the Office of the Valuer-General, Parliament NSW, *Report on the inquiry into the land valuation system and eight general meeting with the Valuer-General*, Report 2/55, May 2013, p vii.

⁴³ Joint Standing Committee on the Office of the Valuer-General, Parliament NSW, *Report on the inquiry into the land valuation system and eight general meeting with the Valuer-General*, Report 2/55, May 2013, p ix.

- ▼ **Rules-based approach to valuations:** issue public guidelines for the valuation of land in New South Wales that bind valuers, and allow landholders to apply to use an alternative methodology for valuation reviews (but not initial valuations).
- ▼ **Improving valuation integrity:** by introducing 3-year averaging for council rate valuations.
- ▼ **Fair and engaging process:** establish the right for landholders in objection valuations and compulsory acquisition valuations to make submissions, and for these rights to be statutorily protected.
- ▼ **Enhancing capability:** improving the IT systems required to maintain sufficient financial and operational data to audit, monitor and improve the valuation system. Also, that a strong dispute resolution capability be developed so that valuers have the skills to engage with landholders.

Further, the JSCOVG found that the valuation system is currently extremely cost effective, and that valuations show a strong correlation with the market.⁴⁴ Our 2009 Determination established efficient costs for land valuation services and set prices towards recovering the efficient costs of these services provided to councils by 2013/14.

[What are the implications of the inquiry into the land valuation system for this review?](#)

In its response to the inquiry, the NSW Government considered that further work needs to be undertaken, including consultation with stakeholders, before it can determine whether it supports some of the major recommendations.⁴⁵

We note that the major governance and procedural recommendations, if supported and implemented over the course of the determination period, could potentially change the nature and level of costs for land valuations services. We consider the implications of these potential reforms in deciding on the length of the determination period in Chapter 3.

⁴⁴ Joint Standing Committee on the Office of the Valuer-General, Parliament NSW, *Report on the inquiry into the land valuation system and eight general meeting with the Valuer-General*, Report 2/55, May 2013, p ix.

⁴⁵ NSW Government, *Response to the Joint Standing Committee on the Office of the Valuer-General's inquiry into the land valuation system*, November 2013, mainly Recommendations 1, 5, 11.

2 Context for this review

We note that the NSW Government accepted some of the JSCOVG's recommendations that relate to improved transparency, reporting and capabilities.⁴⁶ The Valuer-General is proposing to absorb the costs of implementing these recommendations through a combination of efficiency improvements (see below).⁴⁷

2.5 Overview of the Valuer-General's submission

The Valuer-General proposed a notional revenue requirement that is 21% higher in 2014/15 (the first year of the 2014 Determination period) than the revenue forecast in 2013/14 (the last year of the current determination period).⁴⁸ The notional revenue requirement is projected to be constant thereafter.

Under the Valuer-General's proposal, the proportion of the total revenue requirement allocated to councils is 40%, which is consistent with the 2009 Determination.⁴⁹

The revenue requirement presented in the Valuer-General's submission has been calculated using a post-tax WACC of 5.8%.⁵⁰

The Valuer-General explains the increase in his proposed notional revenue requirement as follows:⁵¹

- ▼ 50% is due to transition to full cost recovery by 2018/19
- ▼ 10% to 15% is attributed to increased costs of mass valuations contracts
- ▼ 10% to 15% is attributed to introduction of allocated costs for spatial services, title searches and plan images
- ▼ 10% to 15% is due to a lower number of properties in the Register of Land Values, due to lower growth than expected
- ▼ 10% to 15% is due to changes in the treatment of return on and of capital.

⁴⁶ For example, Recommendations 14 & 15. NSW Government, *Response to the Joint Standing Committee on the Office of the Valuer-General's inquiry into the land valuation system*, November 2013.

⁴⁷ Valuer-General submission, 7 February 2014, p 7.

⁴⁸ Valuer-General submission, 7 February 2014, p 7.

⁴⁹ Valuer-General submission, 7 February 2014, p 6.

⁵⁰ Valuer-General submission, 7 February 2014, p 49.

⁵¹ Valuer-General submission, 7 February 2014, pp 8-9.

To minimise the impact on the councils, the Valuer-General proposed a price path that smoothed the increase over the 5-year period (see Table 2.1). The Valuer-General proposed to increase prices in real terms by 2.8% per annum⁵² over the 5-year period and transition to full cost recovery by 2018/19 (ie, prices under recover required revenue in each year until the last). The Valuer-General's proposed prices are based on the price structures and the relativity between residential and non-residential prices established in the 2009 Determination.⁵³

Table 2.1 The Valuer-General's proposed prices (\$/per valuation, \$nominal)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Residential	5.37	5.65	5.95	6.27	6.60	6.95
Non-residential	11.81	12.44	13.10	13.79	14.52	15.29

Note: Forecasts for 2014/15 to 2018/19 include a 2.5% per annum CPI increase.

Source: Valuer-General's submission, 7 February 2014, p 9.

The Valuer-General noted that the majority of his costs are market tested or broadly in line with, if not below, comparable benchmarks.⁵⁴ He also noted that there have been a number of reports and inquiries into the provision of land valuations in New South Wales since the last IPART price review.⁵⁵ In particular, he noted that the JSCOVG found that "the valuation system is currently extremely cost effective" and that the International Property Tax Institute considered the Valuer-General to be a 'low-cost' service provider.⁵⁶

The Valuer-General also proposed to absorb likely cost increases associated with the implementation of recommendations accepted by the NSW Government from the JSCOVG inquiry into the land valuation system. In particular, those aimed at improving the objection process.⁵⁷

The Valuer-General noted that if the Government accepts the JSCOVG's recommendations to change the governance of the valuation system, then the determination should be revisited at some stage during the 5-year period.⁵⁸

⁵² Valuer-General submission, 7 February 2014, p 10.

⁵³ Valuer-General submission, 7 February 2014, p 9.

⁵⁴ Valuer-General submission, 7 February 2014, p 8.

⁵⁵ Valuer-General submission, 7 February 2014, p 20.

⁵⁶ Valuer-General submission, 7 February 2014, pp 7-8.

⁵⁷ Valuer-General submission, 7 February 2014, p 43.

⁵⁸ Valuer-General submission, 7 February 2014, p 7.

3 Approach to setting prices

For this review, we used our standard 'building block' approach to calculate the Valuer-General's total notional revenue requirement for providing land valuation services for **rating** and **taxation** purposes.

We then determined the portion of this revenue required by the Valuer-General to service councils (ie, land valuation services for **rating purposes only**). We then converted this residual revenue requirement into prices.

The following sections provide an overview of our price-setting approach and discuss these decisions in more detail, including:

- ▼ the length of the determination period
- ▼ our approach to determining the notional revenue requirement
- ▼ our approach to converting the notional revenue requirement into prices.

3.1 Length of the determination period

Decision

1 To adopt a 5-year determination period from 1 July 2014 to 30 June 2019.

In accordance with our ToR, we were asked to undertake a new determination or determinations of the maximum pricing for monopoly services provided by the Valuer-General to apply in total for a period of 5 years, from 1 July 2014 (the Referral Period).

The Valuer-General's preference was a single 5-year determination. This is on the basis that the cost of preparing and submitting a proposal is not insignificant for the Valuer-General. The Valuer-General noted that the cost of preparing a submission on an annual basis is likely to outweigh the benefits.⁵⁹

Overall, most stakeholders were supportive of a 5-year determination period, as it is administratively more efficient and provides councils with reliable pricing information for budgeting purposes.⁶⁰

⁵⁹ Valuer-General submission, 7 February 2014, p 66.

⁶⁰ For example: Ashfield Council submission, 5 February 2014; 3 February 2014; The Hills Shire Council submission, 14 February 2014; Penrith City Council submission, 18 February 2014.

Some councils preferred annual determinations on the basis that they would provide a more accurate reflection of costs, and could be linked to an index that reflects the CPI or the rate peg.⁶¹ We discuss the option of using an indexation approach to pricing the Valuer-General's services to councils in Chapter 6.

In regards to potential changes to the valuation system arising from the recommendations made by the JSCOVG, the Valuer-General stated that:

...it is not possible to quantify the impacts of such a decision at this stage, however, it may be necessary to review this price determination if the proposal proceeds.⁶²

In the event that the Government reforms the valuation system during the 5-year Referral Period, then most councils supported issuing a new determination.⁶³ The Division of Local Government also acknowledged a need to make a new determination if there is significant change in the Valuer-General's current arrangements that results in a major change in costs.⁶⁴

Given stakeholders' views, our decision is to adopt a 5-year determination period. However, under section 12 of the IPART Act and our ToR, we retain the ability to make a new determination or determinations at our discretion during the Referral Period.⁶⁵ Subsequent determinations are to be made on a date or dates to be agreed with the Premier. For instance, we could elect to make a new determination for maximum prices during the Referral Period should the Government's final position on the JSCOVG recommendations be judged to significantly impact on the Valuer-General's cost base. Alternatively, we could elect to make a new determination if the Government were to make any other changes to the valuation or land tax systems that significantly impacts on the Valuer-General's cost base.

3.2 Approach to determining the notional revenue requirement

The notional revenue requirement represents our view of the Valuer-General's full, efficient costs of providing land valuation services for rating and taxing purposes for each year of the determination period.

⁶¹ Blacktown City Council submission, 7 February 2014; City of Ryde submission, 17 February 2014; Shoalhaven City Council, 23 January 2014; Liverpool City Council submission, 29 January 2014.

⁶² Valuer-General submission, 7 February 2014, p 17.

⁶³ For example: Bankstown City Council submission, 14 February 2014; Balranald Shire Council submission, 6 February 2014; Tamworth Regional Council submission, 4 February 2014; Penrith City Council submission, 18 February 2014.

⁶⁴ Division of Local Government (NSW Government) submission, 20 February 2014.

⁶⁵ Under the ToR and section 12 of the IPART Act.

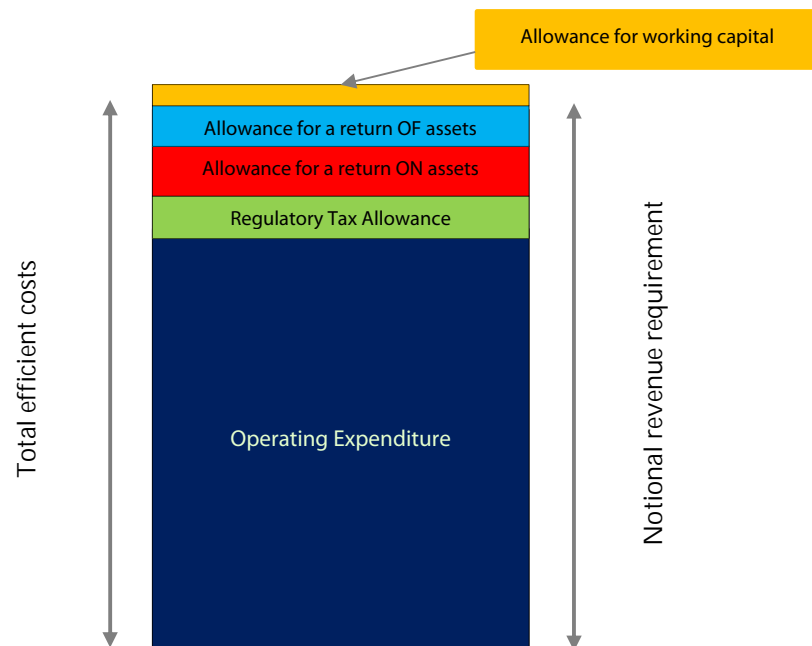
3 Approach to setting prices

We have used the building block approach to calculate the Valuer-General's notional revenue requirement over the determination period. In doing so, we made decisions on the revenue the Valuer-General will require in each year of the period, including:

- ▼ The revenue required for **operating expenditure** over the period. This amount represents our view of the Valuer-General's forecast efficient operating, maintenance and administration costs.
- ▼ An allowance for a **return on the assets** used to provide the regulated services. This amount represents our assessment of the opportunity cost of the capital invested in the Valuer-General's operations by its owner, and ensures that it can continue to make efficient investments in capital in the future.
- ▼ An allowance for a **return of assets (regulatory depreciation)**. This allowance recognises that through the provision of services to customers, a business's capital infrastructure will depreciate over time and, therefore, revenue is required to recover the cost of maintaining the Regulatory Asset Base (RAB).
- ▼ An allowance for meeting **tax obligations**. In the 2009 Determination, we used a real pre-tax WACC in calculating the returns on and of the RAB. For this review, we used a real post-tax WACC and calculated the Valuer-General's tax liability as a separate cost block.⁶⁶ We consider this method more accurately estimates the tax liability for a comparable commercial business.
- ▼ An allowance for **working capital**. This allowance represents the holding cost of net current assets.

The sum of these amounts represents our view of the Valuer-General's total efficient costs over the determination period, or his notional revenue requirement (see Figure 3.1).

⁶⁶ IPART, *The incorporation of company tax in pricing determinations – Final Decision*, December 2011.

Figure 3.1 IPART's building block approach

3.2.1 Should the Valuer-General be treated as a commercial business?

Some stakeholders have questioned the appropriateness of treating the Valuer-General as a commercial business and using a building block approach to set the prices for land valuation services to councils. In particular, concerns were raised about allowing provisions for a commercial rate of return, depreciation and tax.

Stakeholders based their views on the observations that:⁶⁷

- ▼ the Valuer-General provides a monopoly service and does not compete with the private sector, and therefore the principles of competitive neutrality should not apply
- ▼ the Valuer-General is part of the state's taxation system and not inherently a commercial service
- ▼ Councils do not earn a rate of return through the Local Government Cost Index (LGCI) set by IPART and are unable able to pass through changes in valuation costs over and above the rate peg.

We address these concerns below.

⁶⁷ Local Government NSW submission, 14 February 2014, p 4; City of Ryde submission, 17 February 2014; Dubbo City Council, 6 February 2014; Blacktown City Council submission, 7 February 2014.

3 Approach to setting prices

The competitive neutrality principle and commercial policy framework

We have been referred this review by the Premier under sections 12(1) and (3) of the IPART Act, which is a reference with respect to the determination of the pricing of a government monopoly service. Under our ToR, we have been asked to identify the Valuer-General's full efficient economic costs of providing the monopoly services over the determination period (see Appendix A).

In setting prices, we aim to replicate, as closely as possible, competitive markets. That is, we seek to set prices to allow monopoly service providers to recover their efficient costs, including a rate of return on capital, a depreciation allowance and a tax allowance, while not allowing them to extract monopoly rents. Cost-reflective pricing is important in ensuring the optimal allocation of resources across society. It is also important in ensuring that government owned businesses do not experience any advantage or disadvantage compared to private businesses.

This approach to pricing monopoly services is in accordance with the principle of competitive neutrality. The Hilmer Review introduced the principle of competitive neutrality to eliminate any advantages government-owned businesses may enjoy when competing with private sector firms.⁶⁸

Importantly, through the Competition Principles Agreement (1995), competitive neutrality was more generally adopted for government-owned businesses regardless of whether they are in competition with the private sector. Through the Competition Principles Agreement (1995), the Australian and all State and Territory Governments agreed that:

...the objective of competitive neutrality policy is the elimination of resource allocation distortions arising out of the public ownership of entities engaged in significant business activities: Government businesses should not enjoy any net competitive advantage simply as a result of their public sector ownership.⁶⁹

LPI operates under the NSW Government's Commercial Policy Framework, which requires government businesses to:⁷⁰

- ▼ have a commercially appropriate capital structure
- ▼ pay dividends and make capital repayments
- ▼ pay tax equivalents and fees for government guaranteed debt
- ▼ ensure competitive neutrality with private sector businesses

⁶⁸ Prof Frederick Hilmer *National Competition Policy Review*, 25 August 1993, p 16.

