



Parliament of New South Wales

Joint Standing Committee on the Office of the Valuer General

Report 3/56 – November 2018

Twelfth General Meeting with the Valuer General



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The motto of the coat of arms for the state of New South Wales is “Orta recens quam pura nites”. It is written in Latin and means “newly risen, how brightly you shine”.

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Membership

CHAIR	Mr Geoffrey Provest MP, Member for Tweed
DEPUTY CHAIR	The Hon. Kevin Humphries MP, Member for Barwon
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Terms of Reference

Resolution passed on 28 May 2015, Legislative Assembly, Votes & Proceedings No 9, Entry 9, p.126-127

- (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 not extend to the investigation of any matter relating to or arising from a particular valuation of a specific parcel of land.
- (4) The Committee consist of five members as follows:
 - (a) three members of the Legislative Assembly of whom two must be Government members and one must be a non-Government member, and
 - (b) two members of the Legislative Council of whom one must be a Government member and one must be a non-Government member.
- (5) Ms Melanie Gibbons, Mr Stephen Kamper, and Mr Geoff Provest be appointed to serve on the Committee as the members of the Legislative Assembly.

- (6) Notwithstanding anything contained in the standing orders of either House, at any meeting of the Committee, any three members of the Committee shall constitute a quorum, provided that the Committee meets as a joint committee at all times.
- (7) The Committee have leave to make visits of inspection within the State of New South Wales and other States and Territories of Australia.
- (8) A message be sent acquainting the Legislative Council of the resolution and requesting the Legislative Council appoint two of its members to serve with the members of the Legislative Assembly on the Committee, and to fix a time and place for the first meeting.

Resolution passed on 2 June 2015, Legislative Council, Minutes No 9. Item 13, page 5.

Madam SPEAKER

The Legislative Council desires to inform the Legislative Assembly that it has this day agreed to the following resolution:

- (1) Joint Standing Committee on the Office of the Valuer-General
 - (a) That this House agrees to the resolution in the Legislative Assembly's message of Thursday 28 May 2015 relating to the appointment of a Joint Standing Committee on the Office of the Valuer-General.
 - (b) That the representatives of the Legislative Council on the Joint Standing Committee on the Office of the Valuer-General be Mr Greg Pearce and Mr Ernest Wong.
 - (c) That the time and place for the first meeting be Wednesday 3 June 2015 at 9.30 am in the Waratah Room.

Resolution passed on 29 March 2017, Legislative Assembly, Votes & Proceedings No 110, Entry 14, p. 1133-1134

Mr Anthony Roberts moved, That:

- (a) Kevin John Humphries be appointed to the Joint Standing Committee on the Office of the Valuer-General in place of Melanie Rhonda Gibbons, discharged.
- (b)

Resolution passed on 23 November 2017, Legislative Assembly, Votes & Proceedings No 153, Entry 27, p1524

The Temporary Speaker (Mr Geoff Provest) reported the following message from the Legislative Council:

Madam SPEAKER

The Legislative Council desires to inform the Legislative Assembly that it has this day agreed to the following resolution, That:

- (a) Ms Ward be appointed as a member of the Joint Committee on the Office of the Valuer-General Committee to fill the vacancy created by the resignation of Mr Pearce.

Chair's Foreword

The Committee's reports on its General Meetings with the Valuer General provide an essential mechanism for ensuring public accountability and confidence in the integrity and security of the land valuation system. Regular oversight of the functions of the Office of the Valuer General assists in maintaining the strength and stability of property ownership in New South Wales.

As previously reported by the Committee, the Valuer General has a long established record of providing reliable and highly valued services to all landholders. Nevertheless, Parliamentary scrutiny of the operational and policy functions of his Office enables an open and transparent account of its activities and ensures that it is meeting its legal and administrative obligations.

I am pleased to present this Report on the Twelfth General Meeting with the Valuer General as part of this continuing oversight process. The Committee has reviewed the 2016-17 Annual Report of the Office of the Valuer General and examined the responses to developments which have occurred in the legislative and policy environment since the previous General Meeting.

A number of legislative amendments resulting in administrative changes and organisational restructuring of the Office have already been dealt with in the Committee's previous Report. Further statutory amendments to just terms compensation for land acquisitions and the impact of Council amalgamations on ratings are covered in this Report, along with other developments. These changed arrangements have been seamlessly incorporated within the new governance structure.

Overall, the Committee is satisfied that the Valuer General has managed the variety of legislative and administrative challenges facing him in a totally professional, effective and timely fashion. This includes improvements in educational outreach, public accountability and overcoming shortcomings in the compulsory acquisition process.

The Committee notes that in response to previous recommendations, the Valuer General is now producing a separate report on the activities of his Office. The provision of additional information in a stand-alone document ensures greater public access, making its operations more transparent and readily available. This should further enhance public trust in the fairness and transparency of the valuation system and increase stakeholder satisfaction. It also serves to raise the public profile of the Valuer General and gives him the opportunity to fully inform the community about the valuation system, the achievements of his Office in meeting its objectives and the measures which he takes to protect his independence.

The Committee has made a total of six recommendations in this Report and the Valuer General's responses will be examined at the next General Meeting.

I would like to thank the Valuer General and his Office for their assistance in this Inquiry. I also wish to thank my Committee colleagues and Committee staff for their contributions and support.

Geoff Provest MP
Chair

Recommendations

Recommendation 1 _____ 10

The Committee recommends that the Valuer General introduces specific penalties under the terms of contract with contract valuers to strengthen deterrence against breaches of conflict of interest and to more effectively protect the independence of the OVG, where valuations are delegated to external contractors.

Recommendation 2 _____ 19

The Committee recommends that the Valuer General formalises a consultation process with key acquiring authorities to rank the complexity of negotiations on a risk management basis to prevent unnecessary duplication of effort in delivering compensation for compulsory acquisitions.

Recommendation 3 _____ 32

The Committee recommends that the Valuer General publishes regular updates in the next Annual Report on any privacy issues resulting from the land valuation system, particularly in relation to the management of personal information and its adherence to the Privacy Management Plan of the Department of Finance, Services and Innovation.

Recommendation 4 _____ 32

The Committee recommends that the Valuer General continues to develop initiatives to assess customer service experience and expands options to receive feedback to better inform future business improvement activities.

Recommendation 5 _____ 32

The Committee recommends that the Valuer General expands multicultural media coverage as part of a future media and community education strategy to ensure that landholders from non-English speaking backgrounds are adequately informed about the land valuation system in NSW, their rights in relation to objections to valuations for rating and taxing, and to compensation in the case of compulsory acquisitions.

Recommendation 6 _____ 39

The Committee recommends that the Valuer General continues to review land valuation methodologies and techniques of quality assuring land values and provides regularly updated information to NSW landholders about improvements to quality assurance and verification programs.

