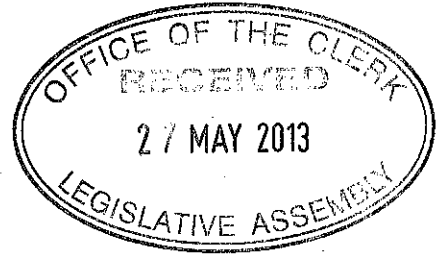




The Hon **Greg Pearce** MLC
Minister for Finance and Services
Minister for the Illawarra



Our Ref: MC13/650

Ms Ronda Miller
Clerk of the Legislative Assembly
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Ms Miller

I refer to your letter concerning Report No. 1/55 of the Joint Standing Committee on the Office of the Valuer-General - Interim Report on the Eighth General Meeting with the Valuer-General.

The Committee made four recommendations in their report.

Enclosed is the response addressing each recommendation in the report.

Yours sincerely

Greg Pearce MLC
Minister for Finance and Services
Minister for the Illawarra

22 May 2013

Report No. 1/55 of the Joint Parliamentary Committee on the Office of the Valuer-General - Interim Report on the Eighth General Meeting with the Valuer General

RECOMMENDATION 1

That the quality control procedures in the Valuer-General's Office should be independently reviewed, (by a body recommended by the Auditor-General), by the end of the year, to ensure that adequate systems and processes are in place.

Following advice from the Auditor General, the Valuer General engaged Ernst and Young to undertake a review of quality control procedures. Ernst and Young commenced their review on 29 January 2013 and provided their report to the Valuer General on 25 April 2013.

RECOMMENDATION 2

That the Valuer-General formally share any lessons learnt from this failure with Land and Property Information, the Committee and the Auditor General by the end of the year.

The Valuer General will be writing to the Joint Parliamentary Committee on the Office of the Valuer General and the Auditor General to share the lessons learnt and recommendations made by Ernst and Young concerning quality assurance. Land and Property Information has commenced work on the implementation of recommendations made by Ernst and Young.

RECOMMENDATION 3

That the Valuer-General report to the Committee on the results of his review of existing quality control measures and any proposed improvements.

The Valuer General will provide the Committee with the report undertaken by Ernst and Young on their review of quality control procedures and action being undertaken to implement the recommendations.

RECOMMENDATION 4

That appropriate financial reporting tools be developed, so that the Valuer-General can oversight the value of contracts entered into for the purposes of property valuations.

At the Valuer General's direction, LPI is undertaking a project to enhance financial reporting and accountability. The current timeframe for implementation is September 2013.