⁶⁹ s 3.(1) *Competition Principles Agreement – 11 April 1995*. We note that the Australian and all State and Territory Governments have agreed to implement competitive neutrality policies as part of the National Competition Policy reform package. [Productivity Commission, *About competitive neutrality*, accessed on 14 March 2014 from <http://www.pc.gov.au/agcnco/competitive-neutrality>]

⁷⁰ Valuer-General submission, 7 February 2014, pp 18-19.

- ▼ be compensated explicitly for the costs associated with providing any non-commercial activities (social programs) on behalf of the government
- ▼ undertake financial appraisals of proposed projects to ensure the value of expected net cash flows exceed the weighted average cost of capital.

We note that these requirements on LPI are consistent with the Australian Government's approach for implementing competitive neutrality set out in its Competitive Neutrality Policy Statement of June 1996 and Competitive Neutrality Guidelines for Managers.⁷¹

Land valuation costs and the rate peg

IPART determines the rate peg that applies to a part of council income, known as 'general income'. This is mainly rates income. Revenue from commercial activities of councils (eg, water services and airports) is not pegged, nor is grants income, fees and charges.

The rate peg is determined by using a LGCI and a productivity factor. The LGCI includes 26 cost components. The Valuer-General's charges would be reflected in a component of the basket, called 'Other Expenses'.

The underlying weights for the cost components included in the LGCI are updated periodically (every 4 years), based on data from a survey of actual expenditure from council financial accounts. Any changes in the Valuer-General's charges, therefore, would eventually be reflected in the rate peg. In any given period, the CPI is used as a proxy to reflect changes in the Valuer-General's charges (ie, the ABS All Groups Sydney is used to escalate the 'Other Expenses').

Stakeholders noted that while the prices set for the Valuer-General account for a return *on* and *of* capital, the rate peg does not. This is because the LGCI is intended to capture the changes to operational costs incurred by councils in ordinary council activity (ie, the rate peg applies to services funded through 'general income' and not commercial activities). Councils' commercial activities can earn a rate of return through separate charges, similar to the Valuer-General's land valuation charges to councils for rating purposes.

⁷¹ Productivity Commission, *About competitive neutrality*, accessed on 14 March 2014 from <http://www.pc.gov.au/agcnco/competitive-neutrality>

3 Approach to setting prices

3.3 Approach for converting the notional revenue requirement into prices

Once we determined the Valuer-General's notional revenue requirement for the determination period, we then converted that requirement into prices for councils. To do this, we made a number of decisions, including:

- ▼ allocating a portion of the total revenue requirement to councils
- ▼ calculating the target revenue for each year
- ▼ determining the structure and level of the Valuer-General's prices to councils, including the revenue to be generated from various charges.

These decisions are outlined in detail in Chapters 4 and 5.

4 Revenue requirement

As described in Chapter 3, we used a building block approach to calculate the Valuer-General's notional revenue requirement in each year of the determination period. In this chapter, we outline our decisions on each building block component, including allowances for:

- ▼ operating expenditure
- ▼ a return on assets
- ▼ a return of assets (regulatory depreciation)
- ▼ meeting tax obligations
- ▼ working capital.

These cost components represent our view of the Valuer-General's total efficient costs over the determination period for the provision of valuations for both taxing and rating purposes. That is, for servicing both councils and OSR.

Next, we allocate a portion of the Valuer-General's total efficient costs to the councils. Chapter 5 explains how we determine the portion of revenue allocated to councils.

4.1 Notional revenue requirement

Decision

- 2 To set the Valuer-General's notional revenue requirement for land valuation services provided for rating and taxing purposes as shown in Table 4.1.

4 Revenue requirement

Table 4.1 IPART's finding on the Valuer-General's notional revenue requirement (\$'000, \$2013/14)

	2014/15	2015/16	2016/17	2017/18	2018/19
Valuer-General's proposal^a					
Operating Expenditure	43,162	43,162	43,162	43,162	43,162
Depreciation (regulatory)	1,990	2,204	2,402	2,608	2,825
Return on fixed assets	733	717	681	638	588
Return on working capital	-	-	-	-	-
Tax allowance	110	122	132	142	152
Notional Revenue Requirement	45,995	46,205	46,377	46,549	46,727
IPART's decisions					
Operating Expenditure	43,162	43,162	43,162	43,162	43,162
Depreciation (regulatory)	2,526	2,348	2,053	1,780	1,451
Return on fixed assets	511	470	431	411	410
Return on working capital	123	126	130	132	135
Tax allowance	73	70	61	52	44
Notional Revenue Requirement	46,393	46,175	45,837	45,538	45,202

^a Supplementary information supplied by the Valuer-General, 5 March 2014.

Note: Totals may vary due to rounding.

The Valuer-General proposed to maintain the revenue requirement relatively constant over the upcoming determination period. However, his proposed annual revenue requirement is about 21% (nominal) higher than the revenue forecast for 2013/14.⁷²

Our finding on the Valuer-General's notional revenue requirement is \$2.7 million (or 1.2%) lower than his proposal over the 5 years. The reasons for this difference are our decisions to:

- ▼ use a WACC of 5.1%, which is lower than the Valuer-General's proposed WACC of 5.8% (\$0.5 million)
- ▼ apply different treatment of depreciation (based on separate asset classes) in rolling forward the RAB, tax and working capital (\$2.2 million).

Compared to our Draft Report, the notional revenue requirement is about \$1.6 million higher over the 5-year period (or 0.7%). The main reasons for this difference are our final decisions to:

- ▼ reinstate some operating expenditure that was deducted for the Draft Report, relating to corporate overheads (\$1.4 million)
- ▼ apply a WACC of 5.1%, which is higher than the WACC of 4.8% used in the Draft Report (\$0.2 million).

⁷² Valuer-General submission, 7 February 2014, p 7.

The sections that follow outline our considerations in reaching the decisions on the notional revenue requirement, including the Valuer-General's submission, stakeholder comments, and our own analysis and conclusions.

4.2 Operating expenditure

Decision

- 3 To accept the Valuer-General's forecast operating expenditure over the period 2014/15 to 2018/19 as shown in Table 4.2 as efficient.

Table 4.2 IPART's decision on the Valuer-General's operating expenditure (\$millions, \$2013/14)

	2014/15	2015/16	2016/17	2017/18	2018/19
Valuer-General proposal ^a	43.16	43.16	43.16	43.16	43.16
IPART's decision	43.16	43.16	43.16	43.16	43.16
Difference	0	0	0	0	0

^a Supplementary information supplied by the Valuer-General, 5 March 2014.

Note: Totals may vary due to rounding.

We consider the Valuer-General's proposed operating expenditure for the 2014 determination period is efficient. To establish the efficient level of operating expenditure needed to provide valuation services, we assessed the following:

- ▼ Direct costs of VSLPI providing general valuation services, including but not limited to:
 - labour costs and on-costs (this includes the Valuer-General's office)
 - mass valuation contracts costs
 - other valuation contracts costs (for objections and appeals)
 - rent and postage costs (property value notifications to ratepayers)
- ▼ Allocated costs to VSLPI for corporate overheads and spatial, titling and graphic services.

4.2.1 The Valuer-General's operating expenditure for the 2009 determination period

The Valuer-General reports that his operating costs were within 1% of the estimated cumulative efficient costs established for the 2009 Determination.⁷³ The efficient costs for the 2009 Determination were based on the estimate of efficient operating costs for the base year 2007/08, and included a 1% efficiency factor each year thereafter.⁷⁴

⁷³ Valuer-General, Public Hearing presentation, 25 February 2014.

⁷⁴ IPART, *Price review of rating valuation services provided by the Valuer General to local government – Final Determination and Report*, July 2008, p 5.

4 Revenue requirement

Although overall costs are reported to be in line with estimated efficient costs, yearly variations exist. Notably, mass valuation contract costs are reported to have increased by about 10% over 2012/13 and 2013/14, due mainly to increased insurance costs passed through in contracted prices.⁷⁵ Labour costs were lower than forecast due to a decrease in FTEs and a subsequent staff freeze.⁷⁶

We consider the Valuer-General's operating expenditure over the 2009 determination period to be reasonable and in line with what was deemed efficient at our previous determination. We use 2013/14 as base year costs to assess the operating expenditure proposed over the 2014 determination period.

4.2.2 The Valuer-General's operating expenditure for 2014 determination period

The Valuer-General proposed an increase in operating costs of about 7.4% in 2014/15 (ie, compared to the forecast operating expenditure for 2013/14). He attributes the step change to:

- ▼ an increase in labour costs due to filling 5 vacant FTE positions
- ▼ an approximate 2.4% increase in mass valuation contract costs
- ▼ the introduction of newly allocated costs from LPI to VSLPI for spatial services and transactions for title and image searches.

Operating costs in subsequent years are forecast to remain constant in real terms.⁷⁷

Directly attributable costs - Labour

Labour costs represent about 30% of the Valuer-General's operating expenditure. The Valuer-General proposes a real increase in labour costs of 7% in 2014/15, and then for these costs to remain constant for the remainder of the determination period.⁷⁸

Over the 2009 determination period, LPI's FTE numbers, allocated to perform the Valuer-General's functions, declined to the current level of 120 FTE. This followed retirements and some positions remaining vacant due to a staff freeze.⁷⁹ The Valuer-General, on behalf of LPI, is proposing to fill 5 vacant LPI FTE positions and rebuild staff numbers to 125 FTE over the 2014 determination period (this represents a 4% increase in staff numbers).

⁷⁵ Valuer-General submission, 7 February 2014, p 35. The 10% increase represents the cumulative increase in mass valuation contract costs in 2012/13 and 2013/14 in the table presented on p 33.

⁷⁶ Valuer-General submission, 7 February 2014, p 34.

⁷⁷ Valuer-General submission, 7 February 2014, pp 73-74.

⁷⁸ Valuer-General submission, 7 February 2014, p 42. We converted the Valuer-General's costs from nominal to real (\$2013/14). The increase in nominal terms is 9.6% in 2014/15.

⁷⁹ Valuer-General submission, 7 February 2014, p 41; Public Hearing Transcript, 25 February 2014, p 14.

The Valuer-General considers that the current level of 120 FTEs is not sustainable.⁸⁰ He noted that if the positions are not filled, it would likely impact on service standards. He is looking to fill positions that actively monitor the quality of the valuation contractors and their operations.⁸¹ The Valuer-General considers that the additional FTEs will offer benefits to the valuation system by:⁸²

- ▼ improving valuation succession planning
- ▼ enabling VSLPI to better oversee the work of valuation contractors
- ▼ encouraging competition for valuation services by enabling VSLPI to act as a 'last resort' valuation provider to address market failures.

In regards to the level of wages, the Valuer-General states that valuers' wages are governed by the labour market because these workers are free to move between the public and private sector. He noted the difficulty he has experienced in filling some positions suggests that a competitive market exists. In addition, the Valuer-General has demonstrated, through high-level benchmarking, that his average wage is lower than the NSW average public sector wage.⁸³

On balance, we are satisfied with the evidence presented by the Valuer-General in regards to forecast labour costs. This is because the Valuer-General's level of wages track well against the wider NSW public sector and are consistent with market rates. We note that the Valuer-General's average annual wage for 2012/13 is about \$70,267 per FTE, which compares favourably to the NSW average public sector wage of about \$76,695.⁸⁴ We also consider the additional FTEs proposed over the period would fill vacancies required to maintain service standards.

Direct costs - Mass valuation contracts

Mass valuation contract costs comprise about 42% of the Valuer-General's forecast operating expenditure over the 2014 determination period. The Valuer-General (through VSLPI) has outsourced mass valuations for more than 10 years through an open competitive process and notes that there has been a general increase in the number of tenders over recent years.⁸⁵

⁸⁰ Public Hearing Transcript, 25 February 2014, p 14.

⁸¹ Public Hearing Transcript, 25 February 2014, p 53.

⁸² Valuer-General submission, 7 February 2014, p 42.

⁸³ Valuer-General submission, 7 February 2014, p 57.

⁸⁴ ABS, *Average Weekly Earnings, Private and Public Sectors, New South Wales (Dollars) - Original - Persons* (TABLE 14A, series ID A2735973W), accessed on 31 March 2014 from <http://www.abs.gov.au/ausstats/abs@.nsf/detailpage/6302.0Nov%202013>

⁸⁵ Valuer-General submission, 7 February 2014, p 58.

4 Revenue requirement

However, the Valuer-General is proposing a real increase of about 2.4%⁸⁶ in mass valuation contract costs in 2014/15. This is as a result of cost drivers identified over 2012/13 and 2013/14, including:⁸⁷

- ▼ higher professional indemnity insurance costs passed through to the Valuer-General by the valuers
- ▼ enhanced value verification requirements to meet stakeholders' expectations regarding the quality of valuation outcomes
- ▼ greater cost pressures in non-metropolitan areas due to greater travel time and often valuation complexity.

The Valuer-General considers that VSLPI is actively pursuing initiatives to encourage a competitive market and currently implementing changes to the tender process to achieve more efficient outcomes, including:⁸⁸

- ▼ splitting existing contract areas into smaller areas to remove a possible barrier to entry for smaller contractors
- ▼ packaging contract areas to give contractors options to bid for a group of contract areas and achieve economies of scale
- ▼ introducing options to quote for a longer fixed term of 4 years and 11 months, to reduce initial start-up costs.

The Valuer-General is expecting these contracting changes to be phased in by the end of 2014/15 and, on this basis, is proposing no real increase in mass valuation contract costs after the initial 2.4% real increase in 2014/15.⁸⁹

We consider the Valuer-General's proposed costs for mass valuation contracts over the 2014 determination period to be reasonable. We note that valuation contracts are outsourced through a competitive tendering process, which means that these costs are market driven (and tested).

We also note that the Valuer-General is proactively trying to offset some of the recent cost drivers by implementing changes to contract specifications. In addition, the tender process is overseen by relevant stakeholders, including Local Government NSW who is represented on the tender panel for contracts for the provision of land valuation services.⁹⁰

⁸⁶ The Valuer-General proposed a 5% nominal increase in mass valuation costs in 2014/15. We have converted this increase into real dollars (\$2013/14). See Valuer-General submission, 7 February 2014, p 35.

⁸⁷ Valuer-General submission, 7 February 2014, p 35.

⁸⁸ Valuer-General submission, 7 February 2014, p 58.

⁸⁹ Valuer-General submission, 7 February 2014, p 42. We have converted the Valuer-General's costs from nominal to real dollars (\$2013/14).

⁹⁰ Local Government NSW submission, February 2014, p 2.

Direct costs - Other valuation contracts

Other valuation contracts relate to objections that arise from the valuation process and account for about 7% of total proposed operating expenditure.

The Valuer-General is not forecasting an increase in the cost of other valuation contracts over the 2014 determination period, despite volumes of objections expected to increase by 1% per annum.⁹¹ He is proposing to absorb any additional costs incurred through efficiency improvements and utilising internal resources.