Glossary

CPI	Consumer Price Index
CRC-SI	Cooperative Research Centre for Spatial Information, University of NSW
DFSI	Department of Finance, Services and Innovation
FESL Act	Fire and Emergency Services Levy Act 2017
IAB	Internal Audit Office
IPART	Independent Pricing and Regulatory Tribunal
IPTI	International Property Tax Institute
JSCOVG	Joint Standing Committee on the Office of the Valuer General
L&EC	Land and Environment Court
LGA	Local Government Area
LPI	Land and Property Information
OVG	Office of the Valuer General
PAN	Proposed Acquisition Notice
PAS	Property Acquisition Standards
PMP	Privacy Management Plan
PPIP Act	NSW Privacy and Personal Information Protection Act 1998
SLA	Service Level Agreement

Chapter One – Governance and Organisational Issues

Current operational environment

Governance

- 1.1 Under its resolution of appointment, the Joint Standing Committee on the Office of the Valuer General (JSCOVG) monitors and reviews the exercise of the Valuer-General's functions.¹ The Valuer General, an independent statutory officer, is appointed by the Governor of NSW to oversee the valuation system, calculating land values for rating and taxing purposes and making determinations of compensation for the compulsory acquisition of land. The Office of the Valuer General (OVG) reports administratively to the Minister for Finance, Services and Property.²
- 1.2 In discharging his functions and responsibilities, the Valuer General is assisted by a range of other mechanisms, namely: the Land Valuation Advisory Group (the principal industry stakeholder group); the Valuation Joint Steering Committee (overseeing risk management and activity planning for key work streams); and regular liaison with Property NSW and the OVG (identifying issues and responses).³
- 1.3 Additionally, the Land Valuation Improvement Group oversees research into the application of data to improve the valuation system. Ad hoc project groups are established within Property NSW to instruct the Joint Steering Committee. The 2016-17 Annual Report provides a helpful schematic representation of the governance structure, which has been continuously refined during recent reporting years.⁴ At the General Meeting, the Valuer General confirmed that there had been no significant changes in the governance structure since the Annual Report.⁵

Organisational overview

- 1.4 The OVG provides day to day support to the Valuer General, including: setting objectives, standards and policies for the operation of the valuation system; monitoring the performance of Valuation Services; providing Ministerial and Parliamentary support; developing public information; responding to public enquiries; and investigating complaints. The Valuer General is assisted at the senior management level by the Deputy Valuer General.⁶
- 1.5 Valuation Services, based within Property NSW, operates the valuation system on behalf of the Valuer General. Operational functions delegated by the Valuer

¹ Legislative Assembly, Votes & Proceedings No 9, Entry 9, p126-127

² NSW Valuer General, Annual Report 2016 -17, p14

³ NSW Valuer General, Annual Report 2016 -17, p14

⁴ NSW Valuer General, Annual Report 2016 -17, p14

⁵ Mr Simon Gilkes, Valuer General, Office of the Valuer General, Transcript of evidence, 21 September, 2018, p21

⁶ NSW Valuer General, Annual Report 2016 -17, p10

General to Valuation Services are formalised under a Service Level Agreement (SLA). Chapter Four provides further information about such Agreements.

- 1.6 Services provided by Valuation Services include: issuing land values to Councils, Revenue NSW and landholders; undertaking determinations of compensation; maintaining the Register of Land Values; resolving objections and requests for review of land values; managing valuation contracts; delivering customer service; providing property information and data to valuation contractors, Government and the community; providing technical advice to the Valuer General; and ensuring quality assurance of all services.⁷ As at 30 June 2017, six staff were employed by the OVG and 124 staff were employed within Valuation Services.⁸

Conflicts of interest

- 1.7 The independent function of the Valuer General is maintained by ensuring a clear separation between the making of valuations and their use by State and Local Government. This applies to the levying of rates and taxes and for determining compensation following the compulsory acquisition of land.⁹
- 1.8 As detailed in the Annual Report, conflicts of interest are managed within the risk management framework and governance arrangements operating between Valuation Services and the Valuer General. The Valuer General confirmed that potential or perceived conflicts of interest involving valuation contractors are managed systematically and embedded in day to day practices.¹⁰
- 1.9 According to the Annual Report, there had been one instance of a conflict of interest involving a contractor during the year in review. The Report confirmed that remedial action had been taken and a major non-compliance issue recorded against the contract firm.¹¹
- 1.10 At the General Meeting, the Valuer General advised he understood that the particular contractor was counselled about the breach, the director of the firm notified and processes instituted to prevent a recurrence. He also noted that financial penalties were not levied for breaches of conflict of interest.¹² Further explanation was provided following the General Meeting by the Acting Valuer General in his Answers to Questions on Notice.¹³

⁷ NSW Valuer General, Annual Report 2016 -17, p7

⁸ NSW Valuer General, Annual Report 2016 -17, p11

⁹ NSW Valuer General, Annual Report 2016 -17, p7

¹⁰ NSW Valuer General, Annual Report 2016 -17, p16

¹¹ NSW Valuer General, Annual Report 2016 -17, p16

¹² NSW Valuer General, Transcript of evidence, 21 September, 2018, p10

¹³ Mr Michael Parker, Acting Valuer General, Answers to Questions on Notice, 4 October 2018, Question 1, [Answers to Questions on Notice](#)

Other developments impacting on the role of the OVG

Legislative changes

- 1.11 As detailed in the Committee's report on the Eleventh General Meeting¹⁴, a number of legislative changes governing the operation of the valuation system occurred prior to and during the 2016-17 reporting year.

Fire and Emergency Services Levy

- 1.12 New obligations were placed on the Valuer General as a result of changes to the *Fire and Emergency Services Levy Act 2017* (FESL Act 2017). Consequential amendments to the *Valuation of Land Act 2016* required the Valuer General to provide new valuations to all local Councils at least every three years and removed the discretion for the Valuer General to extend the period due to market inactivity.¹⁵
- 1.13 In preparation for the introduction of the Levy, the Valuer General issued land values current at 1 July 2016 to all landholders and Councils, resulting in approximately 2.5 million Notices of Valuation being issued in the first half of 2017. Previous land value notices were issued every three to four years on a rolling cycle, with up to 800,000 notices being issued each year. The move to the common valuation cycle had brought forward costs for printing and mailing, as well as customer enquiries and objections.
- 1.14 In addition, the FESL Act 2017 required the Valuer General to collect and monitor land classification information from Councils and provide valuation and land classification information to the Treasurer. The Valuer General confirmed that all requirements for the delivery of Treasury information had been met.¹⁶
- 1.15 The Valuer General further noted that the Levy preparation required the collection and exchange of data with Councils for all NSW properties. He advised that extensive quality assurance, including record matching, was undertaken and that this would provide ongoing benefit to both the Register of Land Values and Council records. The planned 1 July 2017 implementation of the FESL Act 2017 was postponed by the Government on 30 May 2017.¹⁷

Just Terms Compensation Amendments

- 1.16 In November 2016, the NSW Parliament passed the *Land Acquisition (Just Terms Compensation) Amendment Act 2016*, effective from 1 March 2017. The legislative amendments were designed to improve procedures for the acquisition of land on just terms by authorities of the State, pursuant to recommendations made in the Committee's 2013 Report on the Inquiry into the Land Valuation System. The amendments also addressed recommendations arising from independent reviews

¹⁴ NSW Parliament, Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh General Meeting with the Valuer General, No 2/56, February 2018, pp4-5 [Committee-Report](#)

