

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

26 February 2014

Question: AET 1688-1690

Topic: Australian Valuation Office (ATO)

Written: 7 March 2014

Senator BUSHBY asked:

1688) Can the AVO outline what market changes have affected the organisation's viability?

1689) Can the AVO advise when a fall in demand for AVO services occurred?

1690) Can the AVO advise if there is a highly skilled private market of valuers whose skilled work supports a number of industries including Australia's world class banking and property industries?

Answer:

1688) The market has developed a range of risk based assessment tools for residential property that can provide cost effective alternatives to Australian Valuation Office products. A significant proportion of the work completed by the Australian Valuation Office has been residential property.

1689) A fall in demand for Australian Valuation Office services occurred over the 2012/13 financial year.

1690) There are a number of institutions, such as the Australian Property Institute, that provide strong governance frameworks in order to manage quality outcomes for clients of the valuation industry. Nevertheless, primarily driven by the cost of services, the valuation industry is undergoing significant change and the future impact on property and banking industries are yet to be determined.