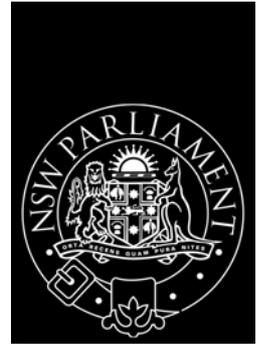


PARLIAMENT OF NEW SOUTH WALES



Joint Standing Committee on the Office of the Valuer General

Report on the Sixth General Meeting with the Valuer General

Together with answers to questions on notice, transcript of evidence
and minutes of proceedings

New South Wales Parliamentary Library cataloguing-in-publication data:

New South Wales. Parliament. Joint Standing Committee on the Office of the Valuer General

Report on the Sixth General Meeting with the Valuer General: together with answers to questions on notice, transcript of evidence and minutes of proceedings / Joint Committee on the Office of the Valuer General. [Sydney, N.S.W.] : the Committee, 2010. – [75] p.; 30 cm. (Report; no. 2/54)

Chair: Marie Andrews, MP.

“June 2010”.

ISBN 9781921686160

1. New South Wales. Parliament. Joint Committee on the Office of the Valuer General. General Meeting with the Valuer General (6th)
2. New South Wales. Office of the Valuer General.
3. Real property—Valuation—New South Wales.
 - I. Title.
 - II. Andrews, Marie.
- III. Series: New South Wales. Parliament. Joint Committee on the Office of the Valuer General. Report; no. 2/54.

333.332 (DDC22)

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Committee functions

The Committee was first established in July 2003 as a joint statutory committee and operated until the end of the 53rd Parliament in early 2007.

The Committee was re-established as a joint standing committee in the 54th Parliament on 25 September 2008 as a joint standing committee, by resolution of the Parliament. The Committee comprises five members, including two members of the Legislative Council and three members of the Legislative Assembly.

Resolution Appointing Committee

- (1) A Joint Standing Committee, to be known as the Joint Standing Committee on the Office of the Valuer General be appointed.
- (2) The committee's functions be:
 - (a) to monitor and review the exercise of the Valuer General's functions with respect to land valuations under the *Valuation of Land Act 1916* and the *Land Tax Management Act 1956*, and in particular:
 - (i) to monitor the methodologies employed for the purpose of conducting such valuations,
 - (ii) to monitor the arrangements under which valuation service contracts are negotiated and entered into, and
 - (iii) to monitor the standard of valuation services provided under such contracts,
 - (b) to report to both Houses of Parliament, with such comments as it thinks fit, on any matter connected with the exercise of the Valuer General's functions referred to in paragraph (a) to which, in the opinion of the committee, the attention of Parliament should be directed,
 - (c) to report to both Houses of Parliament any change that the committee considers desirable to the Valuer General's functions referred to in paragraph (a),
 - (d) to inquire into any question in connection with the committee's functions which is referred to it by both Houses of Parliament, and to report to both Houses on that question.
- (3) The functions of the committee do not extend to the investigation of any matter relating to or arising from a particular valuation of a specific parcel of land.

Legislative Assembly Votes & Proceedings, 25 September 2008, No 85, item 21, p. 921

Legislative Council Minutes, 25 September 2008, No 67, Entry 27, p 806.

Chair's foreword

I have pleasure in presenting the Report on the Sixth General Meeting with the Valuer General.

The purpose of the meeting was to follow-up on a number of issues raised at the Fifth General Meeting and to consider a number of issues that had been raised by the Royal Institution of Chartered Surveyors (RICS) in relation to the current tender documentation for valuation work.

Mr Western provided the Committee with a detailed and comprehensive account of recent developments. The Committee is pleased to see improved changes in the reporting of the performance of the valuation system, with a more accurate system for counting the days taken to deal with objections being implemented and a link between the key performance indicators, goals and commitments of the Office.

There remain a number of areas of concern to the Committee including the need to charge an appropriate fee to all agencies and users of valuation data to reflect the resource costs and expertise utilised to prepare valuations. The Committee has made a recommendation to this end.

I would like to thank the members of the Committee and the secretariat for their participation in the General Meeting and contribution to the reporting process.



Marie Andrews MP
Chair

Abbreviations and Explanations

Abbreviations

IPART	Independent Pricing and Regulatory Tribunal
LGAs	Local Government Areas
LPI	Land and Property Information
LPIVS	Land and Property Information, Valuation Services
LVAG	Land Valuation Advisory Group
NOV	Notices of Valuation
OSR	Office of State Revenue
SLA	Service Level Agreement

Explanations

Land value/ unimproved value	land value reflects the market value of the land as at 1 July in the year of valuation and is based on the land being vacant. Most land in New South Wales is valued using the mass valuation approach, where properties are valued in groups called components.
Handcrafted valuation	refers to the individual valuation assessment of a particular property conducted by a valuer.
Mass valuation system	refers to the generation of land values for multiple properties at a given date. Mass valuations are generated by standardised computer methods as distinct from individual or handcrafted valuations.
Component method valuation	refers to the NSW methodology for generating mass valuations. The method involves grouping properties that are similar or are likely to change in value in similar ways. These groups or components contain benchmark properties, which are handcrafted and serve as a standard basis for mass generation of land values.
General re-valuations	refers to valuations that are reassessed by the Valuer General. General revaluations may be initiated because of formal objections by property owners or other mechanisms.

Findings and recommendations

The Committee held its Sixth General Meeting with the Valuer General on 12 March 2010. The purpose of the meeting was to examine issues that were raised during the Fifth General Meeting as part of the Committee's ongoing role in monitoring the Office of the Valuer General.

Issues carried over from the Fifth General Meeting

Six key issues were identified at the Fifth General Meeting which the Committee considered should be monitored and examined: namely, objections management; workforce capability and the training and education of valuers; the pricing regime for valuation services; the service level agreement between the Office of the Valuer General and Land and Property Information Services; the need for a national licensing scheme and customer service surveys.

Objections management

The average time for dealing with objections to land valuations has improved over recent years falling from 169 days in 2006/07 to 106 in 2008/09. The Valuer General has a target of 90 days for the completion of objections. For 2009/10 the Office is currently sitting around an average of 92 days.

This improvement from last year is in part due to a change in the way that the days for dealing with objections are counted. The number of days previously taken to deal with an objection commenced as soon as an objection was lodged, even if the objection was not complete and further information was required before it could be processed. Since early 2010, the first day of the objection process commences when an objection is lodged that is complete and meets all the requirements. The Committee agrees with the Valuer General that this new system is a more accurate measure of how many days it takes to deal with an objection.

There are a small percentage of objections that take over 180 days to be processed (7 per cent in 2008/09). These objections tend to involve legal or planning complexities and cannot be completed in a 90-day timeframe. The Committee notes that the Valuer General acknowledges the need to reduce the percentage of objections that take more than 180 days to process and encourages the Valuer General to regularly review processes in the objection management system to improve timeliness across all objections.

Workforce Capability and Training and Education of Valuers

There is a clear acknowledgement from the Valuer General that strategies need to be pursued to address the current and future demand for qualified valuers. The Valuer General advised the Committee that a number of key strategies had been pursued including: expanding the state-wide panel of valuers to provide up to 20 additional panel contractors being available to review objections in 2010; and continuing the trainee and graduate valuer program, which commenced in November 2007, to maintain internal capacity.

Findings and recommendations

Further initiatives are planned for 2010 including; spreading the work related to objection reviews across a longer period by requiring objections to be lodged within 60 days after the issue of a valuation, which occurs four times a year, rather than having one 'last day to object' for all valuations; utilising valuation contractor performance data which has been collected over the last two years to better allocate objection requests to suitable contractors; and improving workload prediction tools.

For a number of years the Valuer General has argued that one way of ensuring that there are enough valuers to meet current and future demand is by enhancing tertiary and diploma courses with respect to rating and taxing valuation. The Valuer General has been actively involved in discussions with tertiary institutions about improving the rating and taxing valuation component of accredited education courses in New South Wales. The Committee recommended in its report on the Fifth General Meeting with the Valuer General that the New South Wales Government provide assistance to the Valuer General in improving workforce capability and in gaining access to universities as required. The Committee restates this recommendation.

RECOMMENDATION 1: The Committee recommends that the New South Wales Government actively support the Valuer General in enhancing course content and improving accreditation and gaining access to universities as required.

Pricing regime for valuation services

Following an IPART review and determination, the pricing regime for the provision of valuation services to local government changed from 1 July 2009. The new regime allows for an increase in the cost of valuation assessments as per the CPI each year. The IPART review also built in an efficiency gain to the new pricing regime, requiring the Office of the Valuer General to improve the efficiency of valuation services to ensure the costs were reflective of the services provided through innovation and improved processes. The Committee will continue to monitor the progress of the Office in achieving these efficiency gains.

As the primary customers of the valuation system, Local Government Councils and the Office of State Revenue fund the valuation services in a 40/60 per cent split. However, there are a number of 'secondary' users of the system including other State Government agencies, the Commonwealth Grants Commission and private property information brokers. These 'secondary' users are either not charged at all or are charged the marginal or incremental cost of providing valuation services to that group.

The Committee is of the view that to ensure all agencies and other people who use valuation information are treated equally, an appropriate fee should be charged to all users to reflect the resource costs and expertise utilised to prepare these valuations. The Valuer General has indicated that an independent analysis will be conducted to determine the value of services provided to these users with a view to setting appropriate fees for those services.

RECOMMENDATION 2: The Committee recommends that the Valuer General set appropriate fees for all users of valuation information and services.

Service level agreement

The 2009/2010 service level agreement between the NSW Valuer General and Land and Property Information NSW has been enhanced to provide for a longer term strategic view, with the addition of goals, commitments and indicators for key areas of service and performance.

The Committee is pleased that the service level agreement has incorporated key performance indicators and looks forward to seeing how they are reported in the annual report.

National Licensing Scheme

In its report on the Fifth General Meeting the Committee recommended that the New South Wales Government press for the adoption of a national licensing model similar to the full registration regime for valuers currently available in New South Wales.

No change has occurred since this recommendation, although it is noted that a national licensing system for valuers and conveyancers is planned to commence as soon as possible after July 2013. The Valuer General advised the Committee that the Council of Australian Governments (COAG) will be establishing an interim Occupational Advisory Committee for the 'second wave' of building related occupations which includes valuers and conveyancers in mid 2010 and that it was likely the Australian Property Institute will be asked to provide membership as a primary industry body. To date the interim advisory committee is yet to be established.

The Committee is still of the view that the New South Wales Government should be proactive in pressing for the adoption of a national licensing model similar to the full registration regime for valuers in New South Wales.

RECOMMENDATION 3: The Committee recommends that the New South Wales Government press for the adoption of a national licensing model similar to the full registration regime for valuers in New South Wales.

Customer Satisfaction Surveys

Land and Property Information conducted a customer survey in early 2008 and have allocated funds in this year's budget to conduct a follow-up survey during the first half of 2010. The Committee is of the view that a follow-up survey will be a useful mechanism to ensure the services provided to customers are of a high standard and that any areas requiring attention can be addressed.

Issues arising at the Sixth General Meeting

Tender restrictions

Concerns were raised by the Royal Institution of Chartered Surveyors (RICS) that the current tender documents restricted work to valuers that were members of the Australian Property Institute (API). The Valuer General has advised the Committee that the tender documents for rating and taxing valuation services do not require API membership, although there is a requirement for compliance with API standards. The Committee is of the view that RICS members should be able to comply with the API

Findings and recommendations

standards, given that both RICS and API standards comply with the standards set by the International Valuation Standards Committee and do not restrict tendering.

However, the Committee accepts that there is some restriction to RICS members in relation to general valuation work as the current contracts for State-wide Real Estate Valuation Services require API membership. This requirement will be reviewed prior to the new tenders being issued in 2011. The Committee encourages RICS to communicate its concerns to the Office of the Valuer General so they can be considered during the review process.

In relation to the tender documentation, RICS argued that because API standards were comparable with RICS standards the tender documentation should require compliance with API or RICS standards. The Valuer General does not support this position as the API standards reflect the statutory and regulatory environment in New South Wales. The Committee accepts this view and supports a single API standard for compliance purposes.

Impact of rural wind farms on property values

In August 2009 the New South Wales Government made a submission to a Legislative Council inquiry into Rural Wind farms which advised that the Valuer General had engaged a consultant to undertake a preliminary study on the impacts of wind farms on surrounding land values in Australia.

The Valuer General advised the Committee that the main finding from this study was that wind farms do not appear to have negatively affected property values. However, the Valuer General indicated that further work is required to assess the impact of wind farms on property values. The Committee will pursue this issue at future General Meetings with the Valuer General.

Chapter One – Commentary

- 1.1 On 12 March 2010 the Committee conducted the Sixth General Meeting with the Valuer General, Mr Philip Western. The purpose of this General Meeting was to examine issues that were raised during the Fifth General Meeting as part of the Committee's oversight function.
- 1.2 Prior to the Sixth General Meeting, the Committee sent questions on notice to the Valuer General relating to a number of issues raised at the Fifth General Meeting. His response to these questions can be found at **Chapter Two** of this report.

Issues carried over from the Fifth General Meeting

- 1.3 In its report on the Fifth General Meeting, the Committee identified a number of issues that it should continue to monitor and examine. These issues included: objections management; workforce capability and the training and education of valuers; the pricing regime for valuation services; the service level agreement between the Office of the Valuer General and Land and Property Information Services; the need for a national trade licensing scheme; and customer service surveys.
- 1.4 The Committee made recommendations in its report on the Fifth General Meeting in relation to conducting a follow-up customer satisfaction survey; the adoption of a national licensing model; and providing the Valuer General with government assistance to negotiate with tertiary institutions providing courses in land valuation. The Sixth General Meeting provided the Committee with an opportunity to examine whether these recommendations had been adopted.

Objections management

- 1.5 The issue of timeliness in the objection management system is a topic the Committee has been monitoring on an ongoing basis. The Committee noted in its Report on the Fifth General Meeting that changes to the objections management system had contributed to an improvement in turnaround times. These changes included the introduction of an online objection facility, better use of resources and more efficient processes, and clearing the backlog from previous years.¹ The average time for completion of objections has fallen from 169 days in 2006/07 to 140 in 2007/08 and 106 in 2008/09.
- 1.6 At the Sixth General Meeting, the Valuer General noted that the number of objections had decreased over time which had assisted in improving the turnaround times for objections being dealt with. He advised the Committee that the Office was currently sitting on an average of 92-days turnaround time for objections. However, the Valuer General advised that this improvement in timeliness is in part due to the fact that from early 2010 there has been a change in the way that the days for dealing with objections are counted. The Valuer General commented:

...Previously what happened was as soon as an objection came through the door the clock started ticking, which seemed fair and reasonable. However, not the

¹ See the Report of the Fifth General Meeting with the Valuer General, June 2009, pp 7-8.

Commentary

majority but certainly a lot of objections that come in do not meet the criteria, for example, something had been left off the objection and information was missing. So the clock is already ticking and we return the objection to the member of the public who has put it in and then they may or may not resubmit it. They might leave it sitting at home for five, ten or fifteen days before they return it. That is why the average was quite high.

Now we have instigated a count whereby if an objection comes in and meets the requirements in terms of what has been specified automatically the clock starts ticking. However, if more information is required when it comes in and it has to go back out to the public, the clock does not start ticking until it actually comes back in and complies. That will assist in terms of the improved turnaround time for the public.²

1.7 The Valuer General argued that the new method for counting the days taken to deal with an objection provided a more accurate and fair system for the public.³

1.8 The Committee notes the changes in the way that the days taken to deal with an objection are counted. The Committee agrees with the Valuer General that this new system is a more accurate measure of the number of days it takes to deal with an objection and acknowledges that the reasons for this change will be noted in the 2009/10 Annual Report. The Committee looks forward to seeing a greater percentage of objections being handled within the 90-day timeframe as a result of this change.