Some stakeholders questioned whether the Valuer-General should also absorb the costs of handling successful objection valuations.⁹² In response, the Valuer-General noted (at the public hearing) that only 3,000 out of 2.4 million valuations are successfully contested each year. He also noted that objections are the product of a mass valuation system that is less costly than the alternative of individually valuing properties.⁹³

On balance, we consider that the Valuer-General's proposed costs for other valuation contracts are reasonable. The objections process is integral to the robustness of the land valuation system. These costs are market tested and the volume of objection valuations is being kept to reasonably low levels. In particular, stakeholders have noted significant improvements in the quality of valuations and a marked reduction in objections over recent years.⁹⁴ We also note that the Valuer-General's services have a high level of compliance with statistical measures of accuracy and that there has been a relatively low rate of change to the Register of Land Values due to error correction.⁹⁵

Direct costs - Rent, postage and other direct costs

Rental costs refer to government and market rents paid by the Valuer-General to accommodate valuation and land data staff in regional locations. We note that these costs are separate to the land and building costs included in the Valuer-General's asset base and therefore are not double counted (see capital expenditure below).

⁹¹ Valuer-General submission, 7 February 2014, p 43.

⁹² Penrith City Council submission, 18 February 2014; Dungog Shire Council submission, 10 February 2014.

⁹³ Public Hearing Transcript, 25 February 2014, pp 47-49.

⁹⁴ Local Government NSW submission, February 2014, p 2.

⁹⁵ The change to the Register of Land Values of has been approximately 0.12% per annum over the period between 2001 and 2011 as a result of objections, appeals and reascertainties, which benchmarks favourably against other jurisdictions. Valuer-General submission, 7 February 2014, p 26.

4 Revenue requirement

Rental costs are projected to remain at 2013/14 levels over the 2014 determination period.⁹⁶ Although the Valuer-General's rental expenditure is approximately 8.6% higher than the NSW Government average, we acknowledge that the difference has reduced significantly (from about 36% in 2007/08).⁹⁷ Much of the discrepancy is explained by the type of rental accommodation required by VSLPI, which includes larger sized rooms to accommodate the reading of maps. The Valuer-General has committed to continue to identify opportunities to consolidate and streamline office space requirements over the determination period.⁹⁸

Postage costs are also projected to remain constant over the 2014 determination period, in line with 2013/14 levels.⁹⁹ The Valuer-General is looking to roll out the electronic delivery of Notices of Valuations to reduce costs and absorb growth in the valuations register expected over the determination period.

Other direct costs, such as motor vehicle leasing and travel expenses, are projected to decrease by 5% in 2014/15 and remain constant thereafter.

On balance, we consider the Valuer-General's forecasts for rent, postage and other direct costs to be reasonable.

Allocated costs - corporate overheads and ICT operational costs

The Valuer-General has forecast an increase in corporate overheads allocated from LPI (of 15.4%) and OFS (of 8.4%) in 2014/15, contributing to the overall step change in operating expenditure.

Local Government NSW requested that we carefully review the allocation of corporate overheads to the Valuer-General, given that LPI and OFS do not have the same ability to recover these costs (ie, through regulated charges to councils).¹⁰⁰ It also requested that any allocation of corporate overheads to the Valuer-General takes into account VSLPI's activities that are unrelated to rating and taxing work.¹⁰¹

⁹⁶ Valuer-General submission, 7 February 2014, p 43. We have converted the Valuer-General's costs from nominal to real dollars (\$2013/14).

⁹⁷ Valuer-General submission, 7 February 2014, p 60.

⁹⁸ Valuer-General submission, 7 February 2014, p 43.

⁹⁹ Valuer-General submission, 7 February 2014, p 43.

¹⁰⁰ Local Government NSW submission, February 2014, p 3.

¹⁰¹ Local Government NSW submission, February 2014, p 3.

Under the Valuer-General's proposal, corporate costs (and ICT operational costs) are allocated to the Valuer-General on an FTE basis using the following 2-step process:¹⁰²

1. The number of VSLPI (and Office of the Valuer-General) FTEs as a proportion of LPI's total operational FTEs (15.3%). Non-operational FTEs are not included.
2. The proportion of time spent by VSLPI (and Office of the Valuer-General) staff on rating and taxing valuations (92%).

For example, OFS corporate costs for 2014/15 are forecast to be around \$2.8 million.¹⁰³ Based on FTEs, 15.3% of OFS' corporate costs are allocated to the Valuer-General, which is \$0.42 million. Of these costs, 92% (\$0.39 million) are allocated to OSR and councils, which accounts for time spent by the Valuer-General's staff on rating and taxing valuations.

We consider this cost allocation methodology to be reasonable. However, for the Draft Report we requested FTE numbers from the Valuer-General to verify the allocation rates used. The Valuer-General provided the following information:

Relating to the VSLPI FTE for 2013/14, being 120 out of the LPI budgeted FTE of 949, compared to the 2014/15 projection; an increase to 125 whilst the LPI projection fell to 912. The LPI total FTE is based on the last approved budget for the respective years.¹⁰⁴

At the time of our Draft Report, it was not clear from the information available that the FTE figure provided by the Valuer-General for VSLPI already included 6 staff in the Office of the Valuer-General. Further, it was not clear that the total LPI FTE of 912 quoted by the Valuer-General was made up of 818 operational FTE's and 94 non-operational FTE's.

On this basis, we estimated an FTE percentage of 14.3% for 2014/15, rather than the Valuer-General's figure of 15.3%.¹⁰⁵ In our Draft Report, we applied 14.3% (rather than 15.3%) to the Valuer-General's estimates of LPI and OFS corporate overheads and ICT operational costs, and consequently made a \$285,000 per year deduction to these costs (\$1.4 million over the 5-year period).

In his submission to the Draft Report, the Valuer-General provided additional information to support his original proposal to allocate 15.3% of these costs, and therefore requested that we reinstate the operating expenditure deducted in the Draft Report (see Table 4.3).¹⁰⁶

¹⁰² Valuer-General submission, 7 February 2014, p 44.

¹⁰³ This represents OFS corporate costs allocated to LPI. We have converted the Valuer-General's forecasts to real dollars (\$2013/14). See: Valuer-General submission, 7 February 2014, p 45.

¹⁰⁴ Email correspondence with the Valuer-General, 5 March 2014.

¹⁰⁵ We arrived at a 14.3% allocation rate based on the number of FTEs in the Office of the Valuer-General (6 FTE) and VSLPI (125 FTE) as a proportion of total operational FTE (918) for 2014/15.

¹⁰⁶ Valuer-General submission, 28 April 2014, p 2.

4 Revenue requirement

We are satisfied with the supporting information provided by the Valuer-General in his submission to the Draft Report. Therefore, we have decided to reinstate \$1.4 million in operating expenditure over the 5-year period. By doing so, we accept the Valuer-General's proposed corporate overheads and ICT operational costs over the determination period.

Table 4.3 Valuer-General's FTE basis for allocating corporate overheads and ICT operational costs

FTE Component	Valuer-General submission	IPART Draft Report
LPI's Operational FTE	818	912
LPI's Non-Operational FTE	94	0
LPI's total FTE	912	912
VSLPI FTE	119	125
Office of the Valuer-General (OVG)	6	6
Total VSLPI and OVG FTE	125	131
VSLPI and OVG FTE / LPI Operational FTE (%)	125/818 15.3%	131/(912+6) 14.3%

Source: Valuer-General submission, 28 April 2014, p 2.

Allocated costs - Spatial services

Spatial services used in the valuation process were not included in Valuer-General's operating costs in the 2009 Determination. The Valuer-General states that at the time LPI did not have adequate information on the usage of these services and in effect subsidised these costs over the determination period.¹⁰⁷

According to the Valuer-General, VSLPI and its contract valuers are heavy users of spatial data. Among other things, they use the information to identify land parcels and understand landforms and the built environment.¹⁰⁸ LPI's spatial services costs have been allocated to the Valuer-General (ie, VSLPI) in accord with the following principles:¹⁰⁹

- ▼ Where VSLPI and valuation contractors are major users of the data, the data is costed based on a share of usage.
- ▼ Where the spatial data is primarily created for another purpose and the valuation system is a secondary user, the data is costed at the marginal cost of supply to VSLPI (ie, the extra costs incurred from providing data to VSLPI).
- ▼ Where there is reciprocal exchange of data between LPI's spatial and valuation systems, those exchanges are offset.

¹⁰⁷ Valuer-General submission, 7 February 2014, p 47.

¹⁰⁸ Valuer-General submission, 7 February 2014, p 46.

¹⁰⁹ Valuer-General submission, 7 February 2014, p 46.

We are satisfied with the rationale provided by the Valuer-General in regards to the allocation of costs for spatial services and accept the Valuer-General's forecasts.

Allocated costs - Titling and image searches

LPI is the official source of NSW land titling information and registered survey plans. This information is considered essential for the operation of the valuation system.¹¹⁰

Over the 2009 determination period, access to this information was provided to the Valuer-General and his valuation contactors free of charge, while retail clients paid a price based on the wholesale price of the search or plan plus a delivery charge. We agree with the Valuer-General that this is effectively a cross-subsidisation of the valuation system by the Registrar General and fails to recognise the true cost of the Valuer-General's services.¹¹¹

In 2013/14, the Valuer-General was charged for titling and image services at wholesale prices (ie, the same basis as retail clients, but *less* the delivery charge). The Valuer-General considers 2013/14 as a normal year of operations and is proposing to maintain this level of costs over the 2014 determination period.¹¹² We consider the proposal to be reasonable.

Allocated costs - Graphic services

Costs for graphic services have remained stable over the 2009 determination period and been allocated to the Valuer-General since 1 July 2010 using a job costing system (ie, activity-based costing method).¹¹³ The Valuer-General is forecasting no real increase in these costs over the 2014 determination period,¹¹⁴ which we consider to be reasonable.

¹¹⁰ Valuer-General submission, 7 February 2014, p 47.

¹¹¹ Valuer-General submission, 7 February 2014, p 47.

¹¹² Valuer-General submission, 7 February 2014, p 47. We have converted the Valuer-General's projection to real dollars (\$2013/14).

¹¹³ Valuer-General submission, 7 February 2014, p 38.

¹¹⁴ Valuer-General submission, 7 February 2014, p 48. We have converted the Valuer-General's projection to real dollars (\$2013/14).

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4.2.3 The scope for efficiency savings over the 2014 determination period

We note that about 45% of the Valuer-General's operating costs are market tested, given that they are outsourced (ie, mass valuation contract costs, postage, and rent). For example, the Valuer-General (through LPI) invites tenders for contested contracts for the provision of valuation services. A Tender Evaluation Committee oversees the probity of the tender process, and currently the Valuer-General does not sit on this committee.¹¹⁵

Approximately 18% of the Valuer-General's costs are also broadly in line, if not below, comparable benchmarks in 2008.¹¹⁶ Our high-level benchmarking of labour costs (about 30% of total operating costs) suggests that these costs are also efficient.

Furthermore, the efficiency of the Valuer-General's valuation services has been reviewed twice since the last determination period, including by the JSCOVG and the International Property Tax Institute (IPTI). The JSCOVG found that the valuation system is currently extremely cost effective and that valuations correlate closely with the market.¹¹⁷ The IPTI benchmarking study indicates that the Valuer-General provides its valuation services at a lower unit cost than the average and median service providers.¹¹⁸

We also note that the Valuer-General has embedded efficiency savings over the forward period in his proposed operating costs. In particular, he has proposed to absorb increasing costs associated with:¹¹⁹

- ▼ implementing the JSCOVG recommendations regarding improving the dispute resolution process for objection valuations
- ▼ a forecast 1% per annum growth in the volume of valuations (ie, which impact contract costs, postage, and graphic services).

In lieu of the above efficiency savings, we have not applied an additional productivity factor to the Valuer-General's operating costs. We consider that the savings embedded in the Valuer-General's proposal to be at least equivalent to the 0.2% productivity factor applied to councils through the LGCI, which some stakeholders have argued should also apply to the Valuer-General.¹²⁰ In Chapter 6, we reconsider the appropriateness of a productivity factor in considering an indexing approach to setting the Valuer-General's prices.

¹¹⁵ Joint Standing Committee on the Office of the Valuer-General, Parliament NSW, *Report on the inquiry into the land valuation system and eight general meeting with the Valuer-General*, Report 2/55, May 2013, p 9.

¹¹⁶ Valuer-General submission, 7 February 2014, pp 56-57.

¹¹⁷ Valuer-General submission, 7 February 2014, p 56.

¹¹⁸ Valuer-General submission, 7 February 2014, p 61.

¹¹⁹ Valuer-General submission, 7 February 2014, pp 64-65.

¹²⁰ City of Ryde submission, 17 February 2014; Dubbo City Council submission, 6 February 2014.

4.3 Capital expenditure

Decision

- 4 To accept the Valuer-General's actual capital expenditure over the period 2008/09 to 2012/13 and forecast capital expenditure for 2013/14 as shown in Table 4.5 as prudent and efficient.
 - This capital expenditure is to be used to establish the opening value of the RAB for the 2014 determination period.
- 5 To accept the Valuer-General's forecast capital expenditure over the period 2014/15 to 2018/19 as shown in Table 4.4 as prudent and efficient.
 - This capital expenditure is to be included in the roll forward of the RAB for the 2014 determination period.

4.3.1 Valuer-General's capital expenditure for 2009 determination period

Our decision is to include the Valuer-General's actual capital expenditure over the 2009 determination period and forecast capital expenditure for 2013/14 in the opening value of the RAB (see below).

In the 2009 Determination, the Valuer-General proposed capital expenditure of approximately \$2.3 million (\$2007/08) per annum over 5 years.¹²¹ Over 2007/08 to 2012/13, the Valuer-General's total capital expenditure has been broadly in line with forecasts.¹²²

We note that there has been some volatility in expenditure in individual years, and a shift of expenditure from intangibles to plant and equipment. The Valuer-General attributes the shift of expenditure to the reclassification of information projects that include electronic equipment as 'plant and equipment' and software and data as 'intangible assets'.¹²³

The Valuer-General expects valuation related capital expenditure in 2013/14 to be \$2.6 million, which is similar to actual expenditure in 2012/13.¹²⁴ We note that the prudence and efficiency of the Valuer-General's actual capital expenditure for 2013/14 will be reassessed in the next pricing review, and the RAB may be readjusted at that time to reflect our findings.

¹²¹ IPART, *Review of prices for valuation services provided by the Office of the Valuer General for local councils – Issues Paper*, February 2008, p 10.

¹²² Valuer-General submission, 7 February 2014, p 39.

¹²³ Valuer-General submission, 7 February 2014, p 39.

¹²⁴ Valuer-General submission, 7 February 2014, p 39.

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4.3.2 Valuer-General's capital expenditure for 2014 determination period

Our decision is to include the Valuer-General's forecast capital expenditure over the 2014 determination period in the roll forward of the RAB (see below).

The Valuer-General's forecast capital expenditure for VSLPI is based on an allocation of capital expenditure from LPI. He notes that although LPI's capital expenditure is forecast to grow from \$21 million in 2013/14 to \$22 million in 2018/19, VSLPI's share is forecast to decline to levels below those assumed in the 2009 determination period.¹²⁵ The Valuer-General attributes this decline to the changing capital program and because the VSLPI workforce, as a proportion of the total LPI workforce, has fallen.

We consider the Valuer-General's proposed capital expenditure to be reasonable, noting that expenditure proposed in 2104/15 is 26.9% lower than that for 2013/14 (see Table 4.4). His proposed expenditure in each year thereafter remains relatively constant at around \$1.6 million to \$1.8 million per year.

Table 4.4 Valuer-General's proposed capital expenditure (\$000', \$2013/14)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Land ^a and Buildings	34	74	72	90	72	71
Plant and Equipment	982	969	981	960	1,213	1,252
Intangibles	1,583	837	603	565	500	488
Total	2,599	1,880	1,657	1,615	1,786	1,811

^a There is no proposed expenditure on land.

