

STATE BUDGET — REVALUATION OF ASSETS

759. Hon Sally Talbot to the minister representing the Treasurer

I refer to page 191 of the, Economic and Fiscal Outlook in the 2009-10 Budget, and the assumptions for 'revaluations' rising \$1 412 million in 2008-09 and \$94 million in 2009-10, and I ask —

- (1) Which assets are contained in the revaluation estimates?
- (2) Which assets have been valued upwards in 2008-09, and which assets are projected to be valued upwards in, —
 - (a) 2009-10;
 - (b) 2010-11;
 - (c) 2011-12; and
 - (d) 2012-13?
- (3) Who conducts the valuation process?

Hon NORMAN MOORE replied:

- (1) Revaluations predominantly relate to land assets and road infrastructure assets (comprising earthworks, pavements, structures and electrical assets). These revaluations are not part of the net operating balance and do not impact estimates of the surplus, net debt or net financial liabilities.
- (2) (a)-(d) Upward movements in each year reflect revaluations of land and road infrastructure assets. The Commissioner for Main Roads carries significant road infrastructure assets. As in previous years, the road infrastructure assets are to be revalued at the end of 2008-09 and each subsequent year, in accordance with Australian Accounting Standards. Other public sector agencies more generally are responsible for significant parcels of land as part of their controlled assets. The State also holds substantial Crown land assets which are revalued regularly by the Valuer General's Office (VGO).
- (3) The financial estimates of Main Roads published in the Budget Statements (Budget Paper No. 2) include the future revaluation estimates for road-related infrastructure, which are based on the average annual movement in the Australian Bureau of Statistics' *Road and Bridge Construction Index* over a 4 year period.

The Department of Treasury and Finance (DTF) estimates the assumed land revaluation parameters in the consolidated budget estimates for all other land holdings (including Crown land), based on long term historical valuation trends, VGO land valuation data and DTF estimates used in the compilation of land tax projections.

In final outturn results, these estimates are replaced by formal valuations carried out by agencies, the VGO and other valuers for annual reporting purposes.