1.9 While the target of 90-days turnaround time for objections is improving, there will always be a percentage of objections that are complicated and cannot be processed within 90 days. During 2008/09 7 per cent of objections were still outstanding after 180 days.⁴ In relation to these objections the Valuer General commented:

A lot of the ones that are going beyond 180 days do not tend to be the run-of-the-mill type objections. They may have someone else involved in it. For example, there might be a valuer associated with that involved on the other side or a solicitor involved. Generally the nature of those properties is that they are more complex, the issues that are raised are a lot more difficult to look at or they might require some town planning advice. For those ones that are out there, there is generally a very good reason because of the complexity and nature of them. We still want to get the 7 per cent down, but we will always have some beyond the 180 days, however, I want to reduce that number.⁵

1.10 The Committee accepts that some objections are complicated and require more time to be considered. The Committee acknowledges that the Valuer General has stated he wishes to reduce the percentage of objections that take over 180 days to be dealt with and encourages the Valuer General to regularly review processes in the objection management system to improve timeliness across all objections.

² Transcript of proceedings, 12 March 2010, p 12.

³ Ibid.

⁴ Department of Lands Annual Report 08/09, p 25.

⁵ Transcript of proceedings, 12 March 2010, p 13.

Workforce Capability

- 1.11 The issue of workforce capability has been raised in a number of previous General Meetings with the Valuer General. During the Fifth General Meeting the Valuer General commented that despite a range of strategies being pursued to ensure the current and future needs are met, there were still not enough valuers to meet timeframe demands particularly in relation to the 90-day target for processing objections.
- 1.12 While there is still a shortage of valuers to undertake the objection work, timeliness has improved as described above. The Valuer General noted at the Fifth General Meeting that during the global economic downturn more valuers, who were previously tied up in mortgage work or work for funds management or trusts, were available to do objection work and this meant that Land and Property Information would be able to meet its targets for the 2008/09 year. However, he conceded that it did not address the long term shortage of valuers undertaking objection work.
- 1.13 The Valuer General suggested two ways of addressing this long term shortage:
- Implementing improved technology and processes in respect of what contractors were expected to do and mechanisms to ensure that their work was being undertaken efficiently; and
 - Getting more valuers qualified by enhancing tertiary and diploma courses to introduce students to rating and taxing valuation and ensuring these courses meet required standards and educational qualifications in respect of doing rating and taxing work.⁶
- 1.14 In his response to questions on notice regarding issues raised at the Fifth General Meeting, the Valuer General advised the Committee that Land and Property Information (LPI) had pursued two key strategies to meet the current and future demand for qualified valuers.
- 1.15 First, it has expanded its state-wide panel of valuers further to increase access to appropriately skilled contract resources. Since the beginning of 2009 the valuation panel has included 82 firms compared to 71 in 2007. In addition, a further tender to expand the panel was advertised in early October 2009 in response to continuing industry interest. The Valuer General advised that it is anticipated this will result in up to 20 additional panel contractors being available to review objections in 2010. In support of this expansion of contractors LPI have conducted a series of contractor information sessions during the first half of 2009 to provide rating and taxing valuation specific training to valuation contractors.⁷
- 1.16 Second, LPI has continued its trainee and graduate valuer program to maintain internal capacity. This program commenced in November 2007. To date, 14 trainees have been recruited and a further four are planned for 2010. The Valuer General advised the Committee that the program is “providing real benefits in terms of providing continuity of specialist rating and taxing valuation

⁶ Report on the Fifth General Meeting with the Valuer General, June 2009, pp 8-10.

⁷ Answers to questions on notice, dated 23 October 2009, p 2.

knowledge and will over the next few years partly address the loss of experienced valuation expertise.”⁸

- 1.17 The Valuer General advised the Committee that further initiatives are planned for 2010 including:
- Better matching of last dates for the lodgement of objections to the dates of issue of Notices of Valuation should lead to earlier commencements of objection reviews and spread the peak load over the longer period to better match industry capacity;⁹
 - Valuation contractor performance data built up over the last two years will also support the better allocation of objection requests to those contractors most suited to their prompt and accurate resolution;
 - Improved workload prediction tools and filtering of objections will allow prompt allocation of objections to internal staff for review when the industry approaches capacity for objections unsuited to outsourced review.¹⁰

Training and education of valuers

- 1.18 As noted above, the Valuer General considers that one way of ensuring that there are enough valuers to meet current and future demand is by enhancing tertiary courses to introduce students to rating and taxing valuation.
- 1.19 At the Fifth General Meeting the Valuer General advised the Committee that while there were three degree courses and two diploma courses available for valuers, the courses did not have much content in respect of rating and taxing valuation. The Valuer General noted that he had been involved in discussions with tertiary institutions about course content in his role as Valuer General. He also noted that he had been appointed junior vice-president of the Australian Institute of Valuers and as part of that role would be on the Australasian Educational Committee for Valuers. In that capacity he would be meeting with tertiary institutions about increasing the material in courses with respect to rating and taxation work.¹¹
- 1.20 The Valuer General advised the Committee prior to the Sixth General Meeting that, in conjunction with the Divisional Council members and the Executive Officer of the New South Wales Branch of the Australian Property Institute, he had been involved in further discussions on improving the rating and taxing aspects of accredited education courses in New South Wales.¹²
- 1.21 The Valuer General stated that over the past 12 to 18 months, the University of Western Sydney has introduced an updated statutory valuation component which has been received positively by students. He also advised that the Sydney Institute of Technology (SIT) is improving the content of their courses on statutory valuations and that consideration is being given to having guest

⁸ Ibid.

⁹ The Valuer General has advised that “the 1 July 2009 Notices of valuation will be issued with a ‘last day to object’ reflecting 60 days after the issue date. There will be four last dates to object corresponding with the week the Notice of Valuation is issued. This will provide a continual flow of objections avoiding the ‘last day to object’ peak and will assist assessors and contract valuers by having a more evenly distributed workload.” Answers to question on notice, dated 2 December 2009.

¹⁰ Ibid, p 3.

¹¹ Report on the Fifth General Meeting with the Valuer General, p 10.

¹² Answers to questions on notice, dated 23 October 2009, p 3.

lecturers from the Office of the Valuer General or Land and Property Information, Valuation Services.¹³

- 1.22 At the Sixth General Meeting the Valuer General advised the Committee that in relation to improving the content of rating and taxing work in tertiary courses things were heading in the right direction. In response to a question from the Committee about what advances had been made in relation to improving the content of tertiary courses, Mr Western noted:

We have had some good discussions with the University of Western Sydney in relation to that and we work very closely with the TAFEs. I meet with them at least once a year to go through the course content and what is in that and they also work closely with us. We run, in conjunction with the Australian Property Institute a four-day workshop for rating and taxing work, which is not done in any other State, as far as a specified workshop like that. That has helped to assist in terms of further education of students, new graduates or, indeed, people who have been around for sometime. So we are on the right track. There is still more to be done but we are heading in the right direction, which is great.¹⁴

- 1.23 In its report on the Fifth General Meeting the Committee recommended that the New South Wales Government actively support the work of the Valuer General in improving workforce capability and in gaining access to universities as required. The Valuer General advised the Committee that at this stage the Government had not provided any assistance.
- 1.24 The Committee applauds the Valuer General for his continued involvement in attempting to improve the content of tertiary valuation courses and restates its recommendation that the New South Wales Government actively support the Valuer General in gaining access to universities as required. The Committee will be writing to the Minister for Lands seeking his cooperation in this matter.

RECOMMENDATION 1: The Committee recommends that the New South Wales Government actively support the Valuer General in enhancing course content and improving accreditation and gaining access to universities as required.

Pricing regime for valuation services

- 1.25 At the Fifth General Meeting the Valuer General noted that the pricing regime for the provision of valuation services to local government changed from 1 July 2009 following an IPART review. This new pricing regime allows for an annual CPI increase in the cost of valuation assessments. For 2009/10 the prices are \$4.24 per residential valuation and \$9.31 for non-residential valuations.¹⁵
- 1.26 The Valuer General noted that the IPART determination meant that local government would pay 40 per cent of the costs of the valuation system and that this had substantially increased the pricing for local government. IPART recommended progressively increasing the charges for valuations for local government over 2008-2014, in order to achieve full recovery for the Valuer General of the actual costs incurred in making these valuations. In response to

¹³ Ibid.

¹⁴ Transcript of proceedings, 12 March 2010, p 13.

¹⁵ Answers to questions on notice, dated 29 March 2010.

a question from the Committee regarding the level of funding from government Mr Western noted:

...a substantial increase has occurred. However, we spread the burden of that I guess, rather than implementing that in one year. We put it across a five-year step-up to where it should be, plus there is the inflation adjustment each year. Local government pays approximately 40 per cent of the cost of the valuation system, and at the moment the other 60 per cent is paid for by the Office of State Revenue through the New South Wales Treasury.¹⁶

1.27 The overall revenue expected from local government councils for the 2009/10 financial year for the provision of rating valuation services is approximately \$11.8 million.¹⁷

1.28 The Valuer General noted that as part of the IPART review an efficiency gain was built into the new pricing regime to improve the efficiency of the valuation system to ensure the costs were reflective of the services provided. Mr Western commented on how the costs for local government were determined and how the efficiency gains would ensure a realistic price. He noted:

...What IPART did when it undertook the review, effectively it went through and saw what the cost of providing a residential valuation was and what the cost of providing a non-residential valuation was. There is obviously a difference. A lot more work is involved in doing a non-residential property than a residential one, obviously because of the number of sales you have to work with. Part of that whole process in terms of doing that was to go through and see how the cost was apportioned in relation to that and then the information is aggregated up. We also built into that an efficiency gain. We said that we would improve our productivity by 1 per cent, and also attached a 1 per cent efficiency gain to that. So effectively it was discounted by 2 per cent, saying that we would improve the efficiency of the valuation system through innovation and a lot of other things as well to ensure the cost was truly reflective.¹⁸

1.29 The Committee acknowledges that the Valuer General will be improving the efficiency of the services provided by his Office to ensure that the prices for his services are reflective of the work involved and are a realistic price. The Committee will monitor the progress of Office in achieving these efficiency gains.

1.30 The second issue that was raised at the Fifth General Meeting regarding pricing for valuation services related to the use of valuation data by other government agencies. The Valuer General advised the Committee that while some government agencies paid a fee for valuation data a number of agencies received information on land values without charge.

1.31 The Valuer General noted that because the valuation system has become more accepted due to its accuracy and consistency, it is now being used for purposes for which it was never intended. These include assisting in the allocation of Commonwealth grants between states and territories, NSW Maritime calculations of rents for leases, and Crown Lands calculations for rents on some Crown land.

¹⁶ Transcript of proceedings, 12 March 2010, p 15.

¹⁷ Answers to questions on notice, dated 29 March 2010.

¹⁸ Transcript of proceedings, 12 March 2010, p 15.

- 1.32 The Valuer General indicated at the Fifth General Meeting that over the next 12 months he would be looking at the pricing regime for valuation services to determine whether organisations that currently receive valuation services without charge should be contributing something to the valuation system.¹⁹
- 1.33 The Valuer General advised the Committee prior to the Sixth General Meeting that:
- LPI has undertaken a review of its pricing policy for the supply of bulk valuation data. This review has resulted in the establishment of a pricing regime consistent with that for other bulk data extracts and with restrictions preventing its use for the levying of rates, taxes or rentals. Separate specific agreements recognising the greater benefit to the client and the potential additional costs for LPI will be negotiated with clients seeking to use the data for those purposes.²⁰
- 1.34 At the Sixth General Meeting the Valuer General advised the Committee that he had held discussions with various agencies that are using the valuation system for purposes outside of which it was previously intended. The Valuer General said he would be undertaking an independent analysis of the benefits those particular government agencies are receiving. He noted that work on the project would commence shortly and that within the next few months he would have a clearer understanding of the value of the services provided and would then be in a position to discuss an appropriate fee for those services.²¹
- 1.35 The Valuer General advised the Committee that some agencies received information already generated. However, he noted that other agencies receiving free data were also receiving information requiring additional work to be conducted. In particular, the Valuer General noted that additional work was involved in providing information to the Commonwealth Grants Commission, which currently receives this information free of charge:
- ...In terms of the Commonwealth Grants Commission, we do quite a bit of work in pulling that information together and then there is generally some interrogation of that data, because they are obviously getting it from across Australia, from every State or Territory. There needs to be certainty. In that particular case, because everyone is on a different system, an adjustment is made to all other valuations to replicate the New South Wales definition of "land value", so they are getting equity across Australia as to what is provided. So there is some work involved in undertaking that.²²
- 1.36 The Committee notes that the IPART review and determination resulted in a pricing regime which saw the funding for valuation services derived from the primary users of the service: namely, local government and the Office of State Revenue. The Committee acknowledges that other state government agencies, the Commonwealth Grants Commission and private property information brokers who use the valuation information are either not charged at all or are charged the marginal or incremental cost of providing valuation services to that group.²³

¹⁹ Report on the Fifth General Meeting with the Valuer General, pp 15-16.

²⁰ Answers to questions on notice, dated 23 October 2009, pp 5-6.

²¹ Transcript of proceedings, 12 March 2010, p 14.

²² Ibid.

²³ See IPART *Review of prices for valuation services provided by the Office of the Valuer General for local councils*, Issues Paper, February 2008, p 13.

Commentary

- 1.37 The Committee is of the view that to ensure all agencies and other people who use valuation information are treated equally, an appropriate fee should be charged to all users to reflect the resource costs and expertise utilised to prepare these valuations. The Committee urges the Valuer General to conduct the independent analysis he has indicated he will undertake as soon as possible with a view to setting appropriate fees for those agencies and groups that use the valuation services.

RECOMMENDATION 2: The Committee recommends that the Valuer General set appropriate fees for all users of valuation information and services.

Service Level Agreement

- 1.38 As noted in the report on the Fifth General Meeting, responsibility for rating and taxing valuation tenders and contracts lies with the Land and Property Information Division (LPI) of the Land and Property Management Authority (formerly the Department of Lands). LPI also audit valuations, process objections, provide property information and data to valuation service contractors, as well as being engaged in the day-to-day management of valuations completed under the *Land Acquisition (Just Terms Compensation) Act 1991*. These services are formalised through an annual service agreement.²⁴
- 1.39 At the Fifth General Meeting the Valuer General advised the Committee that he would be reviewing the service level agreement his office had with Land and Property Information, Valuations Services, with a view to incorporating into the agreement key performance indicators that would be reported against in the annual report. The Committee noted that these improvements to the service level agreement could provide an effective reporting mechanism to build public confidence and accountability.²⁵
- 1.40 The Valuer General advised the Committee:
- The format of the 2009/2010 Service Level Agreement (SLA) has been enhanced to provide for a longer term strategic view, with the addition of the Goals and Commitments for key areas of service and performance. Falling from these are the Key Performance Indicators (KPIs) for 2009/2010.
- Some KPI targets have been tightened in line with the Valuer General's commitment to constant improvement within the valuation system.²⁶
- 1.41 The Committee is pleased that the 2009/2010 service level agreement has incorporated those key performance indicators that will be reported against in the annual report. The Committee looks forward to seeing how the KPIs will be reported in the annual report.

²⁴ Report on the Fifth General Meeting with the Valuer General, p 13.

²⁵ Ibid, pp 13-14.

²⁶ Answers to questions on notice, dated 23 October 2009, p 6.