Source: Adapted from Valuer-General submission, 7 February 2014, p 52. IPART has converted the Valuer-General's proposed capital expenditure from nominal figures to \$2013/14.

We requested that the Valuer-General provide us with a list of items included under intangibles, as they have previously only been provided as a single line item.

We have reviewed this list, which consisted of various computer software applications for valuation services. According to the Australian Accounting Standards Board,¹²⁶ software essential to the operation of a computer would be classified as 'plant and equipment', while other software would be reasonably classified as 'intangibles'.

From the descriptions provided by the Valuer-General, all the items appear to be software applications and correctly classified as intangible assets. For example, the system that manages digitised historic plans is an application rather than a component of the computer's operating software. On this basis, we have included these capital items in the RAB.

¹²⁵ Valuer-General submission, 7 February 2014, p 52.

¹²⁶ Australian Accounting Standards Board, AASB 138 Intangible Assets, 3 August 2010, Section 4 (p 14).

4.4 Establishing the opening value and rolling forward the RAB

To determine allowances for a return on assets and regulatory depreciation, we must calculate the value of the Valuer-General's RAB in each year of the determination period.

To establish the opening value of the Valuer-General's RAB (as at 1 July 2014), we have rolled forward the 1 July 2008 RAB to 30 June 2014 by:

- ▼ including the prudent and efficient capital expenditure that the Valuer-General spent between 1 July 2008 and 30 June 2014, using forecast values for 20013/14
- ▼ deducting regulatory depreciation using year-end values
- ▼ indexing the annual closing RAB for actual inflation, and using a forecast for inflation for 2013/14.

In carrying out the above calculations, we assume that half the capital expenditure occurs at the beginning of the year (and therefore receives a full year of indexation), while the other half occurs at the end of the period (and therefore is not indexed). The annual values of the Valuer-General's RAB for the 2009 determination period are shown in Table 4.5 below.

Table 4.5 Closing RAB from the 2009 determination period (\$millions, \$nominal)

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Opening RAB	10.28	9.98	9.07	7.66	8.38	8.94
Plus: Actual Capex	2.27	2.07	1.95	2.76	2.62	2.60
Less: Cash Capital Contributions	0	0	0	0	0	0
Less: Asset Disposals	0	0	0	0	0	0
Less: Allowed Depreciation	2.74	3.32	3.71	2.16	2.29	2.53
Plus: Indexation	0.16	0.34	0.35	0.11	0.23	0.32
Closing RAB	9.98	9.07	7.66	8.38	8.94	9.32

4 Revenue requirement

Our modelling arrived at an opening RAB at 1 July 2014 of \$9.3 million. This compares to the Valuer-General's proposed opening RAB at 1 July 2014 of \$12.2 million.¹²⁷ The difference is due to:

- ▼ **Removing working capital from the RAB:** In our 2009 Determination, we established the Valuer-General's closing RAB for the 2007/08 year as \$12.5 million,¹²⁸ which included \$2.1 million of working capital (\$2007/08). Although maintaining this assumption, the Valuer-General rightfully questioned the rationale for including and depreciating working capital in the roll-forward of the RAB.¹²⁹
- ▼ **Using separate depreciation rates for each of the 3 asset categories:** The Valuer-General¹³⁰ has rolled forward the RAB adopting our approach in the 2009 Determination of using a weighted average asset life to calculate depreciation.¹³¹ We have decided to split assets into their separate classes for this review as it facilitates a more accurate calculation of assets with differing asset lives.
- ▼ **Slight differences between inflation figures used:** We have adopted actual inflation according to June quarter CPI indices for the 8 capital cities as published by the ABS. The most notable difference is that we have adopted a forecast inflation for 2013/14 of 3.1%, based on the Bloomberg mean consensus forecast (extracted 1 April 2014).

We used a consistent approach to roll forward the RAB to the end of the 2014 determination period (ie, 30 June 2019). In particular, we used our decisions on capital expenditure outlined above. The annual values of the Valuer-General's RAB for the 2014 determination period are shown in Table 4.6 below. The closing value generally decreases over the period because capital expenditure is lower than depreciation.

¹²⁷ Valuer-General submission, 7 February 2014, p 52.

¹²⁸ IPART, *Prices for valuation services for local councils - Final Report*, July 2008, p 19 (footnote 33).

¹²⁹ Valuer-General submission, 7 February 2014, p 51.

¹³⁰ Valuer-General submission, 7 February 2014, pp 50-51.

¹³¹ Supplementary information supplied to IPART by the Valuer-General, 5 March 2014.

Table 4.6 IPART's decision on the annual value for the RAB for the 2014 determination period (\$millions, \$2013/14)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Opening RAB	8.94 ^a	9.32	8.62	7.87	7.38	7.34
Capital expenditure	2.60	1.88	1.66	1.61	1.79	1.81
Capital contributions	0	0	0	0	0	0
Asset disposals	0	0	0	0	0	0
Regulatory depreciation	2.53	2.59	2.41	2.10	1.83	1.49
Indexation	0.32	0	0	0	0	0
Closing RAB	9.32	8.62	7.87	7.38	7.34	7.66

^a Opening RAB for 2013/14 is in \$2012/13 and indexed to establish at a closing RAB in \$2013/14.

Note: Totals may not add due to rounding.

4.5 Calculating allowances for a return on assets and regulatory depreciation

The sections below explain how we calculated allowances for return on assets and regulatory depreciation, which are calculated with reference to the RAB.

4.5.1 Return on assets

Decision

- 6 To adopt a real post-tax WACC of 5.1% for the purposes of calculating the allowance for a return on assets.
- 7 To set an allowance for a return on assets as shown in Table 4.1.

We calculate the allowance for a return on assets by multiplying the rate of return by the value of the RAB in each year of the determination period. As for previous reviews, we used the WACC approach to calculate the rate of return. In the 2009 Determination, we used a real pre-tax WACC. Following a consultative review of our WACC methodology, this time we adopted a real post-tax WACC estimate.¹³²

Using market parameters as at 12 May 2014, our estimate of the current real post-tax WACC range for the Valuer-General is between 4.9% and 5.4%. Under our new WACC methodology, we estimate the real post-tax WACC range by establishing the midpoint of 2 WACC estimates based on current and long-term average data. We also compute an uncertainty index to assess if current economic conditions warrant a move above or below the midpoint of these 2 WACC estimates. Our decision rule is that we consider a move if the

¹³² IPART, *The incorporation of company tax in pricing determinations – Final Decision*, December 2011.

4 Revenue requirement

uncertainty index is more than 1 standard deviation away from the long term average of 0.¹³³

We have found that the uncertainty index is currently within 1 standard deviation of the mean. Therefore, we have decided to use the midpoint estimate for the WACC of 5.1% to calculate the return on assets. This is lower than the Valuer-General's proposed WACC of 5.8%.¹³⁴ However, this is higher than our WACC of 4.8% used in the Draft Report, which reflects our new approach to use RBA data in determining the debt margin¹³⁵ and updated market parameters.

A detailed discussion of our findings on the WACC and the Valuer-General's proposed WACC is presented in Appendix C.

4.5.2 Regulatory depreciation

Decision

- 8 To calculate regulatory depreciation using a straight line depreciation method for each asset class, applying the asset lives set out in Table 4.7.
- 9 To set an allowance for a regulatory depreciation as shown in Table 4.1.

The Valuer-General proposed depreciating assets included in the RAB by using an estimate of the weighted average asset life. He estimated a weighted average remaining asset life of 6.2 years for assets as at 1 July 2014, and a weighted average asset life of 8.0 years for forecast capital expenditure to 2018/19.¹³⁶

In our modelling, we have maintained 3 separate asset classes, and therefore separately calculated depreciation for each using the asset lives in Table 4.7. Asset lives for existing and new assets are sourced from our 2009 Determination, and proposed by the Valuer-General.¹³⁷

We used a straight line depreciation method to calculate the allowance for regulatory depreciation.¹³⁸ Under this method, the assets in the RAB are depreciated by an equal value in each year of their economic life, so that their written down value follows a straight line over time, from the initial value of the asset to zero at the end of the asset's life.

We note that although the Valuer-General has land in his asset base, it is treated as a non-depreciable asset. Therefore, it only earns a return on its value. We discuss the appropriateness of depreciating intangibles below.

¹³³ IPART, *Review of WACC Methodology – Final Report*, December 2013, p 4.

¹³⁴ Valuer-General submission, 7 February 2014, p 49.

¹³⁵ IPART, *WACC - IPART's New Approach to Estimating the Cost of Debt – Fact Sheet*, April 2014.

¹³⁶ Valuer-General submission, 7 February 2014, p 53.

¹³⁷ Supplementary data provided to IPART by the Valuer-General, March 2014.

¹³⁸ For the purposes of calculating the revenue requirement, we also use a mid-year value for depreciation, which differs slightly to the year-end value used for rolling forward the RAB.

Table 4.7 IPART's decision on the Valuer-General's asset lives (years)

Asset class	Remaining life of existing assets (from 1 July 2007)	Expected asset life of new assets
Buildings	44.6	83
Plant and equipment	2.8	5
Intangibles	3.2	4

Intangibles

We depreciated intangibles, based on an economic life of 4 years.

At our public hearing, a stakeholder¹³⁹ questioned if the depreciation of intangibles is contrary to accounting standards. The Australian Tax Office (ATO), in its *Guide to Depreciating Assets*¹⁴⁰ concurs that "most intangible assets are... excluded from the definition of a depreciating asset". However, the ATO does list several categories of intangibles as being included as depreciating assets including in-house software, intellectual property and various rights and licenses.

We consider that the categories of assets submitted by the Valuer-General are consistent with the category of 'in-house software'.¹⁴¹ The ATO has published effective lives for various specific intangible assets, with in-house software having an economic life of 4 years.¹⁴²

4.6 Other building block components

Other building block components include allowances for working capital and tax. We explain how we calculated these allowances below.

4.6.1 Working Capital

As mentioned above, we have removed working capital from the RAB, meaning that working capital is no longer depreciated. We separately calculate a return on working capital as a component of the notional revenue requirement. Working capital has a value of \$2.4 million for 2014/15.

¹³⁹ IPART, Public Hearing Transcript, 25 February 2014, pp 32-33.

¹⁴⁰ Australian Tax Office, *Guide to Depreciating Assets 2013*, June 2013, p 3.

¹⁴¹ Australian Tax Office, accessed on 13 March 2014 from:
http://www.ato.gov.au/Business/Capital-allowances/In-detail/Schedules-and-guides/Guide-to-depreciating-assets-2012-13/?anchor=In-house_software#In-house_software

¹⁴² Australian Tax Office, accessed on 11 March 2014 from:
<http://www.ato.gov.au/Business/Capital-allowances/In-detail/Schedules-and-guides/Guide-to-depreciating-assets-2012-13/?page=10>

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4.6.2 Tax allowance

In December 2011, we decided to move to the use of a real post-tax WACC because we consider it provides a superior estimate of the tax liability that a similar, well-managed, privately owned business would pay. The previous real pre-tax methodology overestimated the tax liabilities of the regulated businesses and hence over-compensated them (primarily for capital gains tax, which was not being incurred, as a result of indexing the RAB). The decision to adopt a post-tax WACC methodology was subject to a public process.¹⁴³

In calculating a regulated business's costs for the purposes of setting prices, we allow an amount to reflect the tax paid by the business.¹⁴⁴

We calculated tax allowances in each year of the determination period by applying a 30% statutory corporate tax rate adjusted for gamma¹⁴⁵ to the Valuer-General's (nominal) taxable income. To calculate his taxable income, we deducted the Valuer-General's operating cost allowances, tax depreciation, and interest expenses from the notional revenue requirement (excluding tax allowance). In addition, to calculate taxable income we:

- ▼ calculated tax depreciation forecasts based on the 3 asset classes, whereas the Valuer-General used a weighted average asset life¹⁴⁶
- ▼ based interest expense on the parameters used to calculate the WACC (ie, gearing ratios, nominal risk free rate and debt margin).

The tax allowance is shown in Table 4.1.

¹⁴³ IPART, *The incorporation of company tax in pricing determinations – Final Decision*, December 2011.

¹⁴⁴ IPART, *The incorporation of company tax in pricing determinations – Final Decision*, December 2011, p 1.

¹⁴⁵ Under a post-tax framework, the value of imputation (franking) credits (gamma) enters the regulatory decision only through the estimate of the tax liability.

¹⁴⁶ Valuer-General submission, 7 February 2014, p 54.

5 Allocating costs to councils

The final step in determining required revenue (and prices) is to allocate costs to councils. There are a number of ways that the costs for the Valuer-General's services can be recouped from users, such as through using an average cost or marginal cost approach.

Under an average cost approach, all users make a contribution towards the fixed costs of providing a service. Under a marginal cost approach, fixed costs are borne by the principal users of a service and other users are charged the marginal or avoidable cost of extending the service to them.

In the 2009 Determination, the costs of providing valuation services were split 40:60 between councils and OSR. All other users were either not charged, or paid the additional (marginal) cost of extending the service to them.¹⁴⁷

In this chapter, we outline our decisions on the allocation of the Valuer-General's costs (established in Chapter 4) between councils, OSR and other users.

5.1 Should minor users of valuation services contribute to fixed costs?

Decision

10 To continue to not allocate fixed costs to minor users of the Valuer-General's land valuations services.

As noted in Chapter 2, the Valuer-General may make a valuation of land at the request of any person.¹⁴⁸ In addition to OSR and councils, he provides valuation services to a number of minor users, such as:

- ▼ private brokers and the general public
- ▼ other government agencies that use the Valuer-General's services.

These users are generally charged on a fee-for-service basis.

¹⁴⁷ IPART, *Price review of rating valuation services provided by the Valuer General to local government – Final Determination and Final Report*, July 2008, pp 9 and 23.

¹⁴⁸ s 9A, Valuation of Land Act.

5 Allocating costs to councils

A number of stakeholders raised the issue of whether some of these other users should bear more of the costs of providing the Valuer-General's services.¹⁴⁹ In particular, stakeholders questioned whether these users should be charged on an average cost rather than a marginal cost basis, which would mean allocating some of the fixed costs to them.

Stakeholders considered that minor users should contribute to fixed costs because they use the Valuer-General's valuation services for essentially the same purposes as councils and OSR. For example, Local Government NSW noted that:

...other government clients are using the data as the basis for raising revenue through taxation (rate or levy) or commercial leases. While smaller users than the Office of State Revenue or councils in aggregate, they are essentially using the data for the same purposes. It would be unfair to expect local government to subsidise these users, particularly when valuations are being utilised for commercial purposes by government business units. For example, NSW Maritime and other government agencies such as the Department of Finance and Services are moving towards commercial rentals for private leases.¹⁵⁰

At the public hearing, the Valuer-General explained why minor users were charged on a marginal cost basis. He noted that these users essentially use the data because it exists, they are not responsible for the creation of fixed costs, and the number of valuations provided to these users is relatively small.¹⁵¹

We consider that, in order for there to be a change to the current charging arrangements for minor users and a greater share of costs recovered from them, 2 conditions should be met:

- ▼ **Similar use** - the minor users should use the valuation services in a similar way to councils and OSR – ie, for a revenue or commercial related purpose.
- ▼ **Materiality** – the quantity of valuations used by these minor users as a percentage of total yearly valuations should be significant in order for them to contribute towards the Valuer-General's fixed costs and be charged on an average cost rather than marginal cost basis.