¹⁵ NSW Valuer General, Annual Report 2016 -17, pp18 & 21

¹⁶ NSW Valuer General, Annual Report 2016 -17, p18

¹⁷ NSW Valuer General, Annual Report 2016 -17, p18

undertaken by David Russell SC in 2012 and the Customer Services Commissioner, Mr Michael Pratt AM in 2016.¹⁸

- 1.17 The impacts of these changes on the OVG included the following: a provision for the Valuer General to issue the determination of compensation directly to the landowner; a provision for the landowner to provide a Section 39 Claim for Compensation form directly to the Valuer General; an extension of the timeframe for determining compensation from 30 to 45 days; a fixed six month negotiation period before compulsory acquisition could commence; and an increase in the maximum amount of compensation for disadvantage from location to \$75,000, indexed to the CPI.¹⁹
- 1.18 The Valuer General noted that many of the changes to the compulsory acquisition process focussed on procedural fairness and transparency, as well as involving administrative and operational improvements. He confirmed that he had responded to all acquisition related Committee recommendations and implemented all reforms under his jurisdiction.²⁰
- 1.19 As part of the Government's changes to the land acquisition process, the Property Acquisition Standards Group (PAS) was established within DFSI to provide whole of government standards for residential property acquisitions made under the *Land Acquisition (Just Terms Compensation) Act 1991*. During the period under review, the Valuer General made his first report to the PAS Group, which included data for determinations of compensation, preliminary reports issued and conferences undertaken.²¹
- 1.20 At the General Meeting, the Valuer General advised that oversight of the compulsory acquisition system has now been transferred to the office of the Secretary of DFSI. Furthermore, the reporting roles which the PAS Group were to have undertaken had been moved to the Centre for Property Acquisition within the Transport cluster.
- 1.21 The Valuer General explained that this was now the best practice group to guide the acquisition process. Given the narrow scope of the Valuer General's role in dealing with a small subset of compulsory acquisitions, the OVG did not have the full suite of data available on the whole of government compulsory acquisition website.²²

Policy changes

- 1.22 During the public hearing, the Valuer General was asked to what extent policy issues at the national level have an impact on land valuations at State level. In response, the Valuer General confirmed that his responsibilities included monitoring the wider policy environment and market factors which could affect local land values. He informed the Committee that:

¹⁸ NSW Valuer General, Annual Report 2016 -17, pp19 & 21

¹⁹ NSW Valuer General, Annual Report 2016 -17, pp19 & 21

²⁰ NSW Valuer General, Annual Report 2016 -17, p19

²¹ NSW Valuer General, Annual Report 2016 -17, p33

²² NSW Valuer General, Transcript of evidence, 21 September 2018, p9

The Valuation of Land Act requires that land values be market values. That requires a very broad understanding of all the factors that impact on the market value of property... But our task is not so much to project what that will be as to monitor the market closely and determine how the market views those changes.²³

1.23 In elaborating on his evidence to the Committee, Mr Gilkes continued:

It is not for valuers to make assessments of how policy changes should logically affect the market; it is the valuers' job to look at what transactions are actually occurring in the market and then interpret those into land values to make sure that they reflect the true market value... Perceptions in the market are exceedingly important in driving the market value, sometimes simply through things such as consumer confidence, where there may not have been any real change in the real economy but confidence has [an] effect on the market. It can go either way.²⁴

Administrative restructuring

1.24 As outlined in the Committee's previous Report, OVG experienced a significant administrative reorganisation during the year under review. Under the new structure effective from 1 July 2016, Valuation Services, previously part of Land and Property Information (LPI), was transferred to Property NSW, a business unit within DFSI.

1.25 From 1 July 2017, the operation of titling and registry services was transferred under a concession agreement to a private operator. The Annual Report confirmed that the new operator would still provide all necessary services to the Valuer General, with data continuing to be supplied, based on formal agreements, with the Registrar General and Spatial Services Units of DFSI.²⁵

1.26 At the General Meeting, the Valuer General confirmed the ongoing nature of his work, notwithstanding the move into DFSI. He informed the Committee that:

Our role is to set the direction and standards for the valuation system and to monitor adherence to those standards, if you like. That role is the same as it was previously: when it was in the Department of Lands, when it was in the Department of Information, Technology and Management's and has been the same for a long period of time.²⁶

1.27 He advised that although there was a different organisational culture, the valuation system continued to operate along the same trajectory.²⁷

Council amalgamations

1.28 Prior to the 2016-17 annual reporting period, the Government announced the merger of a number of Councils. As a consequence of these mergers, Valuation Services worked with the new Councils to supply new land values for properties, based on previous Council boundaries.²⁸

²³ NSW Valuer General, Transcript of evidence, 21 September 2018, p4

²⁴ NSW Valuer General, Transcript of evidence, 21 September 2018, p4

²⁵ NSW Valuer General, Annual Report 2016 -17, p18

²⁶ NSW Valuer General, Annual Report 2016 -17, p8

²⁷ NSW Valuer General, Annual Report 2016 -17, p8

²⁸ NSW Valuer General, Annual Report 2016 -17, p20

- 1.29 The Annual Report confirmed that the Council Amalgamations Working Group (established in May 2016) was continuing, in order to ensure delivery of valuation information in line with the new Council boundaries.²⁹ Mr Gilkes explained that the guiding principle was to work with Councils to meet their needs, with a staged approach being taken to updating the Register of Land Values. He advised that amalgamation did not affect the land valuation itself, as the drivers of value tended to be more locational and service-related.³⁰

Land acquisition and complexity of valuations

- 1.30 For the year under review, the Valuer General noted that despite a decrease in the number of determinations, the level of complexity had increased. He advised that a high proportion of determinations during this period were commercial, industrial and business acquisitions, including Sydney CBD properties and multi-storey buildings.
- 1.31 In addition, a number of major infrastructure projects involved compulsorily acquired land, including WestConnex, Sydney Metro City and Southwest Rail. At the General Meeting, the Valuer General outlined the current challenges in making such land valuations for compulsory acquisitions. This contrasts with the pre-development era, where many were residential properties acquired for reasons such as rural road widening.³¹
- 1.32 The Annual Report noted that this had been a factor in the additional time needed to issue determinations of compensation. During the reporting period, approximately 79% of determinations were issued outside the statutory time frame.³² This matter is explored in greater detail in Chapter Two.