National Licensing Scheme

- 1.42 The Committee recommended in its report on the Fifth General Meeting that the New South Wales Government press for the adoption of a national licensing model similar to the full registration regime for valuers currently available in New South Wales.
- 1.43 The report on the Fifth General Meeting noted that an interim Occupational Advisory Committee for the valuation profession was to be established by mid 2010 and a national licensing system for valuers and conveyancers is planned to commence as soon as possible after July 2013.²⁷
- 1.44 Prior to the Sixth General Meeting the Valuer General advised the Committee that no change had occurred since the Fifth General Meeting. However, he noted that from early 2010 the Council of Australian Governments (COAG) will be looking for suitable representatives from various professional bodies to be members of the Interim Occupational Advisory Committee for the 'second wave' of building related occupations, which includes valuers and conveyancers. It is highly likely that the API will be asked to provide membership as a primary industry body.²⁸ To date the Interim Advisory Committee is yet to be established.
- 1.45 The Committee is still of the view that the New South Wales Government should press for the adoption of a national licensing model similar to the full registration regime for valuers in New South Wales.

RECOMMENDATION 3: The Committee recommends that the New South Wales Government press for the adoption of a national licensing model similar to the full registration regime for valuers in New South Wales.

Customer Satisfaction Surveys

- 1.46 Land and Property Information conducted a customer survey in early 2008. In its report on the Fifth General Meeting the Committee recommended that the New South Wales Government support the Valuer General's request for a follow-up customer survey.
- 1.47 Prior to the Sixth General Meeting the Valuer General advised the Committee that Land and Property Information (LPI) has allocated funds in its budget for valuation services to undertake follow-up customer satisfaction surveys. LPI plans to undertake the surveys following the peak customer enquiry period in the first half of 2010.²⁹
- 1.48 The Committee noted in the report on the Fifth General Meeting that it believed a follow-up survey would be very useful in assessing the effectiveness of the changes made to call centre procedures as a result of the customer service review.³⁰

²⁷ Report on the Fifth General Meeting with the Valuer General, p 11.

²⁸ Answers to questions on notice, dated 23 October 2009, p 5.

²⁹ Ibid, p 2.

³⁰ Report on the Fifth General Meeting, p 7.

Commentary

- 1.49 The Committee is still of the view that a follow-up survey will be a useful mechanism to ensure that the services provided to customers is of a high standard and to highlight any areas of service that need to be addressed. The Committee acknowledges that LPI plans to undertake surveys during 2010 and looks forward to the results of these surveys.

Issues arising at the Sixth General Meeting

Tender restrictions

- 1.50 At the Sixth General Meeting an issue was raised in respect of workforce capacity and restrictions the current tender process had in relation to contracting valuers who were not members of the Australian Property Institute (API).
- 1.51 The Royal Institution of Chartered Surveyors (RICS) indicated that its members were excluded from current tender documents due to a requirement for membership of the API. In its submission RICS Oceania stated:
- RICS notes the Valuer General's remarks regarding the shortage of qualified valuers at his disposal. RICS would like to submit that the inclusion of RICS members in the tendering documents for contract valuers would go some way to alleviate this shortage.
- Currently RICS members are excluded from tendering for this work, the current tender documents are reliant on membership of the Australian Property Institute only.³¹
- 1.52 The Valuer General has advised the Committee that tender documents for rating and taxing valuation services do not require API membership, although they do require compliance with API's Professional Practice Guide's Code of Ethics, Rules of Conduct and relevant Practice Standards and Guidance Notes.³²
- 1.53 However, the Valuer General noted that contracts for State-wide Real Estate Valuation Services for the General Manager, Land and Property Information, do require API membership. This requirement will be reviewed prior to the issue of the next panel tender when the contracts expire in 2010.³³
- 1.54 At the Sixth General Meeting representatives from RICS Oceania argued that RICS members were at a disadvantage in tenders because they were unable to sign off on the valuation if they are not members of the API. RICS argued that the API standards are comparable with the RICS standards as both comply with the International Valuation Standards Committee (IVSC) standards. While RICS members would have no problem complying with API standards, they argue that the tender documents would be less restrictive to its members they listed the standards as either API or RICS standards instead of just API standards. Mr Jennings, Government Liaison Officer with RICS Oceania, commented:
- ...we are primarily seeking a balance with tender documentation for the valuation of lands. Currently those are prescriptive to members of the Australian Property Institute [API]. We are seeking in the short term, for the purposes of this, inclusion

³¹ RICS Oceania, Submission to the Committee, dated 30 September 2009.

³² Valuer General's Answers to Questions on Notice, dated 2 December 2009.

³³ Ibid.

[of] RICS professional standards within those tender documentations to open up the workforce for valuation professions within New South Wales.³⁴

- 1.55 The Valuer General advised the Committee that he did not support a change in the tender documentation to provide for API or RICS standards:

CHAIR: Can you see that there would be a problem with conforming to either API or RICS standards?

Mr WESTERN: Yes, I would have a problem with that, simply because the API standards themselves and particularly the rating and taxing guidance note are structured such that they are representative of the New South Wales statutory and regulatory environment as to what the requirements are here. So what we need here could be different to what is overseas. It would be just like me going into England saying, "Okay, we want you to put in API standards and match it up with RICS". I will guarantee that they would not be a party to that. So I think we need to be cognisant of that. This is the local environment. We need to be able to structure the valuation system to ensure that we are complying with what is required on a statutory and a regulatory basis here in New South Wales, not what is in England, Dubai, the United States of America or anything like that.³⁵

- 1.56 The Committee notes that there is currently no restriction to members of RICS being able to tender for rating and taxing valuation work even though there is a requirement for compliance with API standards. The Committee is of the view that RICS members are able to comply with API standards given that both RICS and API's standards comply with the International Valuation Standards Committee standards.
- 1.57 However, the Committee accepts there is currently some restriction to RICS members in relation to tendering for general valuation services. It is acknowledged that the requirement for valuers to be members of API to tender for State-wide Real Estate Valuation Service contracts will be reviewed prior to new tenders being issued in 2011.
- 1.58 The Committee is of the view that this review process will provide RICS with an opportunity to raise a number of issues with the Valuer General in relation to the requirements for State-wide Real Estate Valuation Service Contracts. To this end the Committee encourages RICS to open communication channels with the Office of the Valuer General to ensure they are able to contribute to the review process.
- 1.59 The Committee accepts the position of the Valuer General in relation to the tender documentation requiring compliance with API standards. It is acknowledged that the API standards reflect the statutory and regulatory environment in New South Wales for rating and taxing valuation work. Furthermore, it is noted that RICS members are not restricted from tendering for the rating and taxing work and are able to comply with API standards. Accordingly, the Committee supports a single API standard for compliance purposes.

³⁴ Transcript of Proceedings, 12 March 2010, p 2.

³⁵ Ibid, p 11.

Impact of rural wind farms on property values

1.60 In August 2009 the New South Wales Government made a submission to a Legislative Council Inquiry into Rural Wind Farms. This submission advised that the Valuer General had engaged a consultant to undertake a preliminary study on the impacts of wind farms on surrounding land values in Australia and that a report was being finalised.³⁶

1.61 The Committee was interested in the results of this study and asked the Valuer General to provide a summary of the study's findings. The Valuer General advised:

The Valuer General received a request from the Department of Environment, Climate Change and Water, to provide a preliminary assessment in regard to the impact (if any) of wind farms on surrounding land values.

The assessment was based mainly on the analysis of property sales transactions. This included the consideration of various factors and their impact on property values whether positive or negative.

The study investigated eight wind farms (six in Victoria and two in NSW).

The main finding from this preliminary assessment is that wind farms do not appear to have negatively affected property values in most cases. Forty of the forty five sales investigated did not show any reduction in value. Five properties were found to have lower than expected sale prices. However, while these small number of price reductions correlate with the construction of wind farms further work is needed to confirm the extent to which these were due to the presence of a wind farm or if other factors may have been involved.

Overall, the results from this assessment are consistent with other studies that have also considered the potential impact of wind farms on surrounding property values.³⁷

1.62 The Committee notes the need for further work to be done in relation to assessing the impact of wind farms on property values. The Committee will pursue this issue in future General Meetings with the Valuer General.

³⁶ NSW Government, Submission to the NSW Legislative Council General Purpose Standing Committee No. 5, Inquiry into Rural Wind Farms, Submission no. 104, August 2009, p. 5.

³⁷ Valuer general, Answers to Questions on Notice, dated 23 October 2009, pp 6-7.

Chapter Two – Questions on Notice with Answers, 23 October 2009, 2 December 2009, and 29 March 2010

SIXTH MEETING WITH THE VALUER GENERAL QUESTIONS ON NOTICE (23 October 2009)

Matters arising from the Fifth General Meeting

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Customer Satisfaction Surveys

- 1. At the Fifth General Meeting you noted that you had requested funding to undertake follow-up customer satisfaction surveys. Were you successful in obtaining this funding?**

Answer

Land and Property Information (LPI) has allocated funds in its budget for Valuation Services to undertake follow-up customer satisfaction surveys. LPI plans to undertake the surveys following the peak customer enquiry period in the first half of 2010.

Workforce capability

- 2. You noted at the Fifth General Meeting that Land and Property Information, Valuation Services were implementing a range of strategies aimed at ensuring current and future demands for qualified valuers were met.**

How successful were these strategies in meeting your resources needs during 2008/09 and were you able to meet the 90 day target for processing objections?

Answer

LPI has pursued two key strategies to meet the current and future demand for qualified valuers. It has further expanded its state-wide panel of valuers to increase access to appropriately skilled contract resources and continued its trainee and graduate valuer program to maintain internal capacity.

Since the beginning of 2009 the valuation panel has included 82 firms compared to 71 in 2007. In addition a further tender to expand the panel was advertised in early October 2009 in response to continuing industry interest. It is anticipated that this will result in up to 20 additional panel contractors being available to review objections in 2010.

In support of this expansion in contract resources LPI ran a series of contractor information sessions in the first half of 2009 to provide rating and taxing valuation specific training to valuation contractors. This has also been supported by presentations at a range of property industry forums by the Valuer General and senior LPI Valuation Services' staff.

LPI's Trainee and Graduate Valuer Program commenced in November 2007. To date 14 trainees have been recruited and a further four are planned for 2010. Two trainees have resigned from the first group recruited, one of which remained in the property industry for the New South Wales government. Two Graduate Valuers are expected to complete their training and qualify as Valuers in late 2009 or early 2010. The program is providing real benefits in terms of providing continuity of specialist rating and taxing valuation knowledge and will over the next few years partly address the loss of experienced valuation expertise.

Despite the increase in contract resources available to the objection process in 2009 there was still inadequate industry capacity to deal with all objections in a 90 day time frame. Nevertheless significant improvements in timeliness were achieved. During the 2008/2009 financial year 39% of objections were resolved within 90 days compared to less than 10% in each of the two preceding years. Improvements are continuing with 21% of objections in the three months to 30 September 2009 being completed within 90 days compared to 14% during the same period last year. During 2008/2009 the average time to complete objections fell to 106 days compared to 140 days in 2007/2008 and 169 days in 2006/2007.

LPI's focus on resolving objections within 90 days remains strong and further initiatives are planned for 2010. Better matching last dates for the lodgement of objections to the dates of issue of Notices of Valuation should lead to earlier commencements of objection reviews and spread the peak load over a longer period to better match industry capacity. Valuation contractor performance data built up over the last two years will also support the better allocation of objection requests to those contractors most suited to their prompt and accurate resolution. Improved workload prediction tools and filtering of objections will also allow prompt allocation of objections to internal staff for review when the industry approaches capacity or for objections unsuited to outsourced review.

3. Has any further work been done on your proposal to beef up educational courses for valuers in respect of rating and taxation work, either by the Australasian Educational Committee for Valuers or directly with universities?

Answer

Since my report to the fifth General Meeting of the Joint Parliamentary Committee, there has been some further discussion on improving the rating and taxing valuation aspects of accredited education courses in NSW. In conjunction with several NSW Australian Property Institute (API) Divisional Council members and the Executive Officer of the NSW API, I have recently visited the University of Western Sydney (UWS), University of Technology, Sydney (UTS) and the Sydney Institute of Technology (SIT).

Over the past 12 to 18 months the UWS has seen an increasing trend towards students moving to the valuation option. UWS has introduced an updated statutory valuation component and has received very positive feedback from students.

The SIT is improving the content of the paper on statutory valuations. One option currently being considered is the presence of a 'guest' lecturer from either the Office of the Valuer General or LPI (Valuation Services). LPI (Valuation Services) is currently liaising with SIT in this regard.

The National Education Board of the API is also aware of the need to ensure that there is adequate and relevant coverage of rating and taxing aspects of statutory

valuation topics for students taking valuation papers within Australian educational institutions.

4. What educational courses are currently available in New South Wales, and how do these differ from those taught in other jurisdictions?

Answer

Valuation education in NSW is provided by universities and TAFE. The other jurisdictions only offer valuation education in the university system.

In NSW, an Advanced Diploma in Property (Val) is conducted by the Open Training and Education Network (OTEN) and the Sydney Institute TAFE NSW. TAFE education is competency based training.

Holders of these Advanced Diplomas can gain Provisional Membership (PMAPI) of the Australian Property Institute (API) and the designation of Residential Property Valuer (RPV) after gaining one years experience in residential property valuation.

Holders of these Advanced Diplomas must obtain an API endorsed postgraduate qualification which can be a graduate diploma or a masters degree to be eligible to advance to the Associate (AAPI) membership level and to gain the certification of Certified Practising Valuer (CPV) after further valuation experience.

Graduates of the two NSW undergraduate degrees recognised for valuation from the University of Western Sydney and the University of Technology, Sydney can gain PMAPI and RPV but can progress to AAPI and CPV on gaining additional valuation experience but without having to complete further academic study.

A full list of Endorsed Undergraduate Degrees, Postgraduate and Non Degree TAFE courses for 2009 can be found at Appendix 1

5. What criteria apply to the tender selection process for rating and taxation valuation service contracts?

Answer

The current selection criteria and weightings for the tender process for rating and taxing valuation service contracts are:

Criteria	Criteria Description	Weighting (%)
a	The tenderer's capability, including quality and availability of staff (and/or sub-contractors) proposed to conduct the work (Employment Management Plan).	15
b	Contract Management Plan including draft Project Plan.	12
c	Valuation Methodology.	9

d	Experience including performance against existing or recent public or private sector contracts.	11
e	Tenderer's capacity and ability to take on additional work.	7
f	Tenderer's application of information technology in the performance of the contract.	4
g	Quality assurance, including any innovations that would improve the quality of the valuation service and outcomes.	12
h	Degree of compliance with the specification and contractual requirements of this tender.	Not Scored
i	Compliance with NSW Government procurement policy.	Not Scored
j	Total Cost (including tender price).	30

National Trade Licensing Scheme

6. **Has there been any progress on the National Trade Licensing Scheme for valuers since our last meeting?**

Answer

There has been no change to the update that I provided to the Fifth General Meeting of the Joint Parliamentary Committee on the National Trade Licensing Scheme. I don't expect any further change until early 2010 when the Council of Australian Governments (COAG) will be looking for suitable representatives from various professional bodies to be members of the Occupational Advisory Committee. It is highly likely that the API will be asked to provide membership as a primary industry body.

Pricing regime for valuation services

7. **At the Fifth General Meeting you indicated that over the next 12 months you would be looking at the pricing regime for valuation services, and whether organisations that currently receive valuation services without charge should be contributing something to the valuation system.**

Have you commenced this review and what have been its findings to date?

Answer

LPI has undertaken a review of its pricing policy for the supply of bulk valuation data. This review has resulted in the establishment of a pricing regime consistent with that for other bulk data extracts and with restrictions preventing its use for the levying of rates, taxes or rentals. Separate specific agreements recognising the greater benefit to the client and the potential additional costs for LPI will be negotiated with clients seeking to use the data for those purposes.

Service Level Agreement

8. How does the 2009/10 Service Level Agreement differ from previous years?

Answer

The format of the 2009/2010 Service Level Agreement (SLA) has been enhanced to provide for a longer term strategic view, with the addition of the Goals and Commitments for key areas of service and performance. Falling from these are the Key Performance Indicators (KPIs) for 2009/2010.

Some KPI targets have been tightened in line with the Valuer General's commitment to constant improvement within the valuation system.