We consider that none of the minor users meet both of these criteria. Minor users that have a similar use for the Valuer-General's services include:

- ▼ NSW Fire and Rescue
- ▼ NSW Roads and Maritime
- ▼ NSW Crown Lands
- ▼ Local Government Grants Commission.

¹⁴⁹ See for example Albury City Council submission, Balranald Shire Council submission, 6 February 2014, and Blacktown City Council submission, 7 February 2014.

¹⁵⁰ Local Government NSW submission, 14 February 2014, p 5.

¹⁵¹ IPART Public Hearing on the Review of Prices for Land Valuation Services Provided by the Valuer-General to Councils, 25 February 2014, p 44.

The Valuer-General provided us with information on the nature and quantity of valuations provided to these minor users.¹⁵²

With the exception of NSW Roads and Maritime and NSW Crown Lands, we consider the valuation services provided to minor users represent a more basic service than that provided to councils or OSR. For example, NSW Fire and Rescue is supplied with the total land value of all properties in an LGA within the fire district, which is separated into rateable and non-rateable.¹⁵³ This is an aggregate value and no individual land values are provided. Therefore, we consider it appropriate to charge this user the marginal cost of providing these valuations, rather than allocating it a share of the Valuer-General's fixed costs.

NSW Roads and Maritime and NSW Crown Lands obtain individual valuations from the Valuer-General for the calculation of leases on domestic waterfront tenancies.¹⁵⁴ However, the number of valuations used on an annual basis is less than 0.5% of the total valuations provided to local councils and OSR. For example, NSW Roads and Maritime and NSW Crown Lands currently use approximately 8,400 valuations per year. This compares to the 800,000 valuations used by councils each year, and the 2.4 million valuations used by OSR.

We do not consider this usage to be material enough to share fixed costs and therefore consider the Valuer-General's current charging system to be appropriate. However, in the future, if NSW Roads and Maritime and NSW Crown Lands increased their usage of valuations so that it reached a material level, for example 5% of the total valuations used by local councils and OSR, then there may be grounds for these government agencies to contribute to the Valuer-General's fixed costs. This would equally apply to other users.

5.2 What is the appropriate cost allocation to councils?

Decision

- 11 To allocate 34% of the Valuer-General's notional revenue requirement (as set out in Table 4.1) to councils.

¹⁵² Email correspondence with the Valuer-General, 18 March 2014.

¹⁵³ Email correspondence with the Valuer-General, 18 March 2014.

¹⁵⁴ IPART, *Review of method for determining rents for domestic waterfront tenancies in NSW – Final Report*, December 2011, p 30.

5 Allocating costs to councils

The Valuer-General has proposed to retain a 40% allocation of total costs to councils, as established at the 2009 Determination. He considers that the:

...current methodology for allocating costs to councils is reasonable as there has been no fundamental change in the cost or customer base in the last five years.¹⁵⁵

In the 2009 Determination, the costs of the providing general valuation services were split 40:60 between councils and OSR. The 40% of costs allocated to councils was an on balance decision. It was based on the proportion of total valuations received per annum by councils (about 25%) and, amongst other things, the:¹⁵⁶

- ▼ benefits received by the councils from the fact that valuations for OSR are conducted annually
- ▼ different level of accuracy of land valuations required by councils and OSR
- ▼ standalone costs of providing services to councils
- ▼ costs identified by the Valuer-General that are directly attributable to the councils.

Stakeholders have requested that IPART reconsider the allocation of costs to councils for this review. In particular, councils were of the view that a 40% allocation is too high. For example, Campbelltown City Council requested that:

The allocation of costs be reduced subject to a further review and suggests an amount closer to 25% rather than 40% as contained within the report.¹⁵⁷

Local Government NSW also maintains the cost allocation to councils should be less than 40%.¹⁵⁸

In allocating costs to councils, we considered how much and how frequently the Valuer-General's services are used by councils. In particular, we have applied a bottom-up approach to allocating costs to councils based on the following:

- ▼ **usage share of mass valuations** - allocating mass valuation contract costs based on the number of valuations received by councils as a portion of the total number of valuations *issued* by the Valuer-General annually
- ▼ **direct costs to councils** - allocating other costs on an activity basis or client specific basis, where possible
- ▼ **frequency of valuations** - allocating remaining costs based on the number of valuations received by councils as a portion of valuations *conducted* by the Valuer-General.

¹⁵⁵ Valuer-General submission, 7 February 2014, p 71.

¹⁵⁶ IPART, *Price review of rating valuation services provided by the Valuer General to local government - Final Determination and Final Report*, July 2008, pp 23-24.

¹⁵⁷ Campbelltown City Council submission, 3 February 2014, p.4.

¹⁵⁸ Local Government NSW submission, February 2014, p 5.

We note that the first 2 methods are identical to what we applied in the 2009 Determination and together allocate about 19% of costs to councils. The remaining costs have been allocated to councils based how frequently the Valuer-General's services are used. This allocates a further 15% of costs to councils.

In total, we estimate that 34% of the Valuer-Generals' total efficient operating costs should be allocated to councils (see Table 5.1). Since operating expenditure represents about 94% of the total building block base, we consider it appropriate to apply the 34% to the Valuer-General's notional revenue requirement (in Table 4.1) to establish the total revenue required from councils and the base on which to set prices.

Local Government NSW strongly supported the 34% cost allocation rate to councils in its submission to our Draft Report.¹⁵⁹ The Valuer-General did not raise this matter in his submission.¹⁶⁰

Our process of allocating different portions of different cost items to councils is consistent with the Valuer-General's approach. His proposed allocations per cost item are shown in Table 5.1.

In the sections that follow, we outline our cost allocation method in detail, considering stakeholder views.

Table 5.1 Allocation of costs to councils by cost item (% of total cost for each cost item)

Cost items	Valuer-General proposal ^a	IPART decision
Labour costs	40%	33%
Mass valuation contract costs	30%	25%
Other valuation contracts costs	50%	50%
Postage	100%	100%
Rent	40%	33%
Other direct costs	44%	33%
LPI corporate costs	40%	33%
OFS corporate costs	40%	33%
ICT operation costs	40%	33%
Graphic	100%	100%
Spatial	40%	33%
Title and Images	40%	33%
Total operational expenditure	40%	34%^b

^a The cost allocation to councils is calculated by IPART using the information provided by the Valuer-General in his submission, 7 February 2014. We calculated a cost allocation of 39.2% to councils, however we note that the Valuer-General has proposed a 40% allocation to councils.

^b Rounded to whole number.

Note: Totals may vary due to rounding.

¹⁵⁹ Local Government NSW submission, 28 April 2014.

¹⁶⁰ Valuer-General submission, 28 April 2014.

5 Allocating costs to councils

5.2.1 Usage share of mass valuation costs

As in the 2009 Determination, we have allocated 25% of the mass valuation contract costs to councils. This is on the basis that each year the Valuer-General issues about 3.2 million valuations, of which 800,000¹⁶¹ (or 25%) go to councils (That is, the Valuer-General conducts 2.4 million valuations each year. He issues about 2.4 million valuations to OSR and 800,000 to councils).

Allocating mass valuation costs on a usage share basis effectively means that councils and OSR pay the same unit cost per valuation received.

5.2.2 Attributing costs directly to councils

Also consistent with the 2009 Determination, we have allocated 100% of postage and graphic services costs to councils. Graphic services produce and print Notices of Valuations, which are provided for ratings purposes only. The Valuer-General does not print valuation notices for OSR. Similarly, the postage costs are only for Notice of Valuations posted to councils' ratepayers.

Some councils noted that postage and graphic services do not benefit councils, but are used for a notification process purely for landholders as it provides them with information about their properties.¹⁶² We note that, on furnishing a valuation list to the council, it is a legislative requirement for the Valuer-General to issue a Notice of Valuation to the landowner.¹⁶³ Further, valuation notices to landowners facilitate the issuing of council rates notices, given that land valuations are a determinant or driver of rates paid by individual landowners.

We have also maintained the 50:50 split between councils and OSR for other valuation contract costs (ie, objection valuations). Some councils considered that they should pay less than 50% of the costs related to objection valuations, as the bulk of these valuations are raised in response to land tax.¹⁶⁴ Local Government NSW noted that valuations for taxing purposes are far more contentious and more sensitive to accuracy than those for rating purposes issued to councils.¹⁶⁵

¹⁶¹ We note that the Valuer-General has estimated about 850,000 notices to councils in 2013/14 by averaging notices over the period 2008/09 to 2012/13 (see Valuer-General submission, 7 February 2014, p 67). However, we have not used this estimate in the cost allocation exercise, because we cannot reconcile why notices to councils would change from 800,000 to 850,000 from the last determination period, while the total number of valuation notices remains at 2.4 million.

¹⁶² Albury City Council submission, 7 February 2014; Campbelltown City Council submission, 3 February 2014; Local Government NSW submission, February 2014, p 5; Penrith City Council submission, 18 February 2014; The Hills Shire Council submission, 14 February 2014.

¹⁶³ s 29, Valuation of Land Act.

¹⁶⁴ Bankstown City Council, 14 February 2014; The Hills Shire Council submission, 14 February 2014; Dungog Shire Council submission, 10 February 2014; Campbelltown City Council submission, 3 February 2014.

¹⁶⁵ Local Government NSW submission, February 2014, p 5.

At the public hearing, the Valuer-General provided the following justification to allocate 50% of objection valuation costs to councils:

The bulk of the numbers we saw were in local government-related valuations, the greater complexity was in OSR, and through a not particularly scientific process, we traded those two things off against each other and concluded that a 50:50 split was an appropriate way to do it.¹⁶⁶

We note that most objections seem to be in response to rates and not tax. However, objections related to tax are more complex. Given this balance, we consider that the Valuer-General has taken a pragmatic approach to allocating these costs by splitting them equally between OSR and councils.

5.2.3 Accounting for the frequency of valuations

Unlike mass valuation contract costs, the remaining costs should be allocated to councils and OSR to reflect how frequently the services are used.

We have allocated the remaining costs to councils based on the number of valuations they receive as a portion of valuations *conducted* by the Valuer-General. Given that the Valuer-General undertakes about 2.4 million valuations per annum and the councils receive approximately 800,000 valuations per annum, this approach allocates about *one-third* of the remaining costs to councils and therefore *two-thirds* to OSR.

We consider that allocating the remaining costs on this basis is a reasonable way of accounting for the different effort of servicing OSR and councils. That is, it takes into account that councils are only provided valuations every 3 to 4 years, on average.¹⁶⁷ Therefore, cost items such as rent, labour and corporate overheads are only 'used', on average, once every 3 years by councils. OSR is issued valuations on a yearly basis and therefore 'uses' these resources more intensively. This was one reason cited by councils for why OSR should contribute more than it does under the current pricing structure (and therefore why the 40% allocation rate was too high).

Furthermore, we note that allocating the remaining costs on this basis also provides a proxy for the benefit councils receive from the fact that valuations are conducted annually for OSR (ie, economies of scale in unit valuation costs).

We consider that this method to allocate remaining costs to councils is more robust and transparent than that used in the 2009 Determination, which was essentially an *on balance* decision to reach 40% in line with the Valuer-General's proposal.

¹⁶⁶ Public Hearing Transcript, Mr Gilkes, 25 February 2014, p 41, line 1-6.

¹⁶⁷ City of Wagga Wagga, 6 February 2014; Liverpool City Council; 29 January 2014, City of Ryde submission, 17 February 2014; The Hills Shire Council submission, 14 February 2014; Local Government NSW submission, February 2014, p 5.

5 Allocating costs to councils

Some councils argued for further reductions in the cost allocation to councils to recognise their contributions of providing regular updates of names and addresses to LPI so that the Valuer-General's office has current data for its valuation notices.¹⁶⁸

However, we consider the costs to councils of providing this service is likely to be minor. We also note that the councils ultimately benefit from providing this service to the Valuer-General. The service is provided by the councils to ensure that the Valuer-General is able to send the Notices of Valuations to the councils' ratepayers. If the councils did not provide this service, the Valuer-General would have to obtain the information using other (probably higher cost) means, which the councils would at least have to partly pay for. On this basis, we have decided not to make a further reduction to the cost allocation percentage.

5.3 What is the required revenue from councils?

Applying the 34% cost allocation to the notional revenue requirement in Table 4.1, we arrive at the required revenue from councils in Table 5.1. Over the 5-year determination period, the difference between the amount that the Valuer-General proposed to be recovered from councils and our decision is approximately \$14.8 million.

Approximately \$13.7 million of this difference is due to our decision to allocate 34% of costs to councils, rather than the Valuer-General's proposed 40%. This revenue should not be lost to the Valuer-General, but will need to be recovered from OSR, the Valuer-General's other customer. We note that this change in the cost allocation between councils and OSR has budget implications for the NSW Government. This is because funding from OSR for the valuation services provided by the Valuer-General is based on a grant from Treasury.

The remaining amount, about \$1.1 million, is due to our decisions on the WACC and treatment of depreciation, tax and working capital as discussed in Chapter 4 (ie, representing the proposed 40% share of the \$2.7 million difference between the Valuer-General's proposed total notional revenue requirement and our decision).

¹⁶⁸ Penrith City Council submission, 18 February 2014.

Table 5.2 IPART's finding on the Valuer-General's notional revenue requirement for councils (\$'000, \$2013/14)

	2014/15	2015/16	2016/17	2017/18	2018/19
Valuer-General's proposal^a					
Operating Expenditure	17,265	17,265	17,265	17,265	17,265
Depreciation (regulatory)	796	882	961	1,043	1,130
Return on fixed assets	293	287	273	255	235
Return on working capital	-	-	-	-	-
Tax allowance	44	49	53	57	61
Notional Revenue Requirement	18,398	18,482	18,551	18,620	18,691
IPART's decisions					
Operating Expenditure	14,675	14,675	14,675	14,675	14,675
Depreciation (regulatory)	859	798	698	605	493
Return on fixed assets	174	160	147	140	139
Return on working capital	42	43	44	45	46
Tax allowance	25	24	21	18	15
Notional Revenue Requirement	15,774	15,699	15,585	15,483	15,369

^a Supplementary information supplied by the Valuer-General, 5 March 2014. These costs are a 40% allocation of the Valuer-General's total proposed costs shown in Table 4.1. With the exception of operating expenditure, they are consistent with Table 8-1 (p 62) of the Valuer-General's submission, adjusted from nominal to \$2013/14. The operating expenditure in that table is not consistent with a 40% allocation, and would result in only 39% of costs being recovered from councils.

Note: Totals may vary due to rounding.

6 Price structures and paths

Our ToR require us to:

- ▼ develop an efficient, effective and transparent pricing framework for the land valuation services provided to councils
- ▼ ensure full recovery of the Valuer-General's efficient costs of providing these services over the relevant determination period
- ▼ ensure that prices efficiently allocate the costs of the services between councils in accordance with relevant economic and pricing principles.

In this chapter, we present our pricing framework for the Valuer-General's land valuation services to councils. This includes the appropriate pricing structures and price paths to recover efficient costs, and their potential impact on councils. Maximum prices are set to recover the revenue requirement established in Chapter 5. We also propose a potential indexing approach to setting prices for future determinations and seek stakeholder comments on this proposal.

6.1 Decisions on prices

Decision

12 To set the Valuer-General's maximum prices for land valuation services to councils as shown in Table 6.1.

We have decided to hold maximum prices constant in real terms over the course of the new determination period (see Table 6.1). We have smoothed prices to produce a stable price path. This gives no disadvantage to the Valuer-General or the users of these valuations, with prices set so that the target revenue is equal to the notional revenue requirement over the determination period in NPV terms.