IPART Review of Council rating

- 1.33 During 2016, the Independent Pricing and Regulatory Tribunal (IPART) conducted a review of the Local Government rating system.³³ The purpose of the review was to develop recommendations addressing equity and efficiency and to enable Councils to implement long term sustainable fiscal policies. This included a review of the valuation method used to calculate rates, exemptions and rating categories.³⁴
- 1.34 The Valuer General advised that he had made a submission to IPART's review and attended the public hearing. The submission addressed proposed IPART rating system changes, including: allowing Councils to choose to purchase valuations from the market or the Valuer General; the use of the market value rather than

²⁹ NSW Valuer General, Annual Report 2016 -17, p20

³⁰ NSW Valuer General, Transcript of evidence, 21 September 2018, p14

³¹ NSW Valuer General, Transcript of evidence, 21 September 2018, pp20-21

³² NSW Valuer General, Annual Report 2016 -17, pp31-32

³³ Independent Pricing and Regulatory Tribunal (IPART) website, Review of Local Government Rating System: [Local-Government-Rating-System](#), viewed 25 June 2018

³⁴ IPART Draft Report, Review of the Local Government Rating System, August 2016, [Draft-Report](#), viewed 25 June 2018

the unimproved value for rating purposes; and aligning the valuation year for all properties.³⁵

- 1.35 At the General Meeting, the Valuer General indicated that IPART's report had been given to the NSW Government but, as he understood it, no decision had yet been made on the recommendations. He expressed the view that the recommendation of greatest significance for the valuation system was that a Council should have the option to levy rates based on capital improved values.
- 1.36 Mr Gilkes further explained that land values are currently based on the value of the site, without taking account of any existing buildings. He noted, however, that capital improved values are used in many jurisdictions around the world. He advised that his submission to IPART pointed to the necessity and cost of creating a database of the built environment in the event that capital values become the rating base for New South Wales.³⁶

Collaboration in research and data-sharing

- 1.37 At the Eleventh General Meeting, the Valuer General discussed collaboration in research and data sharing, initiated with Government and non-Government organisations as a result of developments in information technology.³⁷ During the period under review, the Valuer General collaborated with the Cooperative Research Centre for Spatial Information (CRC-SI), University of NSW, on research into a potential application of rapid spatial analytics and visualisation technology to valuation and property analysis processes.³⁸
- 1.38 Further testing with stakeholders was scheduled to commence in the second half of 2018. In addition, a pilot project had been completed to supply data to Treasury NSW for use in land tax revenue budget forecasting.³⁹ At the General Meeting, the Valuer General explained that the latter project was expected to improve the accuracy of estimated land tax revenue.
- 1.39 In addition, the Valuer General outlined the ways in which external academic expertise has been utilised in projects to improve the valuation system. He noted in particular the role of Adjunct Professor John Macfarlane of Western Sydney University, in conducting reviews on the quality of valuations and data delivered by contract valuers.⁴⁰
- 1.40 Mr Gilkes also referred to the work of Associate Professor Vince Mangioni, an internationally recognised expert in rating and taxing valuations and land-based taxation systems. Professor Mangioni has commenced working on a project to

³⁵ NSW Valuer General, Annual Report 2016 -17, p20

³⁶ Valuer General, Transcript of evidence, 21 September 2018, p19

³⁷ NSW Legislative Assembly, Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh General Meeting with the Valuer General, Report 2/56, February 2018, pp8-9 [Committee-Report](#)

³⁸ NSW Valuer General, Annual Report 2016 -17, p22

³⁹ The Hon. Victor Dominello MP, Minister for Finance, Services and Property, NSW Government's Response to the Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh Meeting with the Valuer General, 5 July 2018, response to Recommendation 2, [Government-Response](#)

⁴⁰ NSW Valuer General, Annual Report 2016 -17, p26

simplify valuation and taxation information to improve its accessibility for non-professional landholders.⁴¹

1.41 In addition, the Valuer General confirmed that his organisation was working with industry partners represented on the Land Valuation Advisory Group to find more productive ways to leverage those relationships and better serve their stakeholders.⁴²

Implementation of previous Committee recommendations

1.42 The report of the Eleventh General Meeting made seven recommendations. These addressed a range of matters including the need for:

- Regular annual reporting updates reinforcing the independence of the Valuer General;
- Ongoing collaborative research on a whole of government basis;
- Encouragement of local Councils and landholders to participate in formal annual public information sessions;
- Exploration of additional opportunities to develop further public education partnerships with local Councils, including adoption of a media strategy to support public education in local communities;
- Further customer service initiatives in collaboration with other agencies such as Service NSW;
- Continued improvement of data capture in engagement processes with landholders to identify new ways of optimising service delivery; and
- Further utilisation of the expertise of the Land Valuation Advisory Group to help promote the role and functions of the Valuer General to the wider community.

1.43 The Government Response can be accessed at [Government-Response](#). On 18 September 2018, the Valuer General wrote to the Committee outlining further progress on the implementation of the recommendations.

1.44 The Valuer General also wrote to the Committee on 9 May 2018, confirming completed implementation of two outstanding recommendations made in the Report on the Tenth General Meeting with the Valuer General.

1.45 In response to Recommendation 3, the Valuer General advised that a factsheet on valuing domestic waterfront occupancies had been developed and published on the website. In response to Recommendation 8, the Valuer General advised that information about the valuation system, translated into 10 languages, could be accessed by clicking an icon on the website homepage.

⁴¹ NSW Valuer General, Transcript of evidence, 21 September 2018, p4

⁴² NSW Valuer General, Transcript of evidence, 21 September 2018, p3

Committee Comment

Governance

- 1.46 The Committee commends the Valuer General for the implementation of a simplified and more efficient governance structure and welcomes its clear tabulation on p14 of the Annual Report. The Committee appreciates the Valuer General's assurance that the governance structure remains stable and effective and is pleased to note that he continues to look for continuing improvements in its operation.⁴³
- 1.47 The Committee's report on the Eleventh General Meeting recommended that the Valuer General explores how the expertise of the Land Valuation Advisory Group might be used in the promotion of the role and functions of the Valuer General. The Committee notes that this recommendation is being formally considered by the Land Valuation Advisory Group.⁴⁴

Conflicts of interest

- 1.48 The credibility of the valuation system depends on the Valuer General maintaining independence and integrity in all aspects of land and property valuations, including where valuations are made on his behalf by contract valuers. In this context, the Committee stresses the importance of ensuring actual independence as well as the perception of independence.
- 1.49 While acknowledging the deterrence value of the potential loss of contracts in exercising caution about breaches, the Committee urges a formal follow-up mechanism, other than remedial action in the form of counselling, to address such breaches. Including penalties in the case of a contractual breach would more effectively protect the Valuer General's independence by ensuring that contractors exercise additional care concerning conflict of interest breaches.

Other developments impacting on the role of the OVG

- 1.50 The Committee is pleased that the Valuer General has achieved a smooth transition to a new operating environment within DFSI, following the 2016 administrative restructure. The Committee notes that the OVG has managed significantly increased workloads as a result of: new requirements imposed by the FESL Act 2017; Council amalgamations; and more complex land valuations and determinations of compensation due to ongoing government infrastructure projects.
- 1.51 In the view of the Committee, the Valuer General has successfully met multiple challenges presented by organisational and legislative changes during the reporting period. The review of the Local Government rating system, undertaken by IPART in 2016, clearly has implications for the OVG in relation to changes which the Government may make to future land valuation and rating mechanisms. The

⁴³ NSW Valuer General, Transcript of evidence, 21 September 2018, p21

⁴⁴ The Hon. Victor Dominello MP, Minister for Finance, Services and Property, NSW Government's Response to the Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh Meeting with the Valuer General, 5 July 2018, response to Recommendation 7, [Government-Response](#)

Committee looks forward to discussing this matter further with the Valuer General at the next General Meeting.

- 1.52 Following the Eleventh General Meeting, the Committee recommended that the Valuer General continues to develop collaborative research efforts with relevant stakeholders.⁴⁵ The Committee welcomes the initiatives undertaken to date with the University of NSW CRC-SI and with Treasury NSW. The Committee also endorses the Valuer General's efforts to share data and expertise with external agencies and organisations to effect improvements to the valuation system and meet wider whole of government objectives.