The section titled Valuation and Related Delegations from the Valuer General was updated to reflect changes in the structure of LPI.

Impact of rural wind farms on property values

9. In its submission made to the Legislative Council Inquiry into Rural Wind Farms, the NSW government stated that:

In order to provide a NSW based source of information to add contextual objectivity [to the debate about the impact of rural wind farms on property values], the NSW Valuer General has engaged a consultant to undertake a preliminary study on the impacts of wind farms on surrounding land values in Australia. This report is currently being finalised.³⁸

Has the consultant's report been finalised and what were the findings?

Answer

The Valuer General received a request from the Department of Environment, Climate Change and Water, to provide a preliminary assessment in regard to the impact (if any) of wind farms on surrounding land values.

The assessment was based mainly on the analysis of property sales transactions. This included the consideration of various factors and their impact on property values whether positive or negative.

³⁸ NSW Government, Submission to the NSW Legislative Council General Purpose Standing Committee No. 5, Inquiry into Rural Wind Farms, Submission no. 104, August 2009, p. 5.

The study investigated eight wind farms (six in Victoria and two in NSW).

The main finding from this preliminary assessment is that wind farms do not appear to have negatively affected property values in most cases. Forty of the forty five sales investigated did not show any reduction in value. Five properties were found to have lower than expected sale prices. However, while these small number of price reductions correlate with the construction of wind farms further work is needed to confirm the extent to which these were due to the presence of a wind farm or if other factors may have been involved.

Overall, the results from this assessment are consistent with other studies that have also considered the potential impact of wind farms on surrounding property values.

Endorsed Undergraduate Degrees, Postgraduate and Non-Degree TAFE courses 2009



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LEADING THE PROPERTY PROFESSION

Endorsed Undergraduate Degree, Postgraduate and non-degree TAFE courses |



Endorsed Undergraduate Degrees

UNDERGRADUATE CONDITIONS APPLY *

Applicants are required to seek guidance from their State API Office to ascertain what conditions apply. Conditions can apply to areas such as entry requirements, subjects undertaken, knowledge fields covered, prior qualifications and course combinations.
(CPV – Certified Practising Valuer)

State	University	Qualification Award *	Course Duration	Current Endorsement Period	Endorsement Notes (CONDITIONS APPLY)
NSW	University of New South Wales	Bachelor of Construction Management and Property Degree	4 yr FT	1 Jan 2008 - 31 Dec 2011	Not endorsed for CPV. Eligible for Associate M/Ship.
NSW	University of Technology, Sydney	Bachelor of Property Economics Degree	2 yr FT plus 2 yr PT	1 Jan 2003 – 31 Dec 2009	Endorsed for CPV. Eligible for Associate M/Ship.
NSW	University of Western Sydney	Bachelor of Business (Property) Degree (Face to Face and External)	3 yr FT	1 Jan 2008 – 31 Dec 2009	Endorsed for CPV. Eligible for Associate M/Ship.
QLD	University of Queensland	Bachelor of Business Management Degree (Real Estate and Development)	3 yr FT	1 Jan 2008 – 31 Dec 2010	Endorsed for CPV. Eligible for Associate M/Ship.
QLD	Bond University	Bachelor of Property and Sustainable Development Degree (Property Valuation Major) (Asset and Facilities Management Major) (Urban Development and Sustainability Major)	2 yr FT (3 sem /yr)	Sept 2008 – 31 Dec 2011	Endorsed for CPV. Eligible for Associate M/Ship. Eligible for Associate M/Ship.

Endorsed Undergraduate Degree, Postgraduate and non-degree TAFE courses |



State	University	Qualification Award *	Course Duration	Current Endorsement Period	Endorsement Notes (CONDITIONS APPLY)
QLD	The University of the Sunshine Coast	Bachelor of Business (Property and Asset Management) Degree	3 yr FT	1 Jan 2008 – 31 Dec 2009	Endorsed for CPV. Eligible for Associate M/Ship.
QLD	Queensland University of Technology	Bachelor of Urban Development Degree (Property Economics) UD40	4 yr FT	1 Jan 2008 – 31 Dec 2012	Endorsed for CPV. Eligible for Associate M/Ship.
QLD	Central Queensland University	Bachelor of Property (External Delivery) Degree	3 yr FT	1 Jan 2009 – 31 Dec 2013	Endorsed for CPV. Eligible for Associate M/Ship.
SA	University of South Australia	Bachelor of Business (Property) Degree	3 yr FT	1 Jan 2007 – 31 Dec 2011	Endorsed for CPV. Eligible for Associate M/Ship.
VIC	University of Melbourne	Bachelor of Planning and Design Degree	3 yr FT	1 Jan 2004 – 31 Dec 2008	Eligible for Associate M/Ship.
		Bachelor of Property and Construction (4 th Yr) Degree	4 yr FT	1 Jan 2004 – 31 Dec 2008	Endorsed for CPV. Eligible for Associate M/Ship.
		Bachelor of Environments with the Master of Property Degree	5 yr FT	1 Jan 2008 – 31 Dec 2012	Endorsed for CPV. Eligible for Associate M/Ship.

Endorsed Undergraduate Degree, Postgraduate and non-degree TAFE courses |



State	University	Qualification Award *	Course Duration	Current Endorsement Period	Endorsement Notes (CONDITIONS APPLY)
VIC	Royal Melbourne Institute of Technology	Bachelor of Applied Science (Property) Degree	4 yr FT	1 Jan 2007 – 31 Dec 2011	Endorsed for CPV. Eligible for Associate M/Ship.
		Bachelor of Applied Science (Valuation) Degree	4 yr FT	1 Jan 2007 – 31 Dec 2011	Endorsed for CPV. Eligible for Associate M/Ship.
		Bachelor Applied Science Project Management Degree	4 yr FT	1 Jan 2007 – 31 Dec 2011	Not Endorsed for CPV. Eligible for Associate M/Ship.
		Bachelor Applied Science Construction Management Degree	4 yr FT	1 Jan 2007 – 31 Dec 2011	Not Endorsed for CPV. Eligible for Associate M/Ship.
VIC	Deakin University	Bachelor of Property and Real Estate Degree	3 yr FT	1 Jan 2008 – 31 Dec 2010	Endorsed for CPV. Eligible for Associate M/Ship.
WA	Curtin University	Bachelor of Commerce (Property) Degree With single major in Property or double major in: (Property & Accounting); (Property & Finance); (Property & Marketing); (Property & Information Systems); (Property & Commercial Law)	3 yr FT	1 Jan 2004 – 31 Dec 2010	Endorsed for CPV. Eligible for Associate M/Ship.
		Bachelor of Commerce (Property) Degree	3 yr FT	API considering endorsement from January 2010	Seeking CPV endorsement. Seeking Associate M/Ship eligibility.
		Bachelor of Commerce (Double Major) Degree	3 yr FT	API considering endorsement from January 2010	Seeking Associate M/Ship eligibility.

Endorsed Undergraduate Degree, Postgraduate and non-degree TAFE courses |



TAFE – Non-Degree Endorsed Courses

For Provisional Membership only – No CPV

(**May be eligible for Residential Property Valuer Designation – RPV)

TAFE CONDITIONS APPLY *

Applicants should seek guidance from their State API Office to ascertain what conditions apply. Conditions can apply to areas such as entry requirements, subjects undertaken, knowledge fields covered, prior qualifications, course combinations and campus completion.

State	University	Qualification Award *	Course Duration	Current Endorsement Period	Endorsement Notes (CONDITIONS APPLY)
NSW	Sydney Institute (Ultimo Campus only)	Advanced Diploma in Property (Valuation) - Course 21	2 yr FT	1 Jan 2008 – 31 Dec 2010 Please contact API for details.	Not Endorsed for CPV. Eligible for Provisional Membership only (incl. RPV **).
NSW	Open Training Education Network (OTEN)	Advanced Diploma in Property (Valuation) - Course 21	2 yr FT	1 Jan 2008 – 31 Dec 2010 Please contact API for details.	Not Endorsed for CPV. Eligible for Provisional Membership only (incl. RPV **). Endorsement for students who commenced the course from 1 Jan 2008 only. <i>*For students who commenced Course 21 between 1 Jan 05 and 31 Dec 07 should contact the API division for membership requirements.</i>

Endorsed Undergraduate Degree, Postgraduate and non-degree TAFE courses |



Endorsed Post Graduate Courses

POST GRADUATE CONDITIONS APPLY *

Applicants should seek guidance from their State API Office to ascertain what conditions apply. Conditions can apply to areas such as entry requirements, subjects undertaken, knowledge fields covered, prior qualifications and course combinations.

State	University	Qualification Award	Course Duration	Current Endorsement Period	Endorsement Notes
NSW	University of New South Wales	Master of Property and Development Degree	1.5 yr FT	1 Jan 2006 – 31 Dec 2011	Not endorsed for CPV. Eligible for Associate M'Ship.
NSW	University of Technology, Sydney	Master of Property Development Degree	1 yr FT	1 Jan 2003 – 31 Dec 2009	Endorsed for CPV *Not for all students – Conditions Apply. Eligible for Associate M'Ship.
		Graduate Diploma in Urban Estate Management	2 yr PT	1 Jan 2003 – 31 Dec 2009	Endorsed for CPV. Eligible for Associate M'Ship *Not for all students – Conditions Apply. Eligible for Associate M'Ship.
NSW	University of Western Sydney	Graduate Diploma of Property (Property Investment and Development)	9 months FT	1 Jan 2006 – 31 Dec 2009	Not Endorsed for CPV Eligible for Associate M'Ship
		Master of Commerce Degree (Property Investment and Development)	1 yr FT	1 Jan 2006 – 31 Dec 2009	Not Endorsed for CPV Eligible for Associate M'Ship
NSW	Newcastle University	Master of Property (External Delivery) Degree	15 months + Part Time	1 Jan 2007 – 31 Dec 2008 <i>* Endorsement pending early 2009</i>	Not endorsed for CPV Eligible for Associate M'Ship

Endorsed Undergraduate Degree, Postgraduate and non-degree TAFE courses |



State	University	Qualification Award	Course Duration	Current Endorsement Period	Endorsement Notes
QLD	University of Queensland	Graduate Diploma in Property Studies	1 yr FT	1 Jan 2006 – 31 Dec 2010	Not Endorsed for CPV Eligible for Associate M/Ship
		Master of Property Degree	1 yr FT + 1 yr PT	1 Jan 2006 – 31 Dec 2010	Endorsed for CPV Eligible for Associate M/Ship
QLD	Bond University	Graduate Diploma of Property Valuation	2 sem FT	1 Sept 2006 - 31 Dec 2011	Endorsed for CPV
		Graduate Diploma Of Urban Development and Sustainability	2 sem FT	1 Sept 2006 - 31 Dec 2011	Associate M/Ship only
		Master of Property Valuation Degree	3 sem FT	1 Sept 2006 - 31 Dec 2011	Endorsed for CPV
		Master of Urban Development and Sustainability Degree	3 sem FT	1 Sept 2006 - 31 Dec 2011	Associate M/Ship only
SA	University of South Australia	Master of Philosophy Degree	4 sem FT	1 Sept 2006 - 31 Dec 2011	Endorsed for CPV
		Master of Business in Property Degree	18 mths FT	1 Jan 2007 – 31 Dec 2011	Endorsed for CPV Eligible for Associate M/Ship
		Graduate Diploma in Property *External Delivery	1 yr FT	1 Jan 2007 – 31 Dec 2011	Endorsed for CPV Eligible for Associate M/Ship
VIC	University of Melbourne	Graduate Diploma in Valuation	1 yr Ft	1 Jan 2008 – 31 Dec 2012	Endorsed for CPV Eligible for Associate M/Ship
		Master of Property Degree	2 yr or 3 yr Ft (Conditions apply)	1 Jan 2008 – 31 Dec 2012	Endorsed for CPV Eligible for Associate M/Ship
VIC	Deakin University	Graduate Diploma in Property Valuation	1 yr Ft	1 Jan 2009 – 31 Dec 2009	Endorsed for CPV Eligible for Associate M/Ship

Endorsed Undergraduate Degree, Postgraduate and non-degree TAFE courses |



State	University	Qualification Award	Course Duration	Current Endorsement Period	Endorsement Notes
VIC	Royal Melbourne Institute of Technology	Graduate Diploma in Valuations	2 yr PT	1 Jan 2007 – 31 Dec 2011	Endorsed for CPV Eligible for Associate M/Ship
		Graduate Diploma in Property	2 yr PT	1 Jan 2007 – 31 Dec 2011	Not endorsed for CPV Eligible for Associate M/Ship
		Master of Business (Property) Degree	2 yr FT	1 Jan 2007 – 31 Dec 2011	Endorsed for CPV Eligible for Associate M/Ship
WA	Curtin University of Technology	Graduate Diploma in Property Studies	1 yr FT	1 Jan 2004 – 31 Dec 2010	Not endorsed for CPV Eligible for Associate M/Ship
		Master of Property (Valuation) Degree	1.5 yr FT	1 Jan 2004 – 31 Dec 2010	Endorsed for CPV Eligible for Associate M/Ship
		Graduate Certificate in Property Valuation	1 yr PT	API considering endorsement from 1 Jan 2010	Combination qualification with Curtin Undergraduate Degree (double major) - considering endorsement for CPV (in combination) and eligibility for Association and CPV (in combination).
		Graduate Diploma (Property)	1 yr FT	API considering endorsement from 1 Jan 2010	Considering endorsement for CPV. Considering eligibility for Associate M/Ship.
		Master of Property Degree	18 mths FT	API considering endorsement from 1 Jan 2010	Considering endorsement for CPV. Considering eligibility for Associate M/Ship.

Endorsed Undergraduate Degree, Postgraduate and non-degree TAFE courses |



API Contact Details

Division	Contact Details	Division	Contact Details
NATIONAL OFFICE	Address 6 Campion St, Deakin ACT 2600 Telephone (02) 6282 2411 Fax (02) 6285 2194 Email national@api.org.au Web www.api.org.au	WESTERN AUSTRALIA	Address 27 Charles St, South Perth WA 6151 Postal PO Box 502, South Perth WA 6951 Telephone (08) 9474 2784 Fax (08) 9474 1157 Email exec@propertyinstitute-wa.com
NEW SOUTH WALES	Address Level 3, 60 York St, Sydney NSW 2000 Telephone (02) 9299 1811 Fax (02) 9299 1490 Email api@nsw.api.org.au	TASMANIA	Address Association House, 123 Bathurst St, Hobart TAS 7000 Postal GPO Box 745, Hobart TAS 7001 Telephone (03) 6234 6511 or (03) 6234 7577 Fax (03) 6234 6955 or (03) 6234 7566 Email api@associationoffices.com.au
QUEENSLAND	Address 2 nd Floor, 131 Leichhardt St, Spring Hill QLD 4004 Postal PO Box 108, Spring Hill QLD 4004 Telephone (07) 3832 3139 Fax (07) 3839 0438 Email api@qld.api.org.au	SOUTH AUSTRALIA	Address 5A / 15 Fullarton Rd, Kent Town SA 5067 Telephone (08) 8132 0092 Fax (08) 8132 0480 Email api@sa.api.org.au
VICTORIA	Address 10 Beach St, Port Melbourne VIC 3207 Telephone (03) 9646 1977 Fax (03) 9646 4635 Email apivic@vic.api.org.au	AUSTRALIAN CAPITAL TERRITORY	Address 6 Campion St, Deakin ACT 2600 Postal PO Box 145, Curtin ACT 2605 Telephone (02) 6282 5541 Fax (02) 6282 5536 Email act@api.org.au

Ms Marie Andrews MP
Member for Gosford
Chair
Joint Standing Committee on the
Office of the Valuer General
Parliament of New South Wales
Macquarie Street
Sydney NSW 2000

VG09/174/12

2 December 2009

Dear Ms Andrews

Re: Sixth General Meeting

In response to the two issues raised in your letter of 11 November 2009.