There is a very small downward step in prices (0.5%) from the last year of the current determination period (2013/14) to the first year of the 2014 determination period (2014/15), which should be outweighed by the effects of inflation in this year.

In reaching our decision on prices, we compared prices that would result if target revenue equalled notional revenue requirement in each year (ie, prices set to recover costs in each year). Under this scenario, there would be a step increase in 2014/15, followed by a decrease in prices over the remaining years of the determination. Prices in the last year would end up being lower in real terms than current prices. Prices would trend downward over the determination period due mainly to the projected growth in the number of valuations (see below).

Table 6.1 IPART's decision on the Valuer-General's prices to councils (\$/per valuation, \$2013/14)

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Cost recovery by year						
Residential	5.37	5.51	5.43	5.33	5.24	5.15
Non-residential	11.81	12.11	11.94	11.72	11.53	11.33
% change		2.5%	-1.4%	-1.8%	-1.6%	-1.7%
IPART's decision						
Residential	5.37	5.34	5.34	5.34	5.34	5.34
Non-Residential	11.81	11.75	11.75	11.75	11.75	11.75
% change ^a		-0.5%	0%	0%	0%	0%

^a Based on pre-rounded results.

The very small change in prices and revenue under our Determination as compared to the 2.8% real increase in prices under the Valuer-General's proposal is due mainly to our decision to lower the allocation of costs to councils to 34% from the 40% proposed by the Valuer-General. This means that, despite the increase in the Valuer-General's costs, prices remain relatively constant.

In comparison to our Draft Determination, our prices are slightly higher. This increase is due to our decision to reinstate operating expenditure that we deducted in the Draft Report and therefore accept the Valuer-General's proposed operating expenditure.

We also note our prices are comparable to the 2.3% council rate peg to apply in 2014/15.¹⁶⁹ Most councils considered that the price path should not exceed the rate peg, given the limited ability they have to pass through cost increases above the rate peg.¹⁷⁰ Some councils requested that a glide path be used to minimise

¹⁶⁹ Prices for 2014/15 increase by about 2.4% in nominal terms, which is based on a CPI estimate of 2.9% using the March 14/March 13 indices for 8 capital cities as published by the ABS. The 2.3% rate peg is sourced from IPART, *Local Government Rate Peg 2014/15 – Information Paper*, December 2013, p 1.

¹⁷⁰ For example: Blacktown City Council submission, 7 February 2014; Penrith City Council submission, 18 February 2014; Balranald Shire Council submission, 6 February 2014; City of Ryde submission, February 2014; City of Wagga Wagga submission, 6 February 2014.

6 Price structures and paths

impacts if prices did increase above the rate peg.¹⁷¹ Our prices will increase by less than CPI in 2014/15 and then in line with inflation to 2018/19.

We did not change price structures due to overwhelming stakeholder support for the current 2.2:1 ratio between residential and non-residential prices (see below). We propose a potential indexing approach to setting prices for future determinations (see Appendix D), which we will consider further during the next price review.

6.1.1 Price path and forecast target revenue

Decision

13 To adopt an NPV neutral approach to setting prices that recover the target revenue shown in Table 6.2.

The target revenue is the expected amount of money raised by the Valuer-General through the charges we set. We have adopted a NPV neutral approach to setting prices. This means we have set prices so that the Present Value of target revenue equals the Present Value of the Valuer-General's notional revenue requirement from councils over the determination period, as set out in Table 6.2.

Table 6.2 IPART's decision on Valuer-General's target revenue from councils (\$millions, \$2013/14)

	2014/15	2015/16	2016/17	2017/18	2018/19	NPV
Notional revenue requirement	15.8	15.7	15.6	15.5	15.4	67.3
Target revenue	15.3	15.5	15.6	15.8	15.9	67.3
Difference	-0.5	-0.2	0.0	0.3	0.6	0.0

Note: Totals may vary due to rounding.

6.1.2 Number of valuations

Decision

14 To use the forecast number of valuations shown in Table 6.3 as the basis for setting prices.

The Valuer-General proposed an estimate of 1% per annum growth in the number of properties on the Register of Land Values from 2014/15 to 2018/19.¹⁷²

¹⁷¹ Dungog Shire Council submission, February 2014; Liverpool City Council submission, 29 January 2014; Tamworth Regional Council submission, 4 February 2014.

¹⁷² Valuer-General submission, 7 February 2014, p 21.

While the Register of Land Values only grew by an average of 0.55% per annum during the current period, the Valuer-General noted that subdivision activity during that period was diminished by the impact of the global financial crisis.¹⁷³ The Valuer-General considers the property industry is showing signs of recovery and he expects that the market will return to more typical levels of subdivision and property growth during the 2014 determination period.

At the public hearing, City of Sydney Council commented that it was expecting 14% growth over 18 months, yet the Valuer-General had assumed a 1% annual growth rate. The Valuer-General responded that he does not assess individual apartments, but the strata under the base, which accounts for the difference in growth rates. The Valuer-General also explained that the 1% annual growth is across NSW and therefore would be different to that in Sydney.¹⁷⁴

We consider that a 1% per annum growth rate is a reasonable estimate. We have therefore used the Valuer-General's estimates in Table 6.3 to set prices.

Table 6.3 IPART's decision on the total number of valuations (000')

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Residential Valuations	2,160	2,177	2,198	2,220	2,242	2,265
Non-Residential Valuations	310	313	316	320	323	326
Total	2,470	2,490	2,514	2,540	2,565	2,591

Note: We have accepted the Valuer-General's forecasts of residential and non-residential valuations as per his submission (Valuer-General submission, 7 February 2014, p 22). The total number of valuations in this table is the sum of these 2 categories, which differs from the totals provided by the Valuer-General.

6.2 Price Structures

Decision

15 To retain the current price relativities between residential and non-residential properties.

6.2.1 Residential and Non-Residential Prices

Based on the considerable support for the current residential and non-residential price structure, we have decided to retain this structure for the 2014 Determination.

¹⁷³ Valuer-General submission, 7 February 2014, p 21.

¹⁷⁴ Public Hearing Transcript, 25 February 2014, pp 18-19.

6 Price structures and paths

The current price structure aims to reflect the costs incurred in providing the service and acknowledges the higher costs involved in valuing non-residential properties. These higher costs are primarily due to the complexity of the valuations and the uniqueness of these properties. The Valuer-General considers that current relativities between the 2 types of prices, established at the last determination, still reflect the differences in complexity of valuations.¹⁷⁵

Stakeholders were also overwhelmingly supportive of the current price structure.¹⁷⁶ The only support for a single price per valuation came from Ryde City Council, although it noted that this may not be fair to some councils.

Moving to a single price for all land valuation services would potentially shift costs between councils (ie, councils with more non-residential properties could potentially pay less under this price structure and those councils with predominantly residential properties could pay more). For example, Ashfield Council stated that:

Council strongly supports the current price structure of residential and non-residential prices and does not support a move to a single price structure. Compared to most LGAs Ashfield LGA is relatively simple in terms of property structure and valuation. The majority of properties in the Ashfield Council LGA are residential and a single price will be disadvantageous. Ashfield Council residents should not have to pay more in order to facilitate a more simple price structure for government or to subsidise other areas with more complex valuations.¹⁷⁷

Shoalhaven City Council argued that prices could be set based on the current categories defined in the *Local Government Act 1993* (NSW) (Local Government Act) - ie, residential, business, farmland and mining.¹⁷⁸ It considered that pricing on this basis would be more equitable and regional councils would be charged less given that farmland would be more dominant.

We consider that this pricing structure would add complexity to the current framework without obvious gains for regional councils. We note that the increases in mass valuation contract costs over recent years is partly due to greater cost pressures in non-metropolitan areas due to non-residential property types that require greater analysis and are less suited to the mass valuation techniques.¹⁷⁹

¹⁷⁵ Valuer-General submission, 7 February 2014, p 62.

¹⁷⁶ For example: Ashfield City Council submission, 7 February 2014; Penrith City Council submission, 18 February 2014; The Hills Shire Council submission, 14 February 2014; Campbelltown City Council submission, 3 February 2014.

¹⁷⁷ Ashfield Council submission, 5 February 2014.

¹⁷⁸ Shoalhaven City Council submission, 23 January 2014, p 1.

¹⁷⁹ Valuer-General submission, 7 February 2014, p 35.

The Valuer-General has noted that a price based on zones may be more viable once all councils adopt the standard Local Environment Plan zoning table.¹⁸⁰ This alignment is expected to be completed by the end of this determination period. If the Valuer-General advances a case for prices based on zones in the next price review, we will consider this issue during that review.

6.2.2 Differential prices for councils

The Valuer-General did not propose the introduction of differential pricing for councils. He stated that a common charge for councils is administratively simple and allows predictable prices for councils.¹⁸¹

Stakeholders who responded to this issue voiced their support for the current arrangements, whereby all councils pay the same charges. For example, Blacktown City Council stated that:

...[it] does not believe certain councils should be levied a higher or lower charge than others.¹⁸²

Similarly, City of Ryde Council expressed the view that:

...it is not in favour of moving to a more specific differential pricing model for Councils, as the current structure is fairer to all Councils. A differential pricing may see that Regional Councils would have higher pricing, due to the nature of the land that Valuers need to inspect to determine valuations.¹⁸³

For this 2014 Determination, we decided not to pursue differential pricing for councils within residential and non-residential areas. To do so, would have involved estimating the differences in costs of servicing the councils, and weighing up the benefits of differential pricing against likely increases in administrative costs that would incur. We are mindful that the current price structure is relatively simple and administratively efficient. Under this determination, all councils will be charged the same price for residential valuations, and all councils will be charged the same price for non-residential valuations.

6.3 Using an index as an alternative approach to setting prices

Decision

16 To not use an indexation approach for this Determination to set the Valuer-General's maximum prices to councils.

¹⁸⁰ Valuer-General submission to IPART, 7 February 2014, p 63.

¹⁸¹ Valuer-General submission to IPART, 7 February 2014, p 71.

¹⁸² Blacktown City Council, submission to the *Review of Prices for Land Valuation Services Provided by the Valuer-General*, 7 February 2014, p 4.

¹⁸³ City of Ryde submission, 17 February 2014.

6 Price structures and paths

In our Issues Paper, we raised the possibility of using an index as an alternative approach to setting prices, once an efficient cost base is established (eg, via the building block methodology).

Among stakeholders, there was some support for the use of an indexation approach. The Valuer-General noted that given operating expenditure accounts for over 90% of total efficient costs and these costs are reasonably predictable, a strong case could be made for setting prices using an indexation approach in the next regulatory period.¹⁸⁴

Councils were primarily concerned that any increase in prices for the Valuer-General's services would not exceed the level of the rate peg. Both City of Ryde Council and Dungog Shire Council considered that an indexation approach could be used to set prices, and that the index could be the rate peg set by IPART.¹⁸⁵

We considered using an indexation approach to set prices for the Valuer-General's land valuation services to councils (see Appendix D). Given that the Valuer-General has a stable cost base and the majority of his costs are accounted for by 2 or 3 cost items, an indexation approach to setting prices could be used to reduce regulatory burden.

However, for this Determination, we decided to set prices based on a building block approach to ensure that prices are cost-reflective, and that an efficient cost base is established to which an index could be potentially applied in future determinations. The decision to adopt an indexation approach to set prices would need to be made by the Tribunal at that time under the relevant ToR.

¹⁸⁴ Valuer-General submission, 7 February 2014, p 63.

¹⁸⁵ City of Ryde submission, 17 February 2014; Dungog Shire Council submission, 10 February 2014.



Appendices

A Terms of reference



2013-515987

Dr Peter Boxall AO
 Chair
 Independent Pricing and Regulatory Tribunal
 PO Box Q290
 QVB Post Office NSW 1230

30 DEC 2013

Dear Dr Boxall *Peter,*

I am writing regarding the pricing of rating valuation services provided by the Valuer-General to local government.

Under Part 5 of the *Valuation of Land Act 1916*, the Valuer-General must provide local councils with land valuation and supplementary lists, which are used by councils for rating purposes. As you are aware, the services are declared as government monopoly services under section 4 of the *Independent Pricing and Regulatory Tribunal Act 1992* (the IPART Act) and the *Government Pricing Tribunal (Valuer-General's Services) Order 1993*, and the maximum prices which may be charged by the Valuer-General for the government monopoly services are subject to an IPART pricing determination in effect.

I am advised that IPART's last determination of these prices applies until 30 June 2014.

I therefore request, pursuant to sections 12(1) and (3) of the IPART Act, that the Independent Pricing and Regulatory Tribunal (IPART) make a new determination of the maximum pricing for the rating valuation services provided by the Valuer-General, to apply from 1 July 2014.

The investigation relating to the pricing determination is to be conducted in accordance with the attached Terms of Reference.

If you require further information, please contact Tim Hampton, Director Economic Policy, Department of Premier and Cabinet, on 02 9228 5293.

Thank you for your assistance in this matter.

Yours sincerely

Barry O'Farrell MP
 Premier

A Terms of reference

**TERMS OF REFERENCE
PRICE REVIEW OF RATING VALUATION SERVICES PROVIDED BY THE
VALUER-GENERAL TO LOCAL GOVERNMENT**

I Barry O'Farrell, Premier - pursuant to sections 12(1) and (3) of the IPART Act, request that the Independent Pricing and Regulatory Tribunal (IPART) make a new determination of the maximum pricing for the rating valuation services provided by the Valuer-General, to apply from 1 July 2014. In making its recommendations IPART is to consider the Terms of Reference set out below.

Background

By the *Government Pricing Tribunal (Valuer-General's Services) Order* dated 11 August 1993 and made under section 4 of the *Independent Pricing and Regulatory Tribunal Act 1992* (the IPART Act), the following services provided by the Valuer-General were declared as government monopoly services:

"Furnishing valuation lists and supplementary lists under Part 5 of the *Valuation of Land Act 1916* by the Valuer-General to a council of an area under the *Local Government Act 1993*" (**Monopoly Services**).

On 7 December 2007, the Premier requested that, pursuant to section 12 of the IPART Act, the Independent Pricing and Regulatory Tribunal (IPART) make a determination of the pricing for the provision of the Monopoly Services to apply for a period of 5 years

In July 2008, IPART released its determination of maximum prices for the Monopoly Services provided by the Valuer General.¹ These maximum prices apply until 30 June 2014.

Reference to the Tribunal

IPART is requested by the Premier, under sections 12(1) and (3) of the IPART Act, to undertake a new determination or determinations of the maximum pricing for the Monopoly Services provided by the Valuer-General to apply in total for a period of 5 years (**Referral Period**). Under section 12(3) of the IPART Act, this referral may extend to an annual or other periodic determination of the pricing of the Monopoly Services during the Referral Period.

In doing so, IPART is requested to:

- ▼ Identify the Valuer-General's full efficient economic costs of providing the Monopoly Services over the determination period or periods;
- ▼ Develop an efficient, effective and transparent pricing framework for the Monopoly Services;
- ▼ Ensure full recovery of the Valuer-General's efficient costs of providing the Monopoly Services over the relevant determination period or periods;
- ▼ Ensure that prices efficiently allocate the costs of the Monopoly Services between the users of those services in accordance with relevant economic and pricing principles;

¹ IPART, *Price review of rating valuation services provided by the Valuer-General to local government*, Final Determination No.2, 2008.