Recommendation 1

The Committee recommends that the Valuer General introduces specific penalties under the terms of contract with contract valuers to strengthen deterrence against breaches of conflict of interest and to more effectively protect the independence of the OVG, where valuations are delegated to external contractors.

⁴⁵ NSW Legislative Assembly, Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh General Meeting with the Valuer General, Report 2/56, February 2018, Summary of Recommendations, Recommendation 2 p ix [Committee-Report](#)

Chapter Two – Critical Valuation Processes

Compulsory acquisitions, objections and appeals

Improvements to compulsory acquisition processes

- 2.1 During 2016-17, improvements to the compulsory acquisition process focused on procedural fairness and improving the landowner experience. The Annual Report detailed the mechanisms introduced to achieve these objectives, including: preliminary valuation reports; conferences and case co-ordinators; a new customer survey; more direct information sharing between the Valuer General and property owner; and updated compensation publications explaining changes to procedures as a result of the 2017 changes to the land acquisition framework.⁴⁶
- 2.2 At the General Meeting, the Valuer General outlined his efforts to inform the public about his independent role, separate from the interests of the acquiring authorities, in determining compulsory acquisition compensation cases. He noted that procedural fairness was the overriding factor in the determination of compensation for compulsory acquisitions. In particular, the Valuer General emphasised that:
- We are very conscious that it is an incredibly stressful period for landholders. One of the most serious things a government can do is take back people's property rights. I do not think the independence of the Valuer General is the particular problem.⁴⁷
- 2.3 He further advised that:
- ... I publish a policy on compulsory acquisition to guide valuers operating on my behalf. That policy specifically states that when there are areas of doubt, they should be resolved in favour of the landholder. As to whether there are further reforms that should be required, I think that the framework that has been established is really appropriate and is a good step towards addressing those concerns. The difficulty will always be that it is such an emotionally fraught area. It is probably unrealistic to expect that we will ever get to a point where all landholders who are having their properties acquired will be happy about the process.⁴⁸
- 2.4 At the public hearing, the Acting Director of the Compensation Program, Valuation Services, also stressed the importance of improvements in information management procedures to achieve procedural fairness. He emphasised the lengths now taken to document and exchange evidence between all parties.⁴⁹
- 2.5 In addition, the Annual Report outlined technological developments to support improved information documentation and information exchanges. In April 2017, a conference management system was implemented by Valuation Services to record all interactions between the Valuer General, landholders, acquiring authorities and

⁴⁶ NSW Valuer General, Annual Report 2016 -17, pp32-33

⁴⁷ NSW Valuer General, Transcript of evidence, 21 September 2018, p6

⁴⁸ NSW Valuer General, Transcript of evidence, 21 September 2018, p7

⁴⁹ Mr Paul Goldsmith, Acting Director, Compensation Program, Valuation Services, Property NSW, Transcript of evidence, 21 September 2018, p7

contract valuers.⁵⁰ Further information regarding technological developments was provided by the Acting Valuer General following the General Meeting in Answers to Supplementary Questions.⁵¹

Time frames for determining compensation

- 2.6 According to the Annual Report, the total number of determinations of compensation issued in 2016-17 had decreased from the two previous reporting years. The Valuer General explained that this was due to an increase in complexity of the determinations and observed that a high proportion were commercial, industrial and business acquisitions, including Sydney CBD properties such as multi-storey buildings. In addition, there were compulsory acquisitions for WestConnex, Sydney Metro, City and Southwest Rail infrastructure projects.⁵²
- 2.7 Following amendments to the *Land Acquisition (Just Terms Compensation) Act 1991*, 79% of determinations were outside this period, despite the timeframe for determination of compensation being extended from 30 to 45 days. This was due in part to the increasing complexity of cases, as previously noted, and the need to maintain procedural fairness. The Annual Report noted that the Valuer General was working with Valuation Services to improve timeliness, while at the same time preserving procedural fairness.⁵³
- 2.8 At the General Meeting, the Valuer General outlined the time constraints on the determination of compensation. After the determination of the initial level of compensation, there is a period of 90 days from the issuing of the proposed acquisition notice (PAN) to the publication of the acquisition in the *Government Gazette* and 45 days for the acquiring authority to issue the compensation notice.
- 2.9 The Valuer General stressed his commitment to maintaining procedural fairness, notwithstanding the problems around timeliness. He informed the Committee that:

... I have made a conscious decision—and I have told the people in Property NSW this—that we should not be closing off communications with the landholders just so that we can issue a determination of compensation on time. We need to consult with both parties if we are going to delay, but it is more important that there be an opportunity for full and open discussions and to make every effort to resolve whatever differences there are before determining compensation than it is to simply say "time's up" and issue the determination.⁵⁴

Proposed acquisitions

- 2.10 As a result of the 2017 changes, the acquiring authority became responsible for paying the Valuer General reasonable costs for preparing a determination for compensation. Being able to plan ahead within defined budgetary limits meant that the Valuer General could exercise his discretion to commence work on a case as soon as the Proposed Acquisition Notice was issued. In the period under review,

⁵⁰ NSW Valuer General, Annual Report 2016 -17, p33

⁵¹ Mr Michael Parker, Acting Valuer General, Answers to Supplementary Questions, 4 October 2018, Question 4, [Answers to Supplementary Questions](#)

⁵² NSW Valuer General, Annual Report 2016 -17, pp31-32

⁵³ NSW Valuer General, Annual Report 2016 -17, p32

⁵⁴ NSW Valuer General, Transcript of evidence, 21 September, 2018, p7

the Valuer General commenced work on 390 PANs where determinations were ultimately not required, due to agreement being reached between the parties.⁵⁵

- 2.11 In response to a question about whether this was an efficient use of staff resources, the Valuer General indicated that unless the work was commenced early in the process, there was no way to get the valuations done in time. He noted, however, that there were degrees of complexity in valuations so that the amount of effort before an acquisition was gazetted, varied depending on the nature of the property.
- 2.12 Mr Gilkes emphasised that timeliness was a balancing act between getting the valuations done within the statutory timeframe and providing adequate opportunities for landholders to raise concerns and have them addressed.⁵⁶
- 2.13 In addition, the Committee heard that it was very difficult to predict which matters were going to settle. The Acting Director, Compensation Program, assured the Committee that:

We meet regularly with the key acquiring authorities—Transport for NSW and Roads and Maritime Services [RMS]—and when we do have knowledge that matters are going to settle we will stop work to try to save the public purse.⁵⁷

Objections and preliminary valuation reports

- 2.14 As outlined in the Annual Report, landholders may object to land values notified in a Notice of Valuation or land tax assessment. An independent valuer, not involved in the original making of the valuation, determines if the objection is allowed or disallowed.⁵⁸ At the General Meeting, the Valuer General pointed out that this practice was unusual by world standards and that in most jurisdictions, an objection is referred back to the person responsible for the initial valuation.⁵⁹
- 2.15 The Annual Report advised that preliminary reports were introduced early in 2017 for both valuation objection reviews and determinations of compensation. The Valuer General explained that such reports improve procedural fairness and provide the opportunity for owners to raise concerns, make submissions, provide further information and, where possible, resolve any issues prior to the report's finalisation.⁶⁰
- 2.16 In the case of valuation objection reviews, the owner has 28 days to give feedback on preliminary reports, whereas in compensation cases, the owner and the acquiring authority have 15 days to respond. The Annual Report noted that