Question 1

Could you please clarify what is meant by "Better matching last dates for lodgement of objections to dates of Notices of Valuation" and how this will assist resolving objections in a timely manner.

Historic practice of staggering the issue of Notices of Valuation by local government area was discontinued on Australia Post advice that postage costs could be minimised by adopting a state wide mailing program. Further negotiations with Australia Post have enabled the Valuer General to issue Notices of Valuation by local government area for no additional cost. This allows the better management of communications in the local government area, and maximises efficiency by enabling the batching of objections to valuation contractors.

The 1 July 2009 Notices of Valuation will now be issued with a 'last day to object' reflecting 60 days after the issue date. There will be four last dates to object corresponding with the week the Notice of Valuation is issued. This will provide a continual flow of objections avoiding the 'last day to object' peak and will assist assessors and contract valuers by having a more evenly distributed workload.

Question 2

Submission received from RICS Oceania claiming RICS members are excluded from tendering as contract valuers and volunteering to assist in establishing a graduate and trainee valuer program.

Membership of the Australian Property Institute (API) is not a mandatory requirement in the current tender documents for rating and taxing valuation services. However, there are references to the API Standards in the Rating & Taxing Procedures Manual V 6.1.1 outlined below:

Responsibility section on Page 1 states: -



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Department of Lands
The Office of the New South
Wales Valuer General is part
of the New South Wales
Department of Lands

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

Section 2.2 Professional Standards states:-

2.2 Professional Standards

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

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

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

12 Reference Documents

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

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

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

There are also a number of other references to report standards and hypothetical developments which refer to API issued standards.

Current panel contracts for State-wide Real Estate Valuation Services for the General Manager, Land and Property Information, do require API membership. This requirement will be *reviewed* prior to the issue of the next panel tender when the contracts expire in 2010.

Land and Property Information has recently had discussions with RICS regarding access to standards and making tender processes more accessible to RICS members. Tender and contract conditions are reviewed at the commencement of each new tender process to encourage maximum industry participation.

Yours sincerely

Simon Gilkes
Acting Valuer General

Questions on Notice with Answers

Office of the New South Wales Valuer General

Mr Russell Keith
Committee Manager
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

VG10/48/1

29 March 2010

Dear Mr Keith

Re: Sixth General Meeting of the Joint Standing Committee on the Office of the Valuer General (OVG49)

Please find attached an annotated copy of the proof of the transcript of my evidence to the Sixth General Meeting of the Joint Standing Committee on the Office of the Valuer General. It details my requested corrections.

During the Sixth General Meeting I took several Questions on Notice. Answers to those are detailed in the attached response.

Yours sincerely



Philip Western
Valuer General



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Land and Property
Management Authority

The Office of the New South
Wales Valuer General is part
of the Land and Property
Management Authority

Matters arising from the Sixth General Meeting with the Valuer General

Questions on Notice

1. "What level of funds do you get from local government?", The Hon Matthew Mason-Cox

Funding from local government is set by the Independent Pricing and Regulatory Tribunal (IPART). The latest determination was issued in May 2009. The prices set for the 2009/2010 financial year were \$4.24 per residential entry on the Register of Land Values and \$9.31 per non residential entry on the Register of Land Values.

Overall revenue expected from local government councils for the 2009/2010 financial year for the provision of rating valuation services is approximately \$11.8 million.

2. "I am interested in the relative revenue flows that come from local government and State government level, so far as rating purposes land tax purposes. Could you do that as well?", The Hon Matthew Mason-Cox

The Department of Local Government advise that for the 2009/2010 financial year approximately \$3.0 billion in revenue is expected to be generated off the land values provided by the Valuer General.

The Office of State Revenue advise that for the 2008/2009 financial year approximately \$2.2 billion in land tax revenue was generated off the land values provided by the Valuer General.

Chapter Three – Transcript of Proceedings, 12 March 2010

REPORT OF PROCEEDINGS BEFORE

COMMITTEE ON THE OFFICE OF THE VALUER GENERAL

SIXTH GENERAL MEETING WITH THE VALUER GENERAL

At Sydney on Friday 12 March 2010

The Committee met at 10.00 a.m.

PRESENT

Ms M. T. Andrews (Chair)

Legislative Council
The Hon. M. R. Mason-Cox

Legislative Assembly
Ms A. P. Megarrity
Mr M. J. Richardson

COLLIN JENNINGS, Government Liaison Officer, Royal Institution of Chartered Surveyors, Suite 2, Level 16, 1 Castlereagh Street, Sydney, and

MICHAEL JAMES STEUR, Regional Representative, Global Valuation Professional Board, Royal Institution of Chartered Surveyors, Suite 2, Level 16, 1 Castlereagh Street, Sydney, sworn and examined:

CHAIR: Welcome to this public hearing of the Sixth General Meeting with the Valuer General. We have an apology from the Hon. Kayee Griffin. We will start today by hearing from Mr Jennings from the Royal Institution of Chartered Surveyors regarding some concerns it raised with the Committee following the last general meeting with the Valuer General, then from the Valuer General himself. I ask everyone to turn off their mobile phones. Gentlemen, I draw your attention to the fact that your evidence is given under parliamentary privilege and you are protected from legal or administrative action that might otherwise result in relation to the information you provide. I point out also that any deliberate misleading of the Committee may constitute a contempt of Parliament and an offence under the Parliamentary Evidence Act 1901. Mr Jennings, would you like to make a brief opening statement?

Mr JENNINGS: I will, thank you. Firstly and formally, the Royal Institution of Chartered Surveyors [RICS] thanks the Joint Standing Committee on the Office of the Valuer General for the opportunity to appear today to put forward our information. I will try to make this as quick as possible, as I realise that time is short. The Committee members have in front of them a folder that provides some information on the RICS, our operations in Australia, and some further information on the valuation profession and where the RICS stands within Australia and New South Wales. I draw attention to that folder, which has at the back of it a mustard-coloured booklet that has also been tabbed.

If members draw their attention to that tabbed page it will give them an outline of the breadth of the RICS. The Royal Institution of Chartered Surveyors is an international membership and standards organisation, and one of the world's largest membership and standards organisations for property professionals. Globally we have more than 145,000 members in over 100 countries. We have offices in Sydney, London, New York, Dubai, Hong Kong, Brussels and recently opened an office in Mumbai. We have 400-plus staff in over 50 countries. We are a multi-disciplinary organisation that covers all aspects of property, land and construction. We have been established globally for nearly 150 years and have had an office in Australia for just over 10 years.

The RICS has a supplementary charter, which was passed by the Privy Council in the United Kingdom, that states that the RICS and its members must act in the public good at all times. The RICS monitors and regulates global standards across our remit. We are one of the largest producers of property-related research in the world. We produce, circa, 500 research documents annually. We assist government and statutory authorities in policy and we assist those governments and authorities under our charter and acting in the public good.

Membership of the RICS is not a sign-and-go membership, it is an achieved membership. Members of the RICS must have an accredited degree. We accredit over 400 degrees globally as well as degrees here in Australia. They then complete two years as a standard under what we call the assessment of professional competence [APC], which is

two years of structured assessed employment with defined competencies. Candidates complete diaries, logbooks and records of ongoing training and they are overseen by a counsellor and a supervisor. After that two-year period they present a written critical analysis of 3,000 words length, plus an updated progress report of 2,000 words, and they sit an hour-long interview in front of three trained RICS assessors. Should they pass, and not all people pass the APC in their first go—globally it is around 75 per cent and it is 75 per cent in Australia—they become a chartered member of the RICS and can practice in those hundred-plus countries where we exist.

With regard to valuation standards, we have been involved in writing of valuation standards for over 40 years. The RICS valuation professional group is one of the largest in the RICS with over 35,000 members globally. The RICS valuation practice standards, or the "red book" as it is known, is used globally by our members and is compulsory for our members to use. The red book is currently translated into seven languages and soon to be translated into an eighth. The RICS has also been involved with the International Valuation Standards Committee [IVSC]. The historical context is that essentially the genesis of the IVSC came about after discussions between American appraisers and the RICS in the late '70s. The RICS red book standards came out in approximately 1980. The IVSC standards, which were essentially based on the RICS red book, came out in 1981. RICS members are very involved with the IVSC. There are about six RICS members on the two boards of the IVSC. The chair of the standards board of the IVSC is a fellow of the Royal Institution of Chartered Surveyors. By way of background, the IVSC is a United Nations-sanctioned non-government organisation, which provides international standards to all countries that are involved in the valuation profession, including Australia.

RICS also has one of the strongest regulatory boards of its type in the world. The RICS regulation board is an arms length board of the RICS. It is not answerable to management; it is only answerable to the governing council of the RICS. The RICS regulations board consists of members and lay people, but the majority of them are lay people and the chair must be a layperson. RICS regulations maintain vigilance over things such as continuing professional development [CPD] and complaints. All complaints to the RICS are transparent and any member who is in serious breach of RICS rules, codes of conduct or codes of ethics may initially be asked to undergo re-education, but in extreme situations they can be expelled from the RICS and that is a global expulsion. Those hearing and panel decisions are made public both on the RICS website and in certain instances through media publications as well.

As to why the RICS is here, we are primarily seeking a balance with tender documentation for the valuation of lands. Currently those are prescriptive to members of the Australian Property Institute [API]. We are seeking in the short term, for the purposes of this, inclusion of RICS professional standards within those tender documentations to open up the workforce for valuation professions within New South Wales. Thank you very much.

CHAIR: Thank you very much. That was a very comprehensive opening statement. Do you have any concerns regarding the need to comply with the API practice guide for rating, taxation and valuation services?

Mr JENNINGS: Where there is a provision within our red book, our valuation standards, that that applies, that would be precedent. However, our red book does have a provision whereby valuation members may comply with national standards if they are given under instruction. So, if there was a compliance with the API standards, because the API

standards are not below the RICS standards, then the valuer may use that as a departure from the red book. Mike might be able to fill out more on the actual procedures.

Mr STEUR: Where there are standards peculiar to local markets these are adhered to by the valuer in practice as a member of the RICS.

Mr MICHAEL RICHARDSON: You represent a very diverse group of people. What sorts of qualifications would your members have?

Mr JENNINGS: As I mentioned briefly in my opening statement, to become a member of the RICS—MRICS as they are called—the candidate must have an undergraduate degree.

Mr MICHAEL RICHARDSON: In what discipline?

Mr JENNINGS: In the discipline they undertake.

Mr MICHAEL RICHARDSON: Any discipline?

Mr JENNINGS: If we take valuation for the purposes of the question and we were talking about someone in New South Wales, to become an MRICS within the valuation professional group—to be a chartered valuation surveyor—a person would have to have an undergraduate degree from the University of Technology Sydney under the property stream. Members cannot have a degree in, let us say, quantity surveying, and then become a chartered valuation surveyor. It does not work that way. Part of that is because that is the beginning of it and part of it is that they do not have the competency to perform those tasks. I draw your attention to the blue folder again. Under the third or fourth tab you will find a very large document that is called "The pathway to qualifying in valuation". This is the pathway guide that a chartered valuation surveyor must undertake. They must have competence in and knowledge of the competencies within that.

So in answer to your question, they must have an undergraduate degree as a minimum. Then they undertake two years of structured training under this pathway. They must adhere to our mandatory competencies. You will find a copy of those mandatory competencies and the levels to which they undertake them at the back of the folder. They then have core competencies within that pathway, so in valuation it is the understanding and knowledge of valuation. Then they have optional competencies that they undertake as well.

When they go through the structured training they do it under the supervision of a supervisor who is usually someone they work with. They do not have to be a member of the RICS to be a supervisor. I make that point. It is usually a line manager or supervisor within the workplace. They meet with that supervisor every three months and the supervisor checks off their competencies with regard to their workplace and guides them through the other competencies. If they have not met a competency after the initial meeting the supervisor will send them back and say, "You need to have better understanding of ratings", say, "and undertakings of that nature". Every six months they meet with a counsellor who must be an RICS member. The counsellor double-checks the standards and the competencies, discusses those matters with the supervisor and the candidate and then signs off the competencies after six months.

If they are going through the two-year assessment of professional competence after one year, candidates provide a progress report to the RICS, so there are checks and balances. At the end of their two-year period, when they come to providing their final submissions, candidates must provide us with a 3,000 word critical analysis of a project that answers the competencies. The curriculum vitae that they submit must also answer the competencies. In addition, they sign off their diaries and their logbooks, which have been checked by their supervisors and counsellors. Once that has been received by the RICS it is sent to three trained RICS assessors who then read through that documentation and bring in the candidates for an hour-long interview.

The assessors are professionals within that stream. For example, if we are talking about valuation, three practising valuers will be sitting at that table and they will ask the candidates questions relating to the practice of competency of valuation. If the candidates do not meet the mark at that interview they are referred back for more study. They do not simply sit the interview and come through as a chartered valuer. If the assessors are not satisfied that they have the knowledge in codes of conduct, code of ethics, the practice of valuation, understanding of the red book, and understanding of international valuation standards, they are sent back to re-learn that and they can then come back for another interview.

Mr MICHAEL RICHARDSON: Would many of the people who went through that process who have been working in that field for some years not be members of the Australian Property Institute [API] anyway?

Mr JENNINGS: Many of them are, yes.

Ms ALISON MEGARRITY: Focusing on your main reason for presenting to the Committee today, I understand that you have had some discussions with the Valuer General regarding access to standards and making tender processes more accessible to your members. Could you advise the Committee on the outcome of those discussions?

Mr JENNINGS: I have had a very brief discussion with the Valuer General's department about the process of putting through a comparison on tender documents. I make the point now that I have not spoken to the Valuer General himself. At the time it was going to be quite a long process—we are quite happy to undertake that process to show those standards—but on the initial phone calls there did not seem to be a proviso to expand the knowledge. As I mentioned before, on reading the report of the previous general meeting of the Valuer General, one of the concerns that the Valuer General had related to workplace capacity and the availability of valuers to undertake ratings work. We can offer fully qualified, internationally recognised valuers to be able to expand the scope of the valuers that are capable of undertaking ratings work within New South Wales.

However, this is the prescription: We find that a valuer has to be licensed not only within New South Wales. There is a prescription simply on a membership basis where the qualifications, the understanding and the work ethic of valuers may not necessarily reflect on their membership choice. The situation comes down to this: When we can present a situation where we have qualifications, codes of ethics, codes of standards, training mechanisms and continuing professional development [CPD], we are acknowledged by the Office of Fair Trading as providing CPD for valuers in New South Wales. Our members can be licensed within New South Wales as well as in Queensland and Western Australia. That provision in the tender documents, for example, is prescriptive to the API. We are looking at

a situation where it is API or RICS. That would expand the scope of available valuers to be able to assist the Valuer General in his work.

CHAIR: Mr Jennings, do you find that a requirement to comply with API standards in a tender causes any disadvantage to RICS members?

Mr JENNINGS: Yes, it does. At the end of the valuation process is the signing off of the valuation. If RICS members are not members of the Australian Property Institute, they cannot sign off on the tender documents. Therefore, they need to do one thing, that is, essentially join the Australian Property Institute to undertake that. We have no problem with people having to make a choice one way or the other. We do not mind if people are members of the API; we have no problem with that. However, if someone has gone through a long and extraneous process to become a member of the RICS and to have those standards, it is slightly prescriptive for sole valuers to tender, as it requires them to sign off as a member of the API.

The Hon. MATTHEW MASON-COX: Mr Jennings, how many RICS members are also API members?

Mr JENNINGS: In our valuation area within Australia I would say a little more than half.

The Hon. MATTHEW MASON-COX: There is no barrier to becoming an API member, is there? What do you need to do in order to become an API member?

Mr JENNINGS: I cannot answer that question fully as I do not have all the understanding. But it is the basic premise of the API relating to study. From my understanding of the API process, it is two years of work experience with valuations attached to it, and then an interview for membership. But I could not give you the full details.

