

# SERVICE REVIEW OUTCOMES

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## VALUATIONS

### BACKGROUND

Maroondah’s Valuation service has been a contracted service that was awarded to an external service provider as part of a public tender process. Due to the legal and competitive nature of the tender process it is not compulsory for Council’s to include contracted services in there Best Value program. The current Valuation Services contract ended during the 2003-2004 period and Maroondah City Council applied the principles of Best Value to review the contract performance and determine whether the current structure is performing competitively in terms of Best on Offer in comparison with the alternative in-house service provider operation. A similar process was applied to our Dorset Golf course when the service provider contract came to an end. In that instance the result was to return to an in-house Council operated and managed service.

### DETAILS OF SERVICE

Valuation Services is a function within the Resources Service Area. It is delivered by external contract that is formally supervised by the Director Corporate and Economic Development.

### SCOPE OF SERVICES

The Valuation Services function provides the following services:

- General Property Valuations
- Supplementary Rating Valuations
- Non-rating Valuations
- Reviews of the Rateability of Properties
- Valuation Enquiries, Objections and Appeals

## SERVICE REVIEW OUTCOMES

Note: The following is a summary of the activity and outcomes of the Best Value Service Review; a detailed report is available for viewing upon request

Best Value Principle	Key Performance Indicator	Performance Result 2003-04	Target 2004-05	Target 2005-06
Cost Standard	Cost of the General Valuation per assessment	2002 General Valuation cost a Proportion of Rate 2.21%		
Quality Standard	Number of successful objections to valuations.	Maroondah Level 2002 22.0		

\* 2002 is the date of the last General Valuation

### Consideration of Best Value Factors in setting cost and quality standards

#### Best on offer 208C(a)

An external company who competed and won the contract through in a formal Tender process provides the current service under contract. The Tender assessment considered cost, quality standards and service levels in a comparison of all tenderers. Maroondah considers the application of this process to represent a Best on Offer assessment. Benchmarking against 59 Victorian Councils to determine best method of service delivery (in-house versus external contract) provided the following results

- 82% of respondents believe that a contract service is more economical than an in-house service
- 76% of respondents believes that they would have difficulty in recruiting staff to an in-house service.
- 62% of respondents believe that they obtain better outcomes with an in-house service.

#### Value for money 208C(b)

In determining value for money a comparison has been made to the cost of the 1996 valuation which was carried out by Maroondah staff to the cost of the 2000 and 2002 valuations undertaken by our contractors. The result is a significant saving while operating under contract.

- 1996 General Valuation cost a Proportion of Rate Revenue – 4.83%.
- 2000 General Valuation cost a Proportion of Rate Revenue – 2.54%.
- 2002 General Valuation cost a Proportion of Rate Revenue 2.21%.

**Consideration of Best Value Factors in setting cost and quality standards cont.**

**Community expectation and values 208C(c)**

The services provided are prescribed in statutory legislation pursuant to Section 13DC (3) of the Valuation of Land Act 1960 and in accordance with the State Valuer-General’s *Valuation Best Practice*, and to prepare and deliver supplementary valuations pursuant to Section 13DF of the Valuation of Land Act 1960 under the various Acts which the service monitors and applies thus defining key service expectations, activity and standards.

One of the key community expectations is that the valuation will represent a fair and equitable assessment of the worth of their property, inherent in this is the right to lodge an objection that is part of the legislation. A key indicator in the service performance is the number of successful objections received. In comparison with the 2002 Melbourne metropolitan average of 48.5 Maroondah City Council recorded 22.0.

**Affordability and Accessibility 208C(d)**

The services provided are prescribed in statutory legislation pursuant to Section 13DC (3) of the Valuation of Land Act 1960 and in accordance with the State Valuer-General’s *Valuation Best Practice*. The valuation service does not have an associated fee but does impact on the determined rateable value of the property. (Refer to Community Expectations and Values). The service has a statutory obligation to ensure that all eligible properties are considered and included in the valuation process.

The valuation function is subject to the ultimate sanction, an objection process that can lead to an independent external review of each valuation being undertaken.

**Local Employment 208C(e)**

Maroondah’s Best Value Supporting Local Suppliers policy is a demonstration by Council of its commitment to supporting and promoting local businesses as a means of sponsoring local employment opportunities. A Council wide KPI relating to the policy is the target of 25% of purchasing activity to be directed to local suppliers of goods and services. The initiative also extends to the local advertisement of vacant positions and appropriate tenders.

**Best Value Principle**

**Actions Taken**

**Responsive to Community Needs**

The services provided are prescribed in statutory legislation pursuant to Section 13DC (3) of the Valuation of Land Act 1960 and in accordance with the State Valuer-General’s *Valuation Best Practice*, and to prepare and deliver supplementary valuations pursuant to Section 13DF of the Valuation of Land Act 1960 under the various Acts which the service monitors and applies thus defining key service expectations, activity and standards.

The needs of the community have been determined by the State Valuer General’s office in the format of the above legislation. The valuation function is subject to the ultimate sanction, an objection process that can lead to an independent external review of each valuation being undertaken.

**Accessible**

The service has a statutory obligation to ensure that all eligible properties are considered and included in the valuation process.

The service and related information is accessible to residents and the community between normal business hours Monday to Friday from 8.30 am to 5.00 pm via the following methods; Telephone: “General Enquiries” 1300 882 233, Email: [Maroondah@maroondah.com.au](mailto:Maroondah@maroondah.com.au) In person at Maroondah’s Civic Offices.

Information is also available from our Customer Service Centres located at our City Offices, Braeside Ave, Ringwood and Shop G104, Eastland Shopping Centre, Ringwood

Council information is available 24 hours, seven days a week from Council’s Web site, <http://www.maroondah@maroondah.vic.gov.au>

**Continuous Improvement**

The application of Best Value principles as part of the contract performance review process to determine the appropriateness of re tendering the service is considered a continuous improvement initiative.

The other area for continuous improvement is the level of objections which result in adjustments to the valuations received. In the case of the 2002 General Valuation the average number of objections that resulted in adjustments to valuations received by all metropolitan municipalities was 48.5. The total number of objections received by Maroondah that resulted in adjustments to valuations received by all metropolitan municipalities for that general valuation was 22.0. The metropolitan average objection rate was therefore 120% higher than Maroondah’s.

**Consultation**

The services provided by Maroondah’s Valuation Services contractor are prescribed in statutory legislation and under the various Acts, which are monitored by the State Valuer General’s office.

As part of the contract delivery model review survey’s were distributed to all Victorian Council’s with 59 responding as follows;

The survey process asked respondents to rate the following aspects;

- 82% believed a contract service to be more economical
- 62% believe they receive better service outcomes from

Internal Council areas that work with our Valuations contractor were also surveyed in relation to quality of information provided, professionalism of staff, service levels and accessibility with 93% rating the overall service as ‘Good’ or ‘Very Good’.

**Reporting**

Maroondah’s Best Value Annual Community Report of key findings and key performance target and results will be available to the community via the following methods and access points;

- A copy will be placed on Council’s community web page for public access
- A copy will be available at each of our three Customer Service Centres for public viewing.
- A copy will be available at each of Council’s Public Libraries for public viewing.

Performance reporting against key service indicators is undertaken on a monthly basis and the results documented in Council’s monthly performance report. This report is tabled before Council on a quarterly basis and is a publicly available document. Each service area has an annual business plan, which is strategically aligned with Maroondah’s Council Plan, and our overarching strategic community plan Maroondah 2025. Annual performance and key achievements of the strategies in these plans is reported in Council’s Annual Report.