- ▼ Consider the scope for the Valuer-General to achieve efficiency savings in providing the Monopoly Services;
- ▼ Consider any relevant NSW Government policies; and
- ▼ Specify the duration of the relevant determination period or periods.

In addition, IPART may take into account any other matters it considers relevant.

IPART should consult with key stakeholders, including government agencies responsible for management of the land valuation and rating systems. IPART is to submit its final report and determination to the Premier by 31 May 2014 and is to submit any subsequent reports and determinations to the Premier on such other date or dates as agreed.

It is intended that the determination or, in the event of a periodic determination of pricing, the first determination, will commence on 1 July 2014.

The Hon Barry O'Farrell MP

Premier

B Matters to be considered by IPART under section 15 of the IPART Act

In making pricing determinations, we are required by the IPART Act to have regard to the following matters (in addition to any other matters IPART considers relevant):

- a) the cost of providing the services concerned
- b) the protection of consumers from abuses of monopoly power in terms of prices, pricing policies and standard of services
- c) the appropriate rate of return on public sector assets, including appropriate payment of dividends to the Government for the benefit of the people of New South Wales
- d) the effect on general price inflation over the medium term
- e) the need for greater efficiency in the supply of services so as to reduce costs for the benefit of consumers and taxpayers
- f) the need to maintain ecologically sustainable development (within the meaning of section 6 of the *Protection of the Environment Administration Act 1991*) by appropriate pricing policies that take account of all the feasible options available to protect the environment
- g) the impact on pricing policies of borrowing, capital and dividend requirements of the government agency concerned and, in particular, the impact of any need to renew or increase relevant assets
- h) the impact on pricing policies of any arrangements that the government agency concerned has entered into for the exercise of its functions by some other person or body
- i) the need to promote competition in the supply of the services concerned
- j) considerations of demand management (including levels of demand) and least cost planning
- k) the social impact of the determinations and recommendations
- l) standards of quality, reliability and safety of the services concerned (whether those standards are specified by legislation, agreement or otherwise).

C Weighted average cost of capital

In the 2009 Determination, we calculated the return on assets by basing the Valuer-General's WACC on Sydney Water's WACC at the time.¹⁸⁶ In our Issues Paper, we proposed calculating a WACC from first principles for the 2014 Determination.

It is important that the WACC has regard to the risk characteristics inherent in the Valuer-General's business. In our Issues Paper, we asked the Valuer-General to comment on the appropriate equity beta and gearing ratio for the WACC. The Issues Paper also invited the Valuer-General to propose an appropriate rate of return.

C.1 Valuer-General's proposed WACC

The Valuer-General considers that there is a case to reconsider the risk and gearing assumptions previously adopted by IPART in the 2008 Determination. This is because, unlike Sydney Water (and Hunter Water), VSLPI is not a capital intensive business and is more akin to an electricity retailer.

Given this line of reasoning, the Valuer-General considers a more realistic position would be to:¹⁸⁷

- ▼ Adopt the assumptions underpinning the rate of return for Hunter Water as a lower bound scenario, but update the market parameters.
- ▼ Adopt the assumptions underpinning the rate of return that IPART normally applies for electricity retail businesses as an upper bound scenario, but update the market parameters. In IPART's market update, the equity beta range for electricity retail businesses was 0.90 to 1.0, with a gearing ratio of 20%.

¹⁸⁶ Sydney water's real pre-tax WACC was 7.5% in its 2009 Determination. We deducted 0.5 percentage points to set a 7% real pre-tax WACC for the Valuer-General. IPART, *Review of Prices for Sydney Water Corporation's Water, Sewerage, Stormwater and other services - Final Report*, June 2008, p 156; and IPART, *Price review of rating valuation services provided by the Valuer General to local government – Final Determination and Final Report*, July 2008, p 17.

¹⁸⁷ Valuer-General submission, 7 February 2014, p 49.

C Weighted average cost of capital

Based on these assumptions, the Valuer-General proposed a WACC of 5.8%.¹⁸⁸ All else being equal, we note that the equity beta and gearing values proposed by the Valuer-General would result in an increase in the WACC compared to our last decision.

C.2 WACC parameters for the Valuer-General

The WACC is our estimate of the efficient cost of capital for a benchmark firm operating in competitive market and facing similar risks to the regulated business. It does not attempt to replicate a utility's actual financing strategy. The WACC range is established by the following process:

- ▼ estimating a range based on long-term averages
- ▼ estimating a range based on current market data
- ▼ using the midpoints of these 2 ranges as the upper and lower bounds of a final WACC range.

In determining the WACC, our default position is to choose the midpoint of the final WACC range as our point estimate. We construct an uncertainty index, however, to inform our decision on the WACC point estimate within the final range (see below).

We have adopted the mid-point of the real post-tax WACC range of 5.1%, as the point estimate for the Valuer-General. We have chosen the parameters (notably gearing and equity beta) having regard to the nature of the Valuer-General as a business services provider. We note that these parameters happen to be the same as those used in our latest metropolitan water pricing determinations.¹⁸⁹

The WACC of 5.1% is 0.3 percentage points higher than the WACC of 4.8% that we used in our Draft Report. This difference is due to:

- ▼ our new approach to estimating the debt margin, which uses credit spreads for Australian non-financial corporations published by the Reserve Bank of Australia (RBA)¹⁹⁰
- ▼ updated market parameters (at 12 May 2014).

We have moved to using the RBA data set because it is:¹⁹¹

- ▼ based on a robust methodology
- ▼ transparent

¹⁸⁸ Valuer-General submission, 7 February 2014, p 49.

¹⁸⁹ For example see: IPART, *Hunter Water Corporation's Water, Sewerage, Stormwater, Drainage and Other Services – Final Report and Determination*, June 2013, p 83; IPART, *Essential Energy's water and sewerage services in Broken Hill – Draft Report and Determination*, March 2014, p 137.

¹⁹⁰ IPART, *WACC – IPART's New Approach to Estimating the Cost of Debt – Fact Sheet*, April 2014.

¹⁹¹ IPART, *WACC – IPART's New Approach to Estimating the Cost of Debt – Fact Sheet*, April 2014, p 2.

C Weighted average cost of capital

- ▼ extends the term-to-maturity to 10 years
- ▼ readily available through the RBA's website.

Relative to the Draft Report, the higher WACC of 5.1% increases the Valuer-General's notional revenue requirement by only \$0.3 million over the 5-year determination period.

The WACC parameters for the Valuer-General are outlined in Table C.1. The sections below explain how we estimated the WACC for this Determination.

Table C.1 WACC parameters, ranges and midpoint

	WACC using current data			WACC using long-term averages			WACC range		
	Low	Mid	High	Low	Mid	High	Low	Mid	High
Nominal risk free rate	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%			
Inflation	2.8%	2.8%	2.8%	2.9%	2.9%	2.9%			
Debt margin	2.7%	2.7%	2.7%	2.9%	2.9%	2.9%			
Gearing	60%	60%	60%	60%	60%	60%			
MRP	7.2%	7.9%	8.6%	5.5%	6.0%	6.5%			
Equity beta	0.6	0.7	0.8	0.6	0.7	0.8			
Cost of debt (nominal pre-tax)	6.7%	6.7%	6.7%	7.9%	7.9%	7.9%			
Nominal Vanilla WACC	7.3%	7.8%	8.4%	8.1%	8.4%	8.8%	7.8%	8.1%	8.4%
Real post-tax WACC	4.4%	4.9%	5.4%	5.0%	5.4%	5.8%	4.9%	5.1%	5.4%

Note: IPART analysis.

Source: Thomson Reuters, Bloomberg, RBA and SFG.

C.2.1 Estimating industry specific parameters

The Valuer-General is a low risk business with stable costs and demand

The Valuer-General considers that his business is less capital intensive than a water utility and more akin to an electricity retailer.¹⁹² Accordingly, the Valuer-General established his preferred equity beta and gearing values by taking the midpoint between the parameter values used in our 2013 Hunter Water and electricity retail price reviews (see Table C.2).¹⁹³

¹⁹² Valuer-General submission, 7 February 2014, p 49.

¹⁹³ Valuer-General submission, 7 February 2014, p 49.

C Weighted average cost of capital

Table C.2 Valuer-General's proposed equity beta and gearing ratio

	Equity beta	Gearing (%)
(A) Hunter Water 2013	0.7	60
(B) Electricity Retail 2013	0.9	20
(C) Valuer-General proposed ((A+B)/2)	0.8	40

Note: Adapted from the Valuer-General submission, 7 February 2014, p 50.

We consider that the absolute value of capital invested does not matter when considering the efficient gearing level. The gearing level measures how much of the capital invested is financed using debt and how much is financed using equity. The efficient allocation of different financing sources will, in reality, depend on the level of systematic risk – the equity beta and the levels of systematic and unsystematic risks – for the debt costs.

For example, in IPART's 2013 review of electricity retail prices, we noted that:

Whether or not an electricity retailer would carry less or more debt than a typical retailer is debatable. On the one hand, we view that an electricity retailer would be able to sustain more debt than a typical retailer as customer demand for electricity is more stable. Although we consider that sales will be still contingent on market conditions and competition from other electricity retailers, it is not like a typical retailer selling a product in which its entire market can evaporate when a competitor makes its product obsolete. On the other hand, electricity purchase costs are volatile, so the risk to the electricity retailer depends very much on the effectiveness of its hedging arrangements and this could affect its gearing ratio.¹⁹⁴

Accordingly, 2 types of risk would influence the efficient gearing level of a business:

- ▼ demand
- ▼ input factor cost volatility.

With respect to demand risk, we consider that the Valuer-General faces less risk than a typical electricity retailer, as it is the monopoly provider for land valuation services to councils. With respect to the second risk, we are unaware of any significant input factor cost volatility the Valuer-General may face now or in the future. Indeed, at the public hearing the Valuer-General noted that:

In relative terms or real terms we are predicting that our operating costs, going forward, will be pretty stable over the coming years through to the end of this determination.¹⁹⁵

Overall, we consider that the electricity retail gearing level and equity beta are not good proxies for the Valuer-General.

¹⁹⁴ IPART, *Review of regulated retail prices for electricity, 2013 to 2016 – Draft Report*, April 2013, p 200.

¹⁹⁵ Public Hearing Transcript, 25 February 2014, p 14.

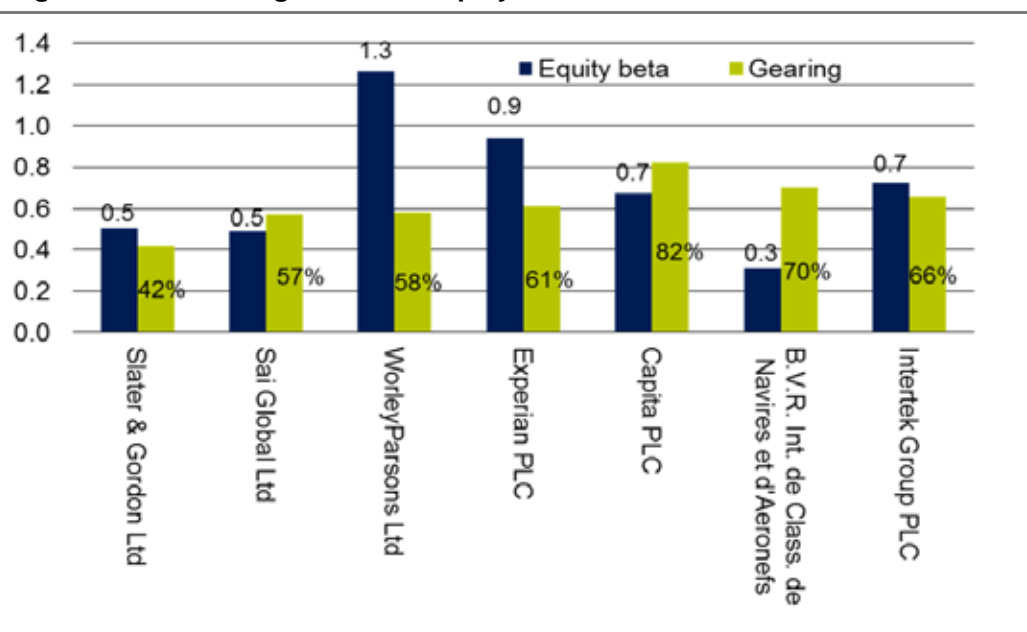
Suitable proxies for the Valuer-General

We attempted to identify suitable proxy businesses to estimate the efficient gearing level and equity beta for the Valuer-General. While it is difficult to find suitable proxy firms, we consider that services provided by the Valuer-General most closely match the industry classification of 'business support services'. There are a limited number of professional business services firms traded on the Australian and overseas stock exchanges.

The average gearing ratios for professional business services firms traded on the ASX 200 and the STOXX Europe 600 is 62% (see Figure C.1). Similarly, the equity beta of the proxy businesses is lower than the 0.8 proposed by the Valuer-General. The average is 0.7, with a low of 0.3 and a high of 1.3.

On this evidence, we adopted an equity beta of 0.6 to 0.8 and a gearing ratio of 60%.

Figure C.1 Gearing ratios and equity betas for business services



Data source: Thomson Reuters, Accessed 3 March 2014.

C Weighted average cost of capital

WACC decision-making framework – selecting the WACC point estimate

As part of our 2013 review of the WACC methodology,¹⁹⁶ we decided to use the following decision rule to choose a WACC from within the final range:

- ▼ If the uncertainty index is within or at 1 standard deviation from the long-term average of 0 (ie, economic uncertainty is neutral), we will select the midpoint WACC.
- ▼ If the uncertainty index is more than 1 standard deviation from the long-term average of 0, we will consider moving away from the midpoint WACC. In deciding whether and how much the WACC point estimate should deviate from the midpoint, we have regard to the value of the uncertainty index and additional financial market information, including debt and equity transaction data, interest rate swap curves, equity analyst reports and independent expert reports.

The uncertainty index is currently within 1 standard deviation from the long-term average of 0 (see Figure C.2). Therefore, we have adopted the mid-point of the real post-tax WACC range as the point estimate WACC for the Valuer-General.

Figure C.2 Uncertainty index



Note: IPART analysis.

Data source: Thomson Reuters and Bloomberg.

¹⁹⁶ IPART, *Review of WACC Methodology - Final Report*, December 2013, p 23.

D A proposed index to set prices

In this appendix, we set out how an index could be applied practically for future determinations. Given the relative stability of the Valuer-General's costs over time, we consider there may be a case for using a cost index from 2019/20 to reduce regulatory burden. However, that decision would need to be made by the Tribunal at that time under the relevant ToR.

The price index could be constructed based on the following assumptions:

- ▼ the last year of the 2014 determination period could be used as the base year (2018/19)
- ▼ the index could be used to adjust prices in each year of the determination period
- ▼ if an index were used, the determination could be written as a methodology.

The index would need to be reviewed periodically to ensure that it continued to reflect the Valuer-General's costs. Below we outline the components of the Valuer-General's efficient costs that any future index would need to reflect.

D.1 Components of the index

In implementing the index, we could include 3 cost components to represent the Valuer-General's costs to servicing councils:

- ▼ labour costs
- ▼ mass valuation and other valuation contract costs
- ▼ all other costs.

The weights of each of the components of the index could reflect the base year of 2018/19 and remain unchanged over a determination period. For example, weights could be assigned as set out in Table D.1 below.