The Hon. MATTHEW MASON-COX: In the process is any recognition given to becoming a RICS member and is any recognition given to becoming an API member? Is there an acknowledgement of skills that clearly have been acquired through the RICS process?

Mr JENNINGS: RICS members can become members of the Australian Property Institute after undertaking a year's worth of on-the-job experience.

Mr MICHAEL RICHARDSON: It shortens the time that is required to become a member of the API. Is that right?

Mr JENNINGS: It does. However, in saying that, it would prolong the process for someone to be a practising valuer—from two years to be RICS to three years to be RICS and API. The situation comes down to a matter of choice. If you talk about New South Wales no provision is made under the Act to have a membership, simply a licensing regime, it comes down to a matter of choice. Some people wish to be a member of the API and some people wish to be a member of the RICS. However, there are small exclusionary areas within that where there is a balance of the two. We are not here to say anything other than good things about the API, as it does very good work within Australia.

However, if students who are at the University of Technology, Sydney [UTS] at the moment are looking at a professional association to take up their study after they have graduated, there is a clear choice. However, that choice can be minimised when there are barriers in signing off the valuations. So a graduate who might be coming out of the UTS might be looking to go home to rural New South Wales and might want access to the RICS. However, if graduates are going to be doing council valuations, which is a prescription under the API, that choice is taken away from them.

Mr MICHAEL RICHARDSON: Would you say that the training and the core competencies to become a member of the RICS or the API are similar?

Mr JENNINGS: Yes. There are vast similarities between the two. But, again, in relation to the competencies, it is not a competitive thing to be valuers in this forum. There are great similarities between the two. Some might be a bit more expensive under the RICS. There are differences within standards and within competencies, but there are also many similarities between the two.

CHAIR: Mr Jennings, have you had any discussions with the Valuer General about a graduate and training program?

Mr JENNINGS: Not at this stage, no. It would be something we would like to have a conversation with him. It is said to me something about which we would like to have a conversation with the Valuer General. If there was something we could do for training or providing continual professional development for valuers, or a graduate training situation with the Valuer General, we are always happy to have those conversations.

The Hon. MATTHEW MASON-COX: I wanted to clear up something. You have submitted to us that under the current tender documents RICS members are excluded from tendering for the Valuer General's work, is that correct?

Mr JENNINGS: The tender documents provided by Lands state:

1.2 Contract Standards

1.2.2 Professional Standards

... Explanation and guidance to the level of professional standards expected can be found in the Australian Property Institute's (API) Professional Practice Guide 2004.

- when conducting valuations, Valuers are to comply with the API Practice Standards, 'PS1—Valuations Procedures' and Guidance Notes '(GN) 5.1—Valuation for Rating and Taxing.

The Hon. MATTHEW MASON-COX: Are we splitting hairs because the Valuer General has said to us that membership of the API is not a mandatory requirement but compliance with the standards of the API is mandatory? Is that really what we are talking about here or are you suggesting that being a member of the API is mandatory?

Mr JENNINGS: No, I am not saying that. It is not a mandatory thing in New South Wales to be a member of the API or the RICS to practice as a valuer, under the Act.

The Hon. MATTHEW MASON-COX: To actually tender for work from the Valuer General though, you are submitting that you need to be a member of the API?

Mr JENNINGS: Under the provisions, the way we see it and the way our members have explained it to us, that would be the case. Perhaps that is not the case. But the case that is presented in these tender documents says that if you are going to tender for work with the Valuer General, you need to comply with these standards. Therefore, that would make it more restrictive for RICS members.

The Hon. MATTHEW MASON-COX: But could not your RICS members comply with those standards or is this an issue that it is not in your red book?

Mr JENNINGS: Some of it is not within our red book. However, as mentioned previously, there are instructions to follow national standards. If we take this particular section of this tender document that they comply with the guidance note within the API of GN 5.1 under valuing taxation, that is not specifically within our red book. Therefore, the valuer has a provision under our instructions, under our standards, to be able to use that as a separation from the RICS professional standards, and that needs to be noted in the valuation's general comments.

The Hon. MATTHEW MASON-COX: So RICS members can comply with the API standard, but you would prefer that it not be listed as just the API standard but either your standard all the API standard?

Mr JENNINGS: That is right.

The Hon. MATTHEW MASON-COX: That really is the essence of this?

Mr JENNINGS: That is the essence of it. We are simply seeking an either/or.

The Hon. MATTHEW MASON-COX: To a degree this is a sort of standards turf war, is that right?

Mr JENNINGS: No.

The Hon. MATTHEW MASON-COX: You would not characterise it like that?

Mr JENNINGS: No, not at all. It is important to make it clear that both the API and RICS comply with IVSC standards.

The Hon. MATTHEW MASON-COX: Both are qualified valuers and recognise?

Mr JENNINGS: Both are qualified valuers. Both are recognised.

The Hon. MATTHEW MASON-COX: I understand that.

Mr JENNINGS: It needs to be understood that the API practice standards, within the context, are extremely good.

The Hon. MATTHEW MASON-COX: I am sure they are and I am sure yours are equally as good?

Mr JENNINGS: We do not have a war.

The Hon. MATTHEW MASON-COX: You both recognise that standards are appropriate and there may be some divergences, but that is naturally something you both can live with, so to speak?

Mr JENNINGS: Yes.

The Hon. MATTHEW MASON-COX: The next panel tender contracts expire in 2010. When in 2010? Are you aware when the tender comes up?

Mr JENNINGS: I am sorry, I misunderstood the question.

The Hon. MATTHEW MASON-COX: When does the tender come up in 2010 for Valuer General's work?

Mr JENNINGS: At this point I could not answer that.

The Hon. MATTHEW MASON-COX: I will ask the Valuer General shortly.

Mr JENNINGS: You can ask the Valuer General.

The Hon. MATTHEW MASON-COX: The Valuer General has submitted to us that the requirements of the current tender documents is that you be a member of the API but it is being reviewed for the next tender documents. You have said that you had had no substantive discussions with the Valuer General?

Mr JENNINGS: No substantive discussions with the Valuer General.

The Hon. MATTHEW MASON-COX: You have not been contacted about an impending review at all by the Valuer General

Mr JENNINGS: I have not had any discussion.

CHAIR: You have probably partly answered this question, but do you have any further suggestions to offer to the Committee on how to improve the number of people who can provide rating and taxation valuation services?

Mr JENNINGS: I agree with what was said by the Valuer General at the last General meeting about the expansion of study and information sessions within universities. We think where the genesis of understanding and expansion grows is within those graduate courses. All so within the scope of being able to provide wider CPD events for valuers and information sessions for valuers on ratings. That would certainly open that up. I have had a look at the Valuer General's comments from the last meeting and we agree with him on that. It is being able to show that this is worthwhile work for people to undertake in the valuation field. They would be some of the things. One of the things we can certainly bring into that sphere as well is that we can bring in the international things to give more practice notes and understanding guidance from a global perspective. If that helps to make it more attractive for people to undertake that work, that is one of the strengths of the RICS.

CHAIR: Do you have any final remarks?

Mr JENNINGS: No.

CHAIR: Thank you for the information you have provided to the Committee.

Mr JENNINGS: Again, thank you very much for your time.

(The witness withdrew)

PHILIP JOHN WESTERN, Valuer General, Office of the New South Wales Valuer General, GPO Box 15, Sydney 2001, sworn and examined:

CHAIR: I draw your attention to the fact that your evidence is given under parliamentary privilege. You are protected from legal or administrative action which might otherwise result in relation to the information you provide. I should also point out that any deliberate misleading of the Committee may constitute contempt of Parliament and an offence under the Parliamentary Evidence Act 1901. Mr Western, thank you very much for the written answers to questions with which you provided the Committee last year. Before we proceed to questions, would you like to make an opening statement?

Mr WESTERN: I might, in summary, just bring you up to date with what is happening with the valuation system. We have just released the 1 July 2009 valuations to the public. That occurred from about mid-January to the beginning of early February. There were some 790,000 assessments that were put out. I understand from the Office of State Revenue that approximately 140,000 land tax assessments were also issued.

I am pleased to report to the Committee at this stage that the number of objections we are receiving to valuations has fallen in comparison with previous years. Our best benchmark would be in regard to the 1 July 2008 valuations, and they are down substantively on that year. Our call centre numbers are reasonably consistent with what they had been in previous years. Our resolvment rate at the call centre is comparative with other years at around 85-86 per cent.

Things are tracking extremely well. As I have pointed out to the Committee before, I strongly believe that a lot of the communication work and a lot of the processes that we put in place now are paying real dividends in terms of the general acceptance of the valuations throughout the community.

Ms ALISON MEGARRITY: Just on the very point you mentioned about the number of objections being relatively less than last year, I suppose that one of the things people always talk to us about is the global financial crisis and the way that that might impact upon property and fluctuations that can occur as the economy begins to recover. I am wondering whether your system has a way of responding to extreme fluctuations and, if there are variations, how you bring those back into step?

Mr WESTERN: The system itself, in terms of the procedures that are in place, obviously is quite complex. We have experienced valuers on the ground, as you are aware, who are private contractors. They undertake all of our rating and taxing work as far as preparing the valuations themselves is concerned. They are very, very experienced in terms of being able to interpret what is happening with the market at any particular time. In fact, my belief is that having external contractors actually provides greater benefits through consistency and accuracy of valuations by doing it that way as opposed to having an in-house team.

The global financial crisis did in fact to some extent impact upon the 1 July 2008 valuations, although, as you will be aware, the full impact of that had not really occurred. It was not until we undertook the 1 July 2009 valuations that we really began to see the full impact of that, particularly in relationship to be City of Sydney

CBD. For the 2008 valuations, we had an increase of approximately just over 25 per cent for the city, which was a massive increase. However, as I said, we did not have the full impact of the global financial crisis coming into that.

For the latest CBD valuations we have done, we have reduced the valuations from the 1 July 2008 levels overall by around about 12.5 per cent. However, that is widely variable. Some of the southern sectors of the city, particularly around Chinatown, have either remained pretty static or have increased. At this end of town, particularly in terms of the financial district, we have had some decreases of 20 to 25 per cent.

Mr MICHAEL RICHARDSON: That is commercial properties you are talking about?

Mr WESTERN: Commercial properties alone. It is widely variable, but I am personally very confident that the valuations that we have got there at the moment are pretty close to being reflective of what is happening in the market. Certainly the discussions that I have had with various stakeholders, including the Australian Property Council, the Real Estate Institute of New South Wales, the Australian Property Institute and the Local Government and Shires Associations are all indicating that the general feeling is that we have pretty much got it on the mark, so that is a good result.

CHAIR: It is very good.

Ms ALISON MEGARRITY: If you did not quite have it on the mark, how would you go about adjusting that?

Mr WESTERN: Obviously, we are continually monitoring the valuations. I guess what you are alluding to is that if we discovered there was an error in them, there are a number of ways that we could resolve that. One would be either through one of our valuers picking up that there was an issue: there has been no objection to it; it is just there. We can do that through what we call a reascertainment. One of the philosophies I have been pushing in the system is that where there is an error, it needs to be fixed straightaway rather than waiting to the next year valuation. That has paid dividends. The other way that we would pick out an error is through an objection coming through from an individual. We are continually monitoring the system to ensure that we have an accurate system for rating and faring valuations.

Mr MICHAEL RICHARDSON: What would you say is an acceptable margin of error for a valuation?

Mr WESTERN: Or an acceptable margin of accuracy. We operate within a mass valuation system. The quality standards that we apply are benchmarked worldwide. The hurdle, if you want to call it that, for the accuracy of the valuations is for the valuations to be within plus or minus 15 per cent of the market value. That is a worldwide benchmark. We are talking about a mass valuation system here where we are valuing 2.4 million properties.

Even if a valuer went out and undertook a single valuation for mortgage purposes, there is an acceptable margin of error, which has been shown by court precedents as well. As you well know, if you put 10 valuers, 10 real estate agents and 10 members of the public out there, you can guarantee there would be some divergences of what the individual believed the property was worth.

Mr MICHAEL RICHARDSON: Of course, in uncertain times, it is more difficult for you to make sure that you are within that 15 per cent. We have the potential for very significant fluctuations.

Mr WESTERN: Absolutely. That is absolutely correct. There are a number of things that often happen when you go through a crisis such as the one we have just had. One is that the number of sales that you get can fall off. Secondly, when you have a reduced number of sales, you have to interrogate them a lot more closely simply because some of those might be forced sales that may not be truly reflective of where the market is. You need to understand the circumstances behind them. That is what our independent contractors go through and do in respect of analysing the sales, to ensure that we are getting accurate and consistent valuations.

Mr MICHAEL RICHARDSON: You would exclude those forced sales?

Mr WESTERN: Any forced sales, yes. You certainly have a look at them and recognise them. Some of those will often be analysed just to check whether they are actually forced and what are the circumstances behind them. Generally if it is found that it was a forced sale and it was not representative of the market, it would be put aside and we would be looking at other evidence.

Mr MICHAEL RICHARDSON: The only circumstances in which you would identify it as being a forced sale would be mortgagee in possession. Is that right?

Mr WESTERN: No. We even have a situation where someone had to sell a particular property for some particular reason. That may not be evident in terms of when you get the contract of sale through, and it may just look like a normal transaction. However, when the valuer makes further inquiries in relation to that, they can often find out that in fact there was an element of a forced sale.

Mr MICHAEL RICHARDSON: I am wondering how you would identify that. I use the particular example of a lady across the road from me whose husband died. It was a second marriage and there was a mortgage on the property. She did not have any income. She was panicking. I spent quite a bit of time with her. I even went to the bank on her behalf to try to help her. She sold the house at a knockdown drag out price—probably a couple of hundred thousand dollars below what it was worth.

Mr WESTERN: Right.

Mr MICHAEL RICHARDSON: How would your system pick that up?

Mr WESTERN: In relationship to a residential sale, often it is a little bit easier in that you generally have a lot more sales to work with. Therefore, as I said, if you are looking at the general market and it was showing a particular level, and then you have your neighbour's property for sale—

Mr MICHAEL RICHARDSON: Which is way below.

Mr WESTERN: Yes, which is way below, you would be going, "Hello, what's wrong with this?" You would actually do a bit more work on that just to check what had happened.

The Hon. MATTHEW MASON-COX: In relation to some of the comments made by RICS, if I could just get your thoughts. First, by way of background, when the contracts expire in 2010 when do the new tenders start from?

Mr WESTERN: There are two lots of tenders that we put out. One is for rating and taxing valuation work. That is our general contractors undertaking our general revaluations on a year-to-year basis. Those tenders generally go out about September, October of each year so that we can evaluate the tenders and they can be appointed so that they are ready to run from 1 May in the following year. We have just been through that process, and we have a new tenderer in that particular work. So that is that one. The other one is in regard to what we call real estate valuation services. That is our generalist panel, you might call it, rather than being specific to rating to taxing.

They would undertake work as far as objection work, which once again we do on an independent basis, someone completely different from the original firm or individual who did it, does that work. They might be also undertaking Just Terms compensation work, which I am required to deal with if there is a dispute. They might also be doing valuations for financial statements or for insurance work. That is a separate tender. We have just in the last few months appointed 16 new contractors to that panel. We are due for the next one on that to be in place by 1 January 2011 so we will be commencing work on that probably about August, September of this year as well.

The Hon. MATTHEW MASON-COX: And that is the contract which RICS was referring to, the general tender?