⁵⁵ NSW Valuer General, Annual Report 2016 -17, p32

⁵⁶ NSW Valuer General, Transcript of evidence, 21 September 2018, p17

⁵⁷ Mr Paul Goldsmith, Acting Director, Compensation Program, Valuation Services, Property NSW, Transcript of evidence, 21 September, 2018, p17

⁵⁸ NSW Valuer General, Annual Report 2016 -17, p27

⁵⁹ NSW Valuer General, Transcript of evidence, 21 September 2018, p16

⁶⁰ Mr Simon Gilkes, Valuer General, Office of the Valuer General, Transcript of evidence, 21 September, 2018, p2

the introduction of preliminary reports was a response to recommendation 11 of the Committee's 2013 Report on the NSW Land Valuation System.⁶¹

- 2.17 Twenty-five preliminary valuation reports were issued for the period January 2017 to 30 June 2017.⁶² In relation to performance measures, the Annual Report indicated that preliminary report objections for land valuation reviews have changed the timeframes to finalise objections. Preliminary report objection decisions were provided to owners at varying periods, as follows: 71% within 90 days; 89% within 120 days; and 95% within 180 days.⁶³
- 2.18 As with preliminary reports issued in negotiations on compulsory acquisition, the Valuer General emphasised that preliminary report objections were the result of improvements to ensure procedural fairness. This included the extension of consultation processes, noting that facilitated conferences generally concerned the outcome of an objection.⁶⁴ At the General Meeting, the Acting Director, Compensation Program, Valuation Services, emphasised the success of the preliminary report process, notwithstanding its tendency to extend timelines.⁶⁵
- 2.19 In his report on performance measures, the Valuer General advised that 22% of objections during 2016-17 had led to a change in land value, compared to 30 % in 2015-16.⁶⁶ Following the General Meeting, the Acting Valuer General confirmed that there had been a general trend down in the number of completed objections leading to a change in the land value. He noted that the exact cause was difficult to determine but contributory factors would be a focus on valuation quality and evidence based objection decisions.⁶⁷
- 2.20 In addition, the Annual Report noted that objections to land valuations were chiefly in relation to residential properties, which made up 83% of valuations on the Register of Land Values and 58% of all objections. He further indicated that the majority of objections were made following receipt of a land tax assessment rather than Council rates. During the reporting period, 54% of objections received were for land tax, compared to 46% for objections to Council rates.⁶⁸
- 2.21 At the General Meeting, the Valuer General emphasised the positive impact on the overall rate of objections, achieved by improving fairness and transparency in the valuation and compulsory compensation processes. He observed that:

...each time we have provided more information the level of inquiry and objection falls off. In my view, that is a measure of public trust in the system.⁶⁹

⁶¹ NSW Valuer General, Annual Report 2016 -17, p22

⁶² NSW Valuer General, Annual Report 2016 -17, p32

⁶³ NSW Valuer General, Annual Report 2016 -17, p57

⁶⁴ NSW Valuer General, Transcript of evidence, 21 September 2018, p2

⁶⁵ Mr Paul Goldsmith, Transcript of evidence, 21 September, 2018, p7

⁶⁶ NSW Valuer General, Annual Report 2016 -17, p57

⁶⁷ Mr Michael Parker, Acting Valuer General, Answers to Supplementary Questions, 4 October 2018, Question 7 a), [Answers to Supplementary Questions](#)

⁶⁸ NSW Valuer General, Annual Report 2016 -17, p28

⁶⁹ NSW Valuer General, Transcript of evidence, 21 September 2018, p15

Appeals to Land and Environment Court

- 2.22 The Annual Report provided a comparative analysis of appeals to the Land and Environment Court (L&EC) for the year under review, as well as the two previous annual reporting periods. This indicated that the 24 appeals lodged by landholders in 2016-17 had remained steady over the past three years and that this was low compared to the total number of valuations and objections. In 2016-17, one appeal was allowed, 13 were withdrawn and a further 10 cases were incomplete at the time of the Annual Report.⁷⁰
- 2.23 The Annual Report also provided a table with a three year comparison of appeal outcomes. For the period 2016-17, the Valuer General noted that the proportion of allowed appeals was falling, which he claimed was due to the increased opportunity for resolution of issues through conferences and the correction of land values prior to the court process.⁷¹
- 2.24 At the General Meeting, the Valuer General explained that when a landowner exercised the right to lodge an objection to the amount of compensation with the L&EC, he was not involved in the court proceedings between the landowner and the acquiring authority. He informed the Committee that:

The Valuer General's role goes only from when there is a compulsory acquisition published in the Government Gazette to the point when I determine compensation. That is the end of my role unless one of the other parties chooses to join me to a case. But that is comparatively rare. Quite often, the valuation supporting the determination of compensation is used in court as evidence, but it is very rare for the Valuer General to be a party to a case.⁷²

Register of Land Values

- 2.25 The Register of Land Values is the official record of land values for NSW. The Register contains information including ownership or rate paying lessee details, title details and the value of the land. The Annual Report stated that the Register is a public register, as set out in the *NSW Privacy and Personal Information Protection Act 1998* (PPIP Act).⁷³
- 2.26 The Annual Report further explained that the Register of Land Values is maintained by Valuation Services on behalf of the Valuer General, with Valuation Services being responsible for ensuring the accuracy and integrity of the information recorded. Three projects undertaken during the reporting year to improve the quality of information on the Register involved: reviews of multi dwelling housing lots in public ownership; domestic waterfront properties; and properties impacted by new Council boundaries.⁷⁴

Private valuations

- 2.27 Section 9A of the *Valuation of Land Act 1916* gives the Valuer General the discretion to make a private land valuation for any agreement or arrangement

⁷⁰ NSW Valuer General, Annual Report 2016 -17, p28

⁷¹ NSW Valuer General, Annual Report 2016 -17, p29

⁷² NSW Valuer General, Transcript of evidence, 21 September 2018, p7

⁷³ NSW Valuer General, Annual Report 2016 -17, p37

⁷⁴ NSW Valuer General, Annual Report 2016 -17, p37

between parties.⁷⁵ The Annual Report advised that, in most cases, private valuations are undertaken by contract valuers and quality assured and issued by Valuation Services.

2.28 During the reporting period, there was one request for a private valuation. This was made by Place Management, which is part of Property NSW. The Annual Report explained that, as Valuation Services is also a part of Property NSW, the risk of a conflict of interest occurring was managed by referral of the valuation to a contract valuer. Quality assurance and the issuing of the valuation was undertaken by the OVG.⁷⁶

2.29 The Annual Report also advised that a new policy for the determination of compensation following compulsory acquisitions involving possible conflicts of interest (for land acquisition matters involving Property NSW as owner, lessee or agent) had been published on the Valuer General's website.⁷⁷ Additional details concerning private valuations were provided by the Acting Valuer General following the General Meeting.⁷⁸

Complex land valuations

Complex land value improvement program

2.30 As discussed at previous General Meetings, the Valuer General has an ongoing program to ensure the integrity of valuations made for complex land values. The Valuer General advised that, during 2016-17, reviews undertaken as part of this program related to three types of land use, namely: mines; cemeteries and crematoria; and quarries.