D A proposed index to set prices

Table D.1 Cost weightings for index (% of total notional revenue for 2018/19)

Cost Item	Weight
Labour Costs	30%
Mass Valuation Contracts	42%
Other Valuation Contracts	7%
Remainder	21%

We could also apply a productivity factor to the index. The productivity factor would reflect efficiency gains that would be expected to be made by firms operating in a competitive market. We could, for example, apply the productivity factor used for the rate peg, with any necessary adjustment to reflect industry specific factors.

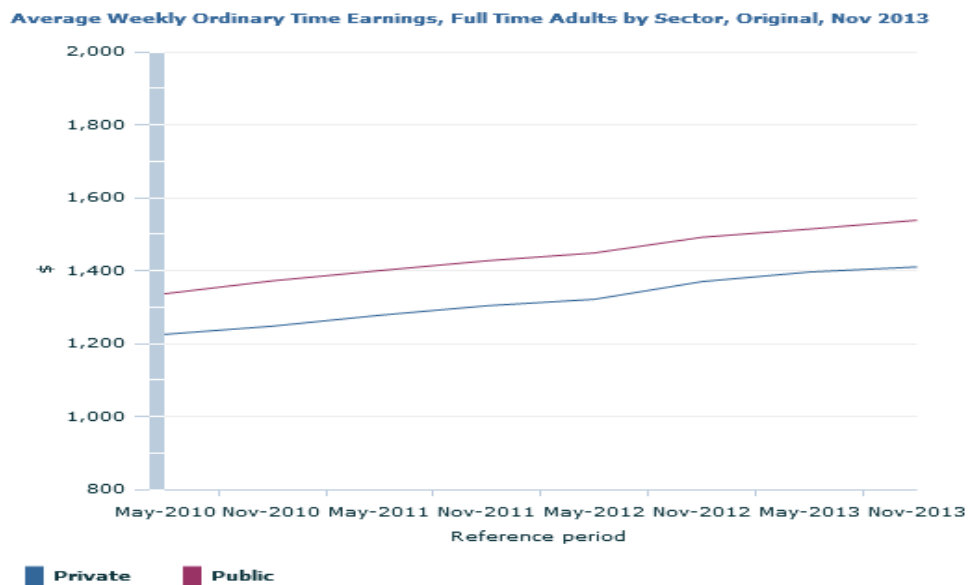
In the sections that follow, we outline appropriate indicators that could be used to reflect the movement of each of the cost components of the index and the productivity factor.

D.1.1 Labour costs

For labour costs, we could use an index that is based on information that is publicly available, from a reputable source and updated on a regular basis.

We consider that data published by the Australian Bureau of Statistics (ABS) provides a reliable and transparent source of information on which to base price increases. The ABS publishes average weekly earnings according to whether individuals work in the private sector or public sector - see Figure D.1 below.

D A proposed index to set prices

Figure D.1 Average weekly ordinary time earnings, full time adults by sector

Data source: ABS, *Private and Public Sector Earnings*, 6302.0, accessed at: <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/6302.0main+features5Nov%202013>

We consider that changes in public sector wages could be used to determine changes in the wages component of the cost index used for the Valuer-General's services because:

- ▼ the prices we set for the Valuer-General's services should reflect the prices of his labour costs
- ▼ the growth rate in wages has been very similar, with changes in public sector earnings reflecting changes in private sector earnings
- ▼ the Valuer-General has used the average public sector wage benchmark in his submission to compare average wages within the Office of the Valuer-General and VSLPI with average wages within the public sector.¹⁹⁷

We note that the ABS public sector wages are currently reported in nominal terms, so they would need to be converted to real. We would also need to establish a base for the wage level and then measure the percentage change in wages in the following years.

D.1.2 Valuation contract costs

For this determination, the Valuer-General has proposed that the cost of mass and other valuation contracts remains constant over the period. However, for the next determination period, these costs could change from year to year.

¹⁹⁷ Valuer-General submission, 7 February 2014, p 57.

D A proposed index to set prices

We consider that the contribution of mass and other valuation contracts to the change in the index could be based on the actual cost of these contracts in each year of a determination period. We consider that a 'light-handed' approach to the Valuer-General's valuation costs may be appropriate given that:

- ▼ mass valuations are outsourced through a competitive tendering process, which means this cost is market tested
- ▼ the tender process is overseen by relevant stakeholders¹⁹⁸
- ▼ the Valuer-General's valuation system is subject to constant review and benchmarking.

We would need to set a value for the real annual average change in the costs of mass and other valuation contracts. This would be based on our assessment of the yearly change in costs of these contracts at the time of next determination. In order to be confident that these costs are efficient, we would review the tender process to ensure that it is achieving competitive outcomes.

D.1.3 Other costs

We consider that the remainder of the index could be based on the CPI, as the other components of the Valuer-General's costs represent relatively small shares.

The Valuer-General noted that if a further review of prices has not been completed by the end of 2018/19, then an annual price increase in line with CPI from 2019/20 onwards would be appropriate.¹⁹⁹ This indicates that the Valuer-General's costs are relatively stable and it is reasonable to use CPI to index his remaining costs.

D.1.4 Productivity factor

We could base the productivity factor on the most recent factor used for local government in the rate peg, and then adjust it for any factors specific to the Valuer-General's business.

In our calculation of the rate peg for councils, we include a productivity factor to allow ratepayers to share the efficiency gains made by councils. It is based on the long-term annual average increase in the ABS measure of aggregate gross output market-sector multifactor productivity and a consideration of specific factors affecting councils.

¹⁹⁸ Local Government NSW submission, 14 February 2014, p 2.

¹⁹⁹ Valuer-General submission, 7 February 2014, p 63.

For the 2014/15 rate peg, we maintained the productivity factor for councils at 0.2%, which was based on:²⁰⁰

- ▼ a benchmark productivity factor of 0.3%, using the 15-year annual average increase in the ABS multifactor productivity
- ▼ a discount of 0.1 percentage points to reflect factors that are specific to the councils.

However, the ABS no longer publishes the multifactor productivity index. For the rate peg, we will review the methodology for determining a benchmark productivity factor during 2014.

D.2 An example of how the index could work

For this example, we will assume:

- ▼ public sector earnings to increase by 2.5% per annum
- ▼ mass valuation contracts to increase by 1%
- ▼ other valuation contracts are assumed to increase by 1%
- ▼ all other costs stay constant in real terms
- ▼ a productivity factor of 0.2%, being the benchmark productivity factor based on our local government rate peg.²⁰¹

Based on the weightings assigned to the cost items and the above assumptions, we could compile the index to reflect changes in the Valuer-General's annual costs as shown in Table D.2 below. Including the productivity factor, 2018/19 prices would be increased by 1.1% in real terms for the 2019/20 year – if such an approach were adopted. This process could then be repeated for each year thereafter of the determination period.

²⁰⁰ IPART, *2014/15 Rate Peg, Local Government – Information Paper*, December 2013, pp 8-9.

²⁰¹ In setting a productivity factor of 0.2%, we have deducted 0.1 percentage points from the benchmark multifactor productivity factor of 0.3% because productivity gains would already be factored into the labour cost index and labour would account for about one-third of the multifactor productivity factor.

D A proposed index to set prices

Table D.2 Worked example of proposed price index for the Valuer-General for future determinations

Cost Item	Weight	Inflator	Inflator Value	Change
Labour Costs	30%	Public Sector Earnings	2.5%	0.8%
Mass Valuation Contracts	42%	IPART determined average annual increase	1%	0.4%
Other Valuation Contracts	7%	IPART determined average annual increase	1%	0.1%
Remainder	21%	Constant in real terms	0%	0%
Total cost index	100%			1.3%
Productivity Factor				0.2%
Price index				1.1%

Glossary

2009 Determination	IPART's Determination No. 2, 2008 entitled <i>Price review of rating valuation services provided by the Valuer General to local government</i> for the period 1 July 2009 to 30 June 2014.
2014 Determination	Refers to the upcoming price period – ie, prices from 1 July 2014 to 30 June 2019 (unless the 2014 Determination is replaced by a subsequent determination during the referral period).
ABS	Australian Bureau of Statistics
<i>Ad valorem</i> tax	A tax based on the value of real estate or personal property.
ATO	Australian Tax Office
Council	Councils of areas under the Local Government Act
Declared services	The services declared to be government monopoly services under the <i>Government Pricing Tribunal (Valuer-General's Services) Order 1993</i> (Gazette No. 89, 13 August 1993, page 4571): "Furnishing valuation lists and supplementary lists under Part 5 of the <i>Valuation of Land Act 1916</i> by the Valuer-General to a council of an area under the <i>Local Government Act 1993</i> ".
OFS	Office of Finance and Services
Glide path	A method of setting prices such that they transition towards cost-recovery over the determination period.
IPART	The Independent Pricing and Regulatory Tribunal of NSW

| Glossary

IPART Act	<i>Independent Pricing and Regulatory Tribunal Act 1992 (NSW)</i>
JSCOVG	The Joint Standing Parliamentary Committee on the Office of the Valuer-General that monitors and reviews the exercise of the Valuer-General's functions with respect to land valuations.
LPI	Land and Property Information is part of the Department of Finance and Services, and manages the valuation system on behalf of the Valuer-General.
Local Government Act	<i>Local Government Act 1993 (NSW)</i>
NPV	Net present value
RAB	Regulatory asset base
RBA	Reserve Bank of Australia
Referral period	The period over which the determination(s) is to apply - ie, from 1 July 2014 to 30 June 2019. The ToR require that new determination(s) of maximum pricing for the Valuer-General's land valuation services to councils apply in total for a period of 5 years.
Valuation of Land Act	<i>Valuation of Land Act 1916 (NSW)</i>
Valuer-General	An independent statutory officer appointed by the Governor of New South Wales to oversee the valuation system.
VSLPI	Valuation Services business unit of LPI, which provides the majority of valuation services to the Valuer-General.
WACC	Weighted average cost of capital

PRIVATE ADVERTISEMENTS

COUNCIL NOTICES

BATHURST REGIONAL COUNCIL

Roads Act 1993, Section 16

Dedication of Land as Public Road

THE Bathurst Regional Council hereby gives notice that pursuant to section 16 of the Roads Act 1993, the land described in the Schedule below is dedicated to the public as road. D. SHERLEY, General Manager, Bathurst Regional Council, PMB 17, Bathurst NSW 2795.

SCHEDULE

Lot 1, DP 1196141. [7516]

BLACKTOWN CITY COUNCIL

Local Government Act 1993

Land Acquisition (Just Terms Compensation) Act 1991

Notice of Compulsory Acquisition of Land

BLACKTOWN CITY COUNCIL declares, with the approval of Her Excellency the Governor, that the lands described in the Schedule below, excluding any mines or deposits of minerals in the lands, are acquired by compulsory process in accordance with the provisions of the Land Acquisition (Just Terms Compensation) Act 1991, for drainage. Dated at Blacktown, this 21st day of May 2014. KERRY ROBINSON, General Manager, Blacktown City Council, PO Box 63, Blacktown NSW 2148.

SCHEDULE

Lot 11, DP 867956.
Lot 12, DP 867956. [7517]

GREATER TAREE CITY COUNCIL

Roads Act 1993

Land Acquisition (Just Terms Compensation) Act 1991

Notice of Compulsory Acquisition of Land

GREATER TAREE CITY COUNCIL declares with the approval of Her Excellency the Governor that the lands described in the Schedule below, excluding any mines or deposits of minerals in the lands, are acquired by compulsory process in accordance with the provisions of the Land Acquisition (Just Terms Compensation) Act 1991, for public road and compensation. Dated at Taree, this 6th day of June 2014. G. JOSE, General Manager, Greater Taree City Council, PO Box 482, Taree NSW 2430.

SCHEDULE

Lot 1, DP 1189412.
Lot 2, DP 1189412.
Lot 3, DP 1189412.
Lot 4, DP 1189412.
Lot 5, DP 1189412.
Lot 6, DP 1189412.
Lot 8, DP 1189412.
Lot 9, DP 1189412.

Lot 10, DP 1189412.

Lot 11, DP 1189412.

Lot 12, DP 1189412.

Lot 13, DP 1189412.

Lot 14, DP 1189412.

Lot 15, DP 1189412.

Lot 16, DP 1189412.

Lot 17, DP 1189412.

Lot 18, DP 1189412.

Lot 19, DP 1189412.

[7518]

GREATER TAREE CITY COUNCIL

Roads Act 1993

Dedication of Land as Public Road

NOTICE is hereby given by Greater Taree City Council that pursuant to section 10(1), Division 1, Part 2 of the Roads Act 1993, the land described in the Schedule below is hereby dedicated as public road. G. JOSE, General Manager, Greater Taree City Council, PO Box 482, Taree NSW 2430.

SCHEDULE

Lots 1 to 6, DP 1189412.

Lots 8 to 13, DP 1189412.

Lot 19, DP 1189412.

[7519]

HAWKESBURY CITY COUNCIL

Section 162, Roads Act 1993

Naming of Public Roads

NOTICE is hereby given that Hawkesbury City Council in accordance with section 162 of the Roads Act 1993, has named the newly created public roads contained within DP 1191194 in the suburb of Pitt Town as the following:

Vine Street (extension of existing road) – Bounded by Lots 4001 to 4015, DP 1191194; Lot 4032, DP 1191194 and Boston Street.

Oaks Street (extension of existing road) – Bounded by Lots 4016 to 4032, DP 1191194 and Boston Street.



PETER JACKSON, General Manager, Hawkesbury City Council, PO Box 146, Windsor NSW 2756. [7520]

PARRAMATTA CITY COUNCIL

Local Government Act 1993, Section 50

Vesting of Public Garden and Recreation Space and
Drainage Reserves

NOTICE is hereby given that the following:

Public garden and recreation space being Lot 157, DP 20782 (also known as Folio Identifier 157/20782A) created by subdivision registered 21 November 1947; and
 Drainage Reserve being Lot 389, DP 14244 created by subdivision registered 30 August 1926; and
 Drainage Reserve being Lot 1, DP 1192210 created by subdivision registered 24 April 1913; and
 Drainage Reserve being Lot 2, DP 1192210 created by subdivision registered 24 April 1913; and
 Drainage Reserve being Lot 35, DP13695 created by subdivision registered 14 December 1925; and
 Drainage Reserve being Lot 36, DP 13695 created by subdivision registered 14 December 1925; and
 Drainage Reserve being Lot 617, DP 16170 created by subdivision registered 22 July 1929,
 are vested in Parramatta City Council.

GENERAL MANAGER, Parramatta City Council, 30
 Darcy Street (PO Box 32), Parramatta NSW 2124. [7521]

SHOALHAVEN CITY COUNCIL

Roads Act 1993, Section 10

Dedication of Land as Public Road

NOTICE is hereby given that in accordance with section 10 of the Roads Act 1993, the land held by Council as described in the Schedule below is hereby dedicated as council public road. R. D. PIGG, General Manager, Shoalhaven City Council, Bridge Road, Nowra NSW 2541. File: 45815E.

SCHEDULE

Lot 1 in Deposited Plan 1185885, Parish of Numbaa, County of St Vincent, being land adjacent to Pyree Lane, Pyree NSW 2540. [7522]

TWEED SHIRE COUNCIL

Roads Act 1993, Section 10

Dedication of Lands as Public Road

NOTICE is hereby given that the Tweed Shire Council, by resolution of the Council dated 19 September 2014, has resolved to dedicate the land described hereunder as public road pursuant to section 10 of the Roads Act 1993. T. GREEN, General Manager, Tweed Shire Council, PO Box 816, Murwillumbah NSW 2484.

SCHEDULE

Lot 2 in DP 1017393.

[7523]

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By Authority
TONY DUCKMANTON, Government Printer