Mr WESTERN: I was a little bit confused as to why—as I said, they had not actually had a conversation with me so I am just not too certain exactly where they were coming from. The question on notice and the answers that we provided, in the rating and taxing contracts—that is the general one I talked about before—there is no requirement for the people undertaking that work to be an Australian Property Institute [API] member as such. However, as you rightly pointed out, there is a requirement to comply with the API standards. The second comment that he made was in reference to having to sign off the report. That is not correct either. We require the contractors who undertake the work first to comply with the contractual requirements obviously, and secondly to comply with the API standards. Not being able to talk to him about this, I think what he was referring to was a general valuation report which would be required under the Act and those standards to be signed off by an API member. That is where I think he is having difficulty. The work that is undertaken for rating and taxing work is not required to be signed off by an API member. Indeed, we have a number of people working for us, who I am currently aware are RICS members.

Mr MICHAEL RICHARDSON: So there is no barrier.

Mr WESTERN: There is no barrier in terms of that. There is currently a barrier in terms of doing the general work but that is something that we are reviewing and we will do that for the tender coming up on 1 January 2011.

The Hon. MATTHEW MASON-COX: Which work will start on in August, you were saying.

Mr WESTERN: Yes. There used to be a provision within the tender documentation some years ago—and it was some years ago—where you did have to be an API member. You had to be a registered valuer and an API member. That disappeared about five years ago.

Mr MICHAEL RICHARDSON: That should resolve that problem.

The Hon. MATTHEW MASON-COX: Do you have any sort of professional view in relation to the API standards versus the RICS standards? Is there an issue about levels of competency or standard differences that would cause any concerns for the work being done by the Valuer General? Is there an issue there at all?

Mr WESTERN: No. I mean, I have not read the red book. However, as Mr Jennings pointed out, both the API and RICS are a member of the International Valuation Standards Committee [IVSC] so I would be very surprised if the standards that were in the red book were much different from the ones in here. However, I guess the important thing from our point of view is that they comply with what is in the API rating and taxing guidance notes. From what I heard from Mr Jennings, there is the ability within their membership and practising in another country to be able to comply with that as long as I think he said it was not of lesser standard than the RICS, and I doubt very much that that is the case.

Mr MICHAEL RICHARDSON: But it takes a RICS member another year to become an API member, which actually takes the time to become a member of both organisations to three years. Is that not a disincentive?

Mr WESTERN: That is a separate issue to what we are dealing with here. However, I would understand that if we went to England or whatever there would be a similar requirement on us in terms of undertaking that as well.

CHAIR: Can you see that there would be a problem with conforming to either API or RICS standards?

Mr WESTERN: Yes, I would have a problem with that, simply because the API standards themselves and particularly the rating and taxing guidance note are structured such that they are representative of the New South Wales statutory and regulatory environment as to what the requirements are here. So what we need here could be different to what is overseas. It would be just like me going into England saying, "Okay, we want you to put in API standards and match it up with RICS". I will guarantee that they would not be a party to that. So I think we need to be cognisant of that. This is the local environment. We need to be able to structure the valuation system to ensure that we are complying with what is required on a statutory and a regulatory basis here in New South Wales, not what is in England, Dubai, the United States of America or anything like that.

Mr MICHAEL RICHARDSON: So that international component is not relevant to New South Wales. Is that what you are saying?

Mr WESTERN: But I think the other thing is that it is heavily geared towards different types of valuation as opposed to the land values that we are required to put here, which are under a completely different statutory definition to what is elsewhere.

The Hon. MATTHEW MASON-COX: Just to close the loop on that, the current panel contracts for statewide real estate valuation services require API membership. You have put to us that that will be reviewed prior to the issue of the next panel tender—

Mr WESTERN: That is correct.

The Hon. MATTHEW MASON-COX: —which will probably be August, September of this year.

Mr WESTERN: That is correct.

The Hon. MATTHEW MASON-COX: Will you be speaking to RICS to seek its views in that regard?

Mr WESTERN: My door is always open in terms of talking to anyone who wants to have that discussion. As I said, I am surprised that they have not come to see me at a different level to what they have. But I am certainly open to talking with them. I have no problem with that at all.

The Hon. MATTHEW MASON-COX: When you say "review", what actually occurs when you review?

Mr WESTERN: Prior to putting any tender out, we will go through and review all the documentation because it is important that it is up-to-date in terms of what our requirements are with regard to guidance notes. We might even fix up or make changes to our procedures and policies and things like that. That needs to be reflected in the documentation. So we are all the time looking to see how we can enhance what we are providing out there to provide a more valid, if you want to call it that, valuation system.

CHAIR: How many panel contractors do you have currently?

Mr WESTERN: For the general real estate valuation work we have approximately 90 contractors. Some of those are individuals and some of those are companies. For rating and taxing work, I think currently we have 14 contractors across the State. A lot of those hold multiple contracts.

CHAIR: Do you feel that you have enough contractors to do the work?

Mr WESTERN: In terms of the rating and taxing contract work, the answer to that is yes now. Obviously all the contracts are fulfilled. But I think the important thing also is that there is good healthy competition out there, and we have a number of contractors applying for one contract. That can range up from four to five to six contractors all going for the one contract, so it is very healthy in terms of that. In relation to real estate valuation work—and I am thinking particularly of the objection work—I have pointed out to this committee before that the big thing I am pushing is the turnaround time in terms of objections to finalise them and get them back out to the public as quickly as we can.

I guess we can always have more contractors available to assist with that. As I said, we have just had an extra 16 appointed on to the panel to assist with that through the latest one we have undertaken. We have also been able to improve the turnaround time through the electronic exchange of data. So previously we used to put out paper information to the objection contractors but now it is completely electronic. Just with postage alone we have cut down probably in the region of five to six days. They get it instantaneously so there have been a whole lot of changes made there.

Mr MICHAEL RICHARDSON: What is the ideal number? You have got 90 people looking at objections. Do you need 120 or 150?

Mr WESTERN: No, it is very difficult to say exactly how many we would need. At the moment 90 is probably sufficient in terms of the number of objections we are receiving. As I said, they have steadily decreased over time from 12,500 when I first started to in the vicinity of 5,700 last year so we are under half the number we previously had. It is enough to cope now. However, situations could occur when it peaks again, for whatever reason, and for those times it is good to have ample contractors on hand to be able to deal with them. As I said it is very difficult to say exactly how many would be suitable.

CHAIR: Will you come close to the target of 90 days average this year to answer objections?

Mr WESTERN: I think this year we will get within a very close proximity to it. At the moment we are sitting around about 92 days. However, I need to be quite clear to point out to the committee that we have changed the way that we count the objections to make it fair for both the public and the way that we count them. Previously what happened was as soon as an objection came through the door the clock started ticking, which seemed fair and reasonable. However, not the majority but certainly a lot of objections that come in do not meet the criteria, for example, something had been left off the objection and information was missing. So the clock is already ticking and we return the objection to the member of the public who has put it in and then they may or may not resubmit it. They might leave it sitting at home for five, 10 or 15 days before they return it. That is why the average was quite high.

Now we have instigated a count whereby if an objection comes in and meets the requirements in terms of what has been specified automatically the clock starts ticking. However, if more information is required when it comes in and it has to go back out to the public, the clock does not start ticking until it actually comes back in and complies. That will assist in terms of the improved turnaround time for the public.

CHAIR: When did you bring about those changes?

Mr WESTERN: We have just instigated that in the past six to eight weeks effectively. We will make that quite clear in our annual reporting that we have changed it, and why we have changed it, just so the whole process is transparent and it does not look as if we are trying to do something with the numbers to make it look different.

CHAIR: Will you outline to the committee the reason why 7 per cent of objections are still outstanding after 180 days?

Mr WESTERN: A lot of the ones that are going beyond 180 days do not tend to be the run-of-the-mill type objections. They may have someone else involved in it. For example, there might be a valuer associated with that involved on the other side or a solicitor involved. Generally the nature of those properties is that they are more complex, the issues that are raised are a lot more difficult to look at or they might require some town planning advice. For those ones that are out there, there is generally a very good reason because of the complexity and nature of them. We still want to get the 7 per cent down, but we will always have some beyond the 180 days, however, I want to reduce that number.

Mr MICHAEL RICHARDSON: Last year you said we are heading a working group of Valuer Generals looking at the issue of qualifications and course content for the training of valuers. Have you made any advances in that area?

Mr WESTERN: We have continued to have discussions with various universities and also TAFEs in New South Wales. One of the good things, I believe, about our New South Wales registration system is that we not only use degree-qualified students but we also use students out of TAFE who undertake a diploma-based course. They are just as confident, and I would argue more competent than a lot of the people who come out of our degree courses. They have got a lot more of a practical application. They are the same in understanding the academic side of things but have a more practical application which employers can actually run with very quickly. We are working with a number of those institutions to look to enhance the rating and taxing side.

We have had some good discussions with the University of Western Sydney in relation to that and we work very closely with the TAFEs. I meet with them at least once a year to go through the course content and what is in that and they also work closely with us. We run, in conjunction with the Australian Property Institute a four-day workshop for rating and taxing work, which is not done in any other State, as far as a specified workshop like that and that has helped to assist in terms of further education of students, new graduates or, indeed, people who have been around for sometime. So we are on the right track. There is still more to be done but we are heading in the right direction, which is great.

Mr MICHAEL RICHARDSON: We recommended that the State Government provide some assistance to you in negotiating with those institutions. Has it done so?

Mr WESTERN: Not at this stage, no.

CHAIR: Do you intend to conduct a customer survey this year?

Mr WESTERN: We are undertaking a customer survey at the moment. We are hoping to have that completed in the next month or so, six weeks. I would hope the results from that will be available for the next committee meeting.

CHAIR: Your annual report refers to KPMG's analysis of the International Property Taxation Institute's international benchmarking study. Has your office learnt from that benchmarking study?

Mr WESTERN: Most definitely. You recall that KPMG were involved in preparing up a submission on behalf of the Valuer General to alter the pricing regime that local government was paying in respect of valuation services. As part of that process we did a large

benchmarking survey to see what was happening worldwide. You recall that those results showed that the New South Wales valuations system sits very nicely in relationship to other institutions. It is seen as being a low cost provider of quality valuations which means that ratepayers, taxpayers and indeed the Government are getting good value for money out of the valuation system.

Subsequent to that we are currently working with the International Property Taxation Institute to undertake another benchmarking survey worldwide. The last data that KPMG used is some 2½ years old so we want to have a fresh look at that to see how we stand today. That is currently being undertaken and we expect the results from that to be available sometime towards the end of this year.

Mr MICHAEL RICHARDSON: Have you made any progress in persuading government agencies, particularly the Grants Commission, that NSW Maritime and Crown Lands should make some contribution towards the cost of you carrying out valuations for them?

Mr WESTERN: That is a very timely question. In the past month I have talked to various agencies that are using the valuation system for purposes outside of which it was previously intended it would be used. As I said, that has occurred for a number of reasons but the principal one is that it is seen now as being a reasonably reliable system as far as the accuracy of land values. Currently a consultant is putting together a proposal for me to do an independent analysis of what the benefits are that those particular government agencies are receiving. We will commence work on the project as far as looking at the pricing of those services, probably within the next six weeks. I expect that certainly within the next two to three months we will have an outcome in respect of what the value is of those services we are providing to those agencies.

Mr MICHAEL RICHARDSON: Hang on! You have actually set the parameters: You said, "This is what we want to charge you". Are the agencies likely to pay?

Mr WESTERN: No. There are probably two issues there. One is the rating taxing valuations themselves, and we provide them to the Office of State Revenue and local government, those two agencies. In terms of local government, that was decided through an IPART decision some 18 months ago. In respect of the Office of State Revenue, that is examined annually as to the cost of their contribution to the service. The other ones, as you rightly pointed out, are where they are used, for example, by NSW Maritime, Crown Lands in regard to wetland leases, NSW Fire Brigades, the Local Government Grants Commission and, indeed, the Commonwealth Grants Commission as well. A lot of those organisations do not contribute, other than the NSW Fire Brigades, to the cost of providing those. It is those organisations we are having a look at in respect of what they should be paying.

Mr MICHAEL RICHARDSON: You might determine what you think they should be paying. Will they continue as they have in the past, or are they likely to come to the party?

Mr WESTERN: I do not know at this stage. Certainly there is an indication from a couple of organisations that recognised that they need to pay something for it and are happy to do so. But as yet we have not, because we have not gone through the independent analysis of what that price might be. We are not in a position to be able to sit down with them and talk about what the likely charge for the service will be.

Mr MICHAEL RICHARDSON: Is there any way that the Committee might be able to assist you in that regard? All of us here think that particularly the Commonwealth Grants Commission should cough up. It should make a contribution to State revenue.

Mr WESTERN: Any assistance that the Committee could provide in that regard would be most welcome.

The Hon. MATTHEW MASON-COX: Does the Commonwealth Grants Commission simply use information that you would provide in the normal course? Or do you provide an extra value-added service to them?

Mr WESTERN: No, a lot of those would be general. For example, I understand that the Local Government Grants Commission uses it virtually on a local government basis to distribute grants as part of the formula that is used. It would use similar information that would be required or used by, for example, local government in general, or in term of the Office of State Revenue. There is some of that information that we aggregate, because it is required in terms of what they do. In terms of how the Commonwealth Grants run, I am not too certain how they use it specifically, once they get the information.

Mr MICHAEL RICHARDSON: Do you do any work on that information before you provide it?

Mr WESTERN: We do. In terms of the Commonwealth Grants Commission, we do quite a bit of work in pulling that information together and then there is generally some interrogation of that data, because they are obviously getting it from across Australia, from every State or Territory. There needs to be certainty. In that particular case, because everyone is on a different system, an adjustment is made to all the other valuations to replicate the New South Wales definition of "land value", so they are getting equity across Australia as to what is provided. So there is some work involved in undertaking that.

The Hon. MATTHEW MASON-COX: What do they use that information for?

Mr WESTERN: As I understand it, it just goes into the pot in terms of a number of things they look at in terms of how the Commonwealth Grants are put out to the States.

The Hon. MATTHEW MASON-COX: And who knows what comes out the other end? You mentioned that IPART made a determination in relation to local government paying a fee for the use of information provided by your department?

Mr WESTERN: That is correct.

The Hon. MATTHEW MASON-COX: How much do they have to provide? What level of funds do you get from local government?

Mr WESTERN: I cannot give the exact number of how much per assessment. They pay so much per residential assessment and so much per non-residential assessment. You might recall when I spoke to the Committee last I mentioned that the previous review in regard to pricing was back in 1996, so it has not been reviewed since then. So, a substantial increase has occurred. However, we spread the burden of that I guess, rather than

implementing that in one year. We put it across a five-year step-up to where it should be, plus there is the inflation adjustment each year. Local government pays approximately 40 per cent of the cost of the valuation system, and at the moment the other 60 per cent is paid for by the Office of State Revenue through New South Wales Treasury.

The Hon. MATTHEW MASON-COX: How much is that 40 per cent?

Mr WESTERN: In dollar terms?

The Hon. MATTHEW MASON-COX: Yes.

Mr WESTERN: I cannot give you an exact number, but I will take that on notice and provide that number to you.

The Hon. MATTHEW MASON-COX: So it is done on the basis of a flat fee per assessment that a local council issues?

Mr WESTERN: Yes, it is split. What IPART did when it undertook the review, effectively it went through and saw what the cost of providing a residential valuation was and what the cost of providing a non-residential valuation was. There is obviously a difference. A lot more work is involved in doing a non-residential property than a residential one, obviously because of the number of sales you have to work with. Part of that whole process in terms of doing that was to go through and see how the cost was apportioned in relation to that and then that information is aggregated up. We also built into that an efficiency gain. We said that we would improve our productivity by 1 per cent, and also attached a 1 per cent efficiency gain to that. So effectively it was discounted by 2 per cent, saying that we would improve the efficiency of the valuation system through innovation and a lot of other things as well to ensure the cost was truly reflective.

The Hon. MATTHEW MASON-COX: You looked at the cost of producing the valuation?

Mr WESTERN: Correct.

The Hon. MATTHEW MASON-COX: And then tried to measure it and apportion it between the parties?

Mr WESTERN: Yes. IPART agreed that a 40/60 split was reasonable.