2.31 Factors taken into account included: the correct methodology to be applied; stakeholder feedback following consultation; and the quality of land values currently on the Register of Land Values. The Annual Report advised that published policies were being developed for all three complex land types.⁷⁹

2.32 In relation to the methodology employed for the valuation of mines, the report explained that this was being reviewed to ensure that the land values reflected the outcome of a significant judicial decision in the NSW Court of Appeal. This concerns the case of *Perilya Broken Hill Ltd v Valuer General*, which concluded on 28 July 2016 with a rejection by the High Court of the mine owner's appeal. The report advised that the court's decision had endorsed the methodology used to determine the Perilya mine's 2007 land value.⁸⁰

Muswellbrook Local Government Area

2.33 On 20 June 2018, the Deputy Valuer General, Mr Michael Parker, wrote to the Committee advising that the Valuer General was issuing new land values in the

⁷⁵ NSW Valuer General, Annual Report 2016 -17, p35

⁷⁶ NSW Valuer General, Annual Report 2016 -17, p35

⁷⁷ NSW Valuer General, Annual Report 2016 -17, p44

⁷⁸ Mr Michael Parker, Acting Valuer General, Answers to Supplementary Questions, 4 October 2018, Question 5, [Answers to Supplementary Questions](#)

⁷⁹ NSW Valuer General, Annual Report 2016 -17, p26

⁸⁰ NSW Valuer General, Annual Report 2016 -17, p21

Muswellbrook Local Government Area (LGA). He explained that, while land values are generally issued for rating every three years, the new land values were being issued earlier for the Muswellbrook LGA following a change in the determination of land values for coal mines. He stated that new land values were being issued for all landholders to provide stability and equity in rating.⁸¹ Further information about Muswellbrook land valuations was provided by the Acting Valuer General following the General Meeting.⁸²

In-depth reviews

- 2.34 During 2016-17, the Valuer General asked Valuation Services to conduct two in-depth investigations of land valuations in specific areas of NSW. The first involved contaminated land in the vicinity of Williamtown RAAF Base and Newcastle Airport. Land values for the 2013, 2014 and 2015 valuing years were reviewed, resulting in new valuations as required. This report was published on the Valuer General's website in August 2016.⁸³
- 2.35 The second report concerned land values for properties in the Palm Beach and Whale Beach localities, which was published on the Valuer General's website in December 2016.⁸⁴ The Annual Report explained that this review was undertaken in response to community concerns about the accuracy of the land values and to assess the mass appraisal methodology.⁸⁵

Committee Comment

Issues relating to compulsory acquisitions

- 2.36 Following the Government's 2016-17 changes to the land acquisition process, the Committee welcomes confirmation that the Valuer General has successfully adapted the relevant policies and procedures within the OVG to the new whole of government framework for compulsory acquisitions.
- 2.37 In relation to the time frames for determining compensation involving complex valuations, the Committee notes that 79% of determinations were outside the required timeframe. However, the Committee agrees with the Valuer General that allowance must be made to ensure procedural fairness. The Committee is reassured by the confirmation given in the 2016-17 Annual Report that the Valuer General is working with Valuation Services to improve timeliness.⁸⁶
- 2.38 In light of previous enhancements to the valuation system and processes, the Committee encourages the Valuer General to continue efforts to improve timeliness, particularly for the determination of complex compensation valuations and major infrastructure projects.

⁸¹ Letter from Mr Michael Parker, Acting Valuer General, to Mr Geoff Provest MP, Chair, Joint Standing Committee on the Office of the Valuer General, dated 20 June 2018

⁸² Mr Michael Parker, Acting Valuer General, Answers to Supplementary Questions, 4 October 2018, Question 1, [Answers to Supplementary Questions](#)

⁸³ NSW Valuer General, Annual Report 2016 -17, p27

⁸⁴ NSW Valuer General, Annual Report 2016 -17, p27

⁸⁵ NSW Valuer General, Annual Report 2016 -17, p27

⁸⁶ NSW Valuer General, Annual Report 2016 -17, p32

- 2.39 The Committee notes the Valuer General's discretion to commence work on the determination of compensation prior to compulsory acquisitions, reflected in preliminary work being undertaken in 390 cases, where compensation was ultimately not needed due to agreement being reached between the parties. While recognising the need to be proactive, the Committee retains some concerns that this may have required valuation staff to expend undue time and effort to prepare for all eventualities.
- 2.40 The Committee was pleased to learn that Valuation Services staff meet regularly with the key acquiring authorities and that such meetings have assisted with anticipating the likely outcome of individual cases.⁸⁷ In the Committee's view, there could be positive benefit in arranging a formal detailed consultation process between the Valuer General and the key acquiring authorities to operationalise this arrangement.
- 2.41 Such a mechanism could assist in exploring how information sharing on the progress of negotiations could be improved, as well as discussing other means by which the preparatory work undertaken by the Valuer General could be more precisely focussed on cases where negotiations may not result in an agreement.

Objections and appeals

- 2.42 The Committee agrees that the introduction of preliminary reports for both land value objection reviews and determinations of compensation is a positive development for procedural fairness. It ensures that feedback is sought from stakeholders prior to the Valuer General finalising land valuation and compensation decisions.
- 2.43 The Committee is pleased to note that the outcome of appeals to the Land and Environment Court (L&EC) has continued to improve, with the proportion of allowed appeals decreasing. In particular, the Committee notes the Valuer General's advice that corrections to land values are occurring before the court process through increased opportunity for resolution of issues by way of conferences, as part of the objection review process.⁸⁸
- 2.44 Similarly, the Committee notes that the percentage of objections leading to a change in land value was reduced from 30% in 2015-16 when this performance indicator was introduced, to 22% in the period under review.⁸⁹ This is a promising indication that preliminary consultations, as well as the Valuer General's continuous refinements to quality assurance processes for valuations, are having a positive effect on performance outcomes.

Private valuations

- 2.45 In its report on the Eleventh General Meeting, the Committee stressed the importance of the independence of the Valuer General, particularly in view of the administrative restructuring of the OVG within DFSI. The Committee acknowledges that the Valuer General has taken proactive steps to ensure that potential conflicts

⁸⁷ Mr Goldsmith, Transcript of evidence, 21 September 2018, p17

⁸⁸ NSW Valuer General, Annual Report 2016-17, p29

⁸⁹ NSW Valuer General, Annual Report 2016-17, p57

of interest associated with requests for private valuations relating to properties within DFSI, are managed according to transparent and publicly accountable procedures.

Recommendation 2

The Committee recommends that the Valuer General formalises a consultation process with key acquiring authorities to rank the complexity of negotiations on a risk management basis to prevent unnecessary duplication of effort in delivering compensation for compulsory acquisitions.

Chapter Three – Communication, Liaison and Public Accountability

Public notification of valuations

- 3.1 During 2016-17, more than 2.5 million residential, rural, business and industrial land values were determined by Valuation Services for rating and taxing purposes and delivered to Revenue NSW, Councils and landholders. In addition, Valuation Services delivered around 52,000 supplementary valuations where land was subdivided or materially changed. About 48,000 property sales were analysed as part of the valuation process. The Annual Report confirmed that delivery of notices to landholders was completed between January and May 2017.⁹⁰

Valuer General's Report on NSW Land Values

- 3.2 In January 2017, the Valuer General published his Report on NSW Land Values, as part of a suite of new information products. The Report provided an overview of land values across NSW, including State wide valuation totals and trends, and more detailed information based on the division of the State into 14 regions.⁹¹
- 3.3 At the General Meeting, the Valuer General described his collaboration with the Department of Finance, Services and Innovation (DFSI) media team in developing the media program to support the issuing of valuations for land tax purposes. Mr Gilkes advised that the program, devised in January each year, included a range of communication activities including: media releases; a series of brief videos, which were distributed to media outlets; and a series of local and regional interactive summaries of land values, which were published on the Valuer General's website.⁹²
- 3.4 In January 2018, the Valuer General entered into an agreement with the media intelligence organisation, Isentia for the provision of data to analyse the annual media campaign.⁹³

Liaison

Local Councils

- 3.5 Following the issuing of new land rating values, formal information sessions are arranged by Valuation Services and offered to all local Councils. During the period under review, 61 non-metropolitan and 14 metropolitan Councils attended such sessions, providing information relating to 2016 land values and the valuation system generally.⁹⁴

⁹⁰ NSW Valuer General, Annual Report 2016-17, p25

⁹¹ NSW Valuer General, Annual Report 2016-17, p20

⁹² NSW Valuer General, Transcript of evidence, 21 September 2018, p3

⁹³ The Hon. Victor Dominello MP, Minister for Finance, Services and Property, NSW Government's Response to the Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh Meeting with the Valuer General, 5 July 2018, response to Recommendation 4, [Government-Response](#)

⁹⁴ NSW Valuer General, Annual Report 2016-17, p46

- 3.6 At the Eleventh General Meeting, the Committee was alerted to the variable take-up of offers by metropolitan and regional Councils to participate in information sessions provided by the Valuer General. The Committee recommended that the Valuer General makes further efforts to encourage greater participation by local Councils at information sessions and develops additional public education partnerships at Local Government level. A survey of all Councils was subsequently undertaken to identify how to further improve engagement and communications.⁹⁵
- 3.7 At the public hearing, the Valuer General advised that Local Government feedback had been obtained on the service provided to Councils by Valuation Services and its information sessions. Feedback was also being sought through other avenues, such as consultations with NSW Revenue Professionals, the group representing rates officers in Councils. He confirmed that insights from these surveys and interactions were now informing service improvements.⁹⁶

Revenue NSW

- 3.8 The 2016-17 Annual Report also explained the role of the Valuer General in relation to land tax management. Under the *Land Tax Management Act 1956*, the Valuer General is required to determine specific tax thresholds and related indices. Figures for the 2017 land tax year were published in the Government Gazette on 14 October 2016. The report advised that the Valuer General holds regular liaison meetings with Revenue NSW about the provision of land values for use in the management of land tax.⁹⁷

Multicultural NSW

- 3.9 In response to a previous Committee recommendation,⁹⁸ the Valuer General has worked with Multicultural NSW to improve access to information about the valuation system for people of culturally and linguistically diverse backgrounds.
- 3.10 During the reporting period, the Valuer General added website directions for accessing translating and interpreting services. This was reinforced in letters sent by Valuation Services to landholders and in the provision of a link to the Multicultural NSW translating and interpreting service on the homepage of the Valuer General's website.⁹⁹ On 9 May 2018, the Valuer General provided further written advice that information about the valuation system, translated into 10 languages, could be accessed directly via an icon on the website homepage.¹⁰⁰
- 3.11 At the Eleventh General Meeting, the Valuer General confirmed that information about land values, the valuation and objection processes, and compulsory

⁹⁵ The Hon. Victor Dominello MP, Minister for Finance, Services and Property, NSW Government's Response to the Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh Meeting with the Valuer General, 5 July 2018, response to Recommendations 3 & 4, [Government-Response](#)

⁹⁶ NSW Valuer General, Transcript of evidence, 21 September 2018, pp2-3 and p20

⁹⁷ NSW Valuer General, Annual Report 2016-17, p46

⁹⁸ NSW Parliament, Joint Standing Committee on the Office of the Valuer General, Report on the Tenth General Meeting with the Valuer General, No 1/56, September 2016, Recommendation 8, [Committee-Report](#)

⁹⁹ NSW Valuer General, Annual Report 2016-17, p45

¹⁰⁰ Letter from Mr Simon Gilkes, Valuer General to Mr Geoff Provest MP, Chair, Joint Standing Committee on the Office of the Valuer General, dated 9 May 2018

acquisitions had been translated.¹⁰¹ Mr Gilkes also agreed to explore the use of other strategies with the media team to assist landholders from non-English speaking backgrounds to understand their rights.¹⁰²

Service NSW

3.12 The Eleventh General Meeting Report recommended further development of customer service initiatives in collaboration with other agencies and organisations, and in particular with Service NSW.¹⁰³ During the period under review, the Valuer General contracted Service NSW to design a new digital service for the supply of Notices of Valuation and associated services to support landholders.¹⁰⁴

3.13 The Valuer General confirmed that Service NSW was now working with Valuation Services to develop a program of customer service improvements to be implemented incrementally until 2020.¹⁰⁵

Key improvements in customer relations and services

3.14 Key customer service improvements cited by the Valuer General for the 2016-17 reporting period included: increased access to information; the provision of preliminary reports before finalising decisions; and the implementation of new customer service surveys.¹⁰⁶ In addition, a new valuation portal was introduced on the website from 1 July 2016. This enabled a range of new online services including land value searches; enquiries regarding property sales, addresses and title references; and lodging an objection and updating address information. During the reporting period, all land value searches were provided free of charge.¹⁰⁷

Customer surveys

3.15 The Valuer General advised that four new customer surveys had been implemented during 2016-17. The surveys were to measure: service from the customer service contact centre; the provision of technical advice; the objection process; and a survey for customers who were issued with a determination of compensation when land was compulsorily acquired.¹⁰⁸ At the General Meeting, the Executive Director, Valuation Services, Property NSW, emphasised the customer focus of the organisation.¹⁰⁹ The Valuer General also observed that:

We are very conscious of the need to understand the way our customers are seeing the service.¹¹⁰

¹⁰¹ NSW Valuer General, Transcript of evidence, 21 September 2018, p2

¹⁰² NSW Valuer General in response to The Hon. Ernest Wong MLC, Transcript of evidence, 21 September 2018, p19

¹⁰³ NSW Parliament, Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh General Meeting with the Valuer General, No 2/56, February 2018, Recommendation 5, [Report](#)

¹⁰⁴ NSW Valuer General, Annual Report 2016-17, p51

¹⁰⁵ NSW Valuer General, Transcript of evidence, 21 September 2018, pp10-11

¹⁰⁶ NSW Valuer General, Annual Report 2016-17, p46

¹⁰⁷ NSW Valuer General, Annual Report 2016-17, p20

¹⁰⁸ NSW Valuer General, Annual Report 2016-17, p46

¹⁰⁹ Mr Dennis Szabo, Executive Director, Valuation Services, Property NSW, Transcript of evidence, 21