The Hon. MATTHEW MASON-COX: Was that 40/60 split done on the basis of the revenue that is generated for each level of government, viz a viz rates for local government and, if you like, land tax predominantly for the State Government?

Mr WESTERN: No, it was not revenue related. It was more work related. For example, for land tax we issue valuations to the Office of State Revenue every year, whereas for local government effectively a third of the State goes out every year. So, it is over three years.

The Hon. MATTHEW MASON-COX: But ostensibly that information, if you like, for both levels of government is produced every year across the board?

Mr WESTERN: That is correct.

The Hon. MATTHEW MASON-COX: And it is just simply used for a different purpose?

Mr WESTERN: Yes, and also in regard to issuing it every year. For example, for the Office of State Revenue, the people who get those land tax assessments have the opportunity to object whereas in actual fact for local government it is spread over a three-year period. I am happy to take the question on notice and provide a more detailed answer in respect of that, if that would assist.

The Hon. MATTHEW MASON-COX: That would. I am interested in the relative revenue flows that come from local government and State government level, so far as rating purposes and land tax purposes. Could you do that as well?

Mr WESTERN: Obviously that is a question that we would need to go to the Department of Local Government and the Office of State Revenue to find.

The Hon. MATTHEW MASON-COX: It is interesting to hear about the cost basis and the reward basis, it is an interesting way of looking at it. Do you have a view about information that you provide to local government or State government being, if you like, a public good?

Mr WESTERN: Most definitely. There is no question about that. We are here to provide a service to the ratepayers, the taxpayers and the government of New South Wales. So there definitely is a public good in terms of those. We are quite open about the information that we provide to anyone who requires it.

CHAIR: Thank you, Mr Western. On behalf of the Committee members I thank you for providing the kits, which all officers received. It has been most helpful. Also, I congratulate you on the improvements that you have made in land valuations and objections, et cetera.

Mr MICHAEL RICHARDSON: It does not happen in every State government agency.

(The witness withdrew)

(The Committee adjourned at 11.20 a.m.)

Appendix One: Committee Minutes

Minutes of Proceedings of the Joint Standing Committee on the Office of Valuer-General (No. 5)

5.30 pm Tuesday 23 June 2009
Parliament House

Members Present

Ms Marie Andrews, MP (Chair)
The Hon Kayee Griffin, MLC (Deputy Chair)
Ms Alison Megarrity, MP
Mr Michael Richardson, MP

Apologies

The Hon Matthew Mason-Cox, MLC

In Attendance

Mr Les Gonye, Mrs Cheryl Samuels, Ms Amy Bauder

The Chair opened the meeting at 5.31 pm.

1. Minutes

Resolved, **on the motion of Ms Megarrity, seconded by Mr Richardson:**
'That the minutes of the meeting held on 5 June 2009 be confirmed and published'.

2. Report of the Fifth General Meeting with the Valuer General

Resolved, **on the motion of Mr Richardson, seconded by Ms Griffin:**
'That the draft report be considered Chapter by Chapter'.

Chapter One - Commentary

It was agreed that the word 'actively' be inserted into Recommendation The recommendation as amended, to read: 'The Committee recommends that the New South Wales Government actively support the work of the Valuer General in improving workforce capability and in gaining access to universities as required.'

Resolved, on the motion of Mr Richardson, seconded by Ms Megarrity:
'That Chapter One – Commentary be agreed to, as amended'.

Resolved, on the motion of Ms Griffin, seconded by Mr Richardson:
'That Chapter Two – Report prepared by the Valuer General for the Committee dated 5 June 2009 be agreed to.'

Resolved, on the motion of Mr Richardson, seconded by Ms Griffin:
'That Chapter Three – Questions on notice, with answers, 5 June 2009 be agreed to.'

Chapter Four – Transcript of Proceedings

At the request of Ms Megarrity, it was agreed that the word 'education' appearing in paragraph 4, page 54 of the transcript of proceedings of the draft report be deleted and the word 'valuations' be inserted.

Resolved, on the motion of Ms Megarrity, seconded by Mr Richardson:

'That Chapter Four – Transcript of Proceedings 5 June 2009 be agreed to, as amended.'

Resolved, on the motion of Ms Griffin, seconded by Mr Richardson:

'That Appendix One – Committee Minutes be agreed to'.

Resolved, on the motion of Ms Megarrity, seconded by Mr Richardson:

'That Appendix Two – Service Level Agreement be agreed to'.

In accordance with the amendment made to Recommendation 2 in Chapter One,

Resolved, on the motion of Ms Griffin, seconded by Mr Richardson:

'That the Findings and Recommendations be agreed to, as amended'.

Resolved, on the motion of Ms Megarrity, seconded by Mr Richardson:

That:

- (1) the draft Report, as amended, be the Report of the Committee and that it be signed by the Chair and tabled; and
- (2) the Chair and the Secretariat be permitted to correct stylistic, typographical and grammatical errors'.

Resolved, on the motion of Ms Griffin, seconded by Mr Richardson:

'That, once tabled, the Report be placed on the Committee's website'.

3. Sixth General Meeting with the Valuer General

Resolved, on motion of Mr Richardson, seconded by Ms Megarrity:

'That the Committee hold the Sixth General Meeting with the Valuer General on a date to be fixed in October/November 2009 to review issues raised in the report of the Fifth General Meeting.'

Time and date of next meeting

The committee adjourned at 5.46pm until Tuesday 1 September 2009 at 5.30 pm.

Minutes of Proceedings of the Joint Standing Committee on the Office of Valuer-General (No. 6)

Tuesday 1 September 2009

Parliament House

Members Present

Ms Marie Andrews, MP (Chair)

The Hon Kayee Griffin, MLC (Deputy Chair)

The Hon Matthew Mason-Cox, MLC

Ms Alison Megarrity, MP

Mr Michael Richardson, MP

In Attendance

Mr Russell Keith, Mrs Cheryl Samuels

The Chair opened the meeting at 5.30 pm.

1. Minutes

Resolved, **on the motion of Ms Megarrity, seconded by Mr Richardson:**

'That the minutes of the meeting held on 23 June 2009 be confirmed and published'.

2. Report of the Fifth General Meeting with the Valuer General

The Chair reminded members that the Legislative Assembly take note debate is scheduled for Friday 11 September 2009.

3. Service Level Agreement between the Valuer-General and Land and Property Information NSW for the period 1 July 2009 to 30 June 2010

The Service Level Agreement between the Valuer-General and Land and Property Information NSW for the period 1 July 2009 to 30 June 2010 was noted.

4. Correspondence from the Royal Institution of Chartered Surveyors

The Committee noted correspondence from Mr Colin Jennings requesting a meeting to discuss workforce capability issues raised in the Report of the 5th General Meeting with the Valuer General and agreed to invite Mr Jennings to appear before the Committee at the 6th General Meeting.

5. Sixth General Meeting with the Valuer General

Pursuant to the Committee's resolution of 23 June 2009, the 6th General Meeting with the Valuer General will be held on 23 October 2009, commencing at 10.00 am.

6. General Business – proposed inquiry into workforce capability

Mr Richardson proposed that the Committee conduct an inquiry into workforce capability.

Resolved, on motion of Mr Richardson, seconded Ms Megarrity, that the Committee agrees in principle to conduct an inquiry into workforce capability.

7. Time and date of next meeting

The committee adjourned at 5.45pm until Friday 23 October 2009 at 10.00 am.

**Minutes of Proceedings of the
Joint Standing Committee on the Office of Valuer-General (No. 7)**
Tuesday 27 October 2009, 5.30 pm
Parliament House

Members Present

Ms Marie Andrews, MP (Chair)
The Hon Kayee Griffin, MLC (Deputy Chair)
The Hon Matthew Mason-Cox, MLC
Ms Alison Megarrity, MP
Mr Michael Richardson, MP

1. Minutes

Resolved, on the motion of Ms Griffin:

That the minutes of the meeting held on 1 September 2009 be confirmed and published.

2. Sixth General Meeting with the Valuer General

Resolved, on motion of Ms Megarrity:

That Submission No 1 from the Royal Institution of Chartered Surveyors (RICS Oceania) be published on the Committee's website.

Resolved, on motion of Ms Griffin:

That the response to Questions on Notice from the Valuer-General dated 23 October 2009 be noted and published on the Committee's website.

Resolved, on motion of Ms Griffin:

That the Committee asks the Chair to write to the Valuer-General:

- a) **requesting clarification of his answer 2 (paragraph 2, page 3) dated 23 October 2009;**
- b) **seeking the Valuer-General's response to the Submission from the Royal Institution of Chartered Surveyors (RICS Oceania), received 30 September 2009.**

The Committee agreed that the Sixth General Meeting with the Valuer-General and the meeting with RICS will be held on Friday 12 March 2010, commencing at 10.00 am.

3. Proposed inquiry into workforce capability

It was agreed to defer consideration of the proposed inquiry into workforce capability until after the Sixth General Meeting with the Valuer-General.

4. Time and date of next meeting

The committee adjourned at 5.45pm until Tuesday 23 February 2010 at 5.30 pm.

Minutes of Proceedings of the Joint Committee on the Officer of the Valuer General (No. 8)

Tuesday, 23 February 2010 at 5.40pm
Parliament House – Room 1254

Members Present:

Ms Marie Andrews MP (Chair)
The Hon Kayee Griffin MLC (Deputy Chair)
Ms Alison Megarrity MP

Apologies

Mr Michael Richardson MP
The Hon Matthew Mason-Cox MLC

1. Minutes

Resolved, on the motion of Ms Griffin, seconded by Ms Megarrity:
'That the minutes of the meeting held on 27 October 2009 be confirmed and published'.

2. Correspondence

Resolved, on the motion of Ms Griffin:
That the Committee authorises the publication of the letter from the Acting Valuer General re: Sixth General Meeting, dated 2 December 2009 and directs that it be placed on its website.

3. Hearing with RICS & Sixth General Meeting with Valuer General

The Committee discussed preparations for the upcoming public hearing.
Ms Griffin gave her apologies for the meeting on 12 March 2010.

4. Next meeting

The committee adjourned at 5.52pm until Friday 12 March 2010 at 10.00am.

Minutes of Proceedings of the Joint Committee on the Officer of the Valuer General (No 9)

Friday, 12 March 2010 at 10.00am
Parliament House – Waratah Room

Members Present:

Ms Marie Andrews MP (Chair)
Ms Alison Megarrity MP
Mr Michael Richardson MP
The Hon Matthew Mason-Cox MLC

Apology:

The Hon Kayee Griffin MLC

1. Public Hearing – Sixth General Meeting with Valuer General

The Public was admitted at 10:00am.

Mr Colin Jennings, RICS Government Liaison, Royal Institution of Chartered Surveyors and Mr Michael Steur, Regional Representative, Global Valuation Professional Board, RICS, were sworn and examined.

Mr Jennings provided supporting information.

Evidence completed witnesses withdrew.

Mr Philip Western, Valuer General was sworn and examined.

Evidence completed witness withdrew.

The Committee adjourned the hearing at 11:20am and reconvened at 11:22am for a deliberative meeting.

2. Minutes

Resolved, on the motion of Ms Megarrity, seconded by Mr Mason-Cox:

‘That the minutes of the meeting held on 23 February 2010 be confirmed and published’.

3. General Business

4. Next meeting

The committee adjourned at 11:27am until first sitting day in April (Tuesday at 5:30 pm).

Minutes of Proceedings of the Joint Committee on the Officer of the Valuer General (No 10)

Tuesday, 20 April 2010 at 5.30pm

Parliament House – Room 1254

Members Present:

Ms Marie Andrews MP (Chair)

Ms Alison Megarrity MP

Mr Michael Richardson MP

The Hon Kayee Griffin MLC

Apologies

The Hon Matthew Mason-Cox MLC

Minutes

Resolved, on the motion of Mr Richardson:

‘That the minutes of the meeting held on 12 March 2010 be amended and confirmed’.

Matters Arising – Answers to Questions on Notice

Resolved, on the motion of Ms Megarrity:

‘That the Committee authorises the publication of the letter from the Valuer General re: answers to questions taken on notice at the Sixth General Meeting, dated 29 March 2010 and directs that it be placed on its website’.

General Business

The Committee deliberated on a possible inquiry into the costing and funding of valuation services.

Next meeting

The committee adjourned at 5.40pm until 5.30pm, Tuesday 11 May 2010.

Minutes of Proceedings of the Joint Committee on the Officer of the Valuer General (No 11)

Tuesday, 11 May 2010 at 5.30 pm
Parliament House – Waratah Room

Members Present:

Ms Marie Andrews MP (Chair)
Ms Alison Megarrity MP
The Hon Kayee Griffin MLC

Apologies

The Hon Matthew Mason-Cox MLC
Mr Michael Richardson MP

Minutes

Resolved, on the motion of Ms Megarrity:

‘That the minutes of the meeting held on 20 April 2010 be confirmed and published.

Sixth General Meetings with the Valuer General

Resolved, on the motion of Ms Griffin:

‘That the Committee authorises the publication and orders the placing on its website of the corrected transcript of the Sixth General Meeting with the Valuer General held on 12 March 2010’.

Resolved, on the motion of Ms Megarrity:

‘That the Committee authorises the publication and orders the placing on its website of the document tabled by RICS Oceania at the Sixth General Meeting with the Valuer General held on 12 March 2010’.

Discussion of Possible Inquiry

The Committee agreed in principle to conduct an inquiry into the adequacy of the Office of the Valuer General’s communications with stakeholders.

Next meeting

The committee adjourned at 5.45pm until 5.30pm, Tuesday 18 May 2010.

Minutes of Proceedings of the Joint Committee on the Officer of the Valuer General (No 12)

Tuesday, 18 May 2010 at 5.30 pm
Parliament House – Room 1254

Members Present:

Ms Marie Andrews MP (Chair)
The Hon Kayee Griffin MLC
The Hon Matthew Mason-Cox MLC
Ms Alison Megarrity MP
Mr Michael Richardson MP

Minutes

Resolved, on the motion of Ms Megarrity:

‘That the minutes of the meeting held on 11 May 2010 be confirmed and published.’

Report on the Sixth General Meetings with the Valuer General

Resolved, on the motion of Mr Richardson:

‘That the draft report be considered chapter by chapter’.

Chapter One – Commentary

It was agreed that the words ‘The Committee will be writing to the Minister for Lands seeking his cooperation in this matter’ be added to the end of paragraph 1.24.

It was agreed that the words ‘and members of the public’ be removed from paragraph 1.36.

Resolved, on the motion of Mr Richardson:

‘That Chapter One – Commentary be agreed to, as amended’.

Chapters 2 and 3 and Appendix One

Resolved, in globo, on the motion of Ms Megarrity:

‘That Chapters 2 and 3 and Appendix One be agreed to’.

In accordance with the amendments made in Chapter One,

Resolved, on the motion of Ms Megarrity:

‘That the Findings and Recommendations be agreed to, as amended’.

Resolved, on the motion of Ms Griffin:

‘That:

- (1) The draft report, as amended, be the report of the Committee and that it be tabled;
- (2) The Chair and the Secretariat be permitted to correct stylistic, typographical and grammatical errors; and
- (3) That, once tabled, the report be placed on the Committee’s website.’

Discussion of Possible Inquiry

The Committee discussed whether to conduct an inquiry into the adequacy of the Office of the Valuer General's communications with stakeholders and the recent judgment in *Redelman v State Property Authority* [2010] NSWSC 486.

Resolved, on the motion of Mr Mason-Cox that the Committee receive a briefing from the Valuer General in relation to the judgment in *Redelman v State Property Authority* [2010] NSWSC 486 and the implications for other leases.

General Business

Resolved, on the motion of Ms Griffin:

'That the Committee write to the Valuer General to obtain information on what valuation information is used by members of the public and whether they pay a fee to obtain this land value data.'

Next meeting

The meeting adjourned at 5.58 pm until 8 June 2010 at 5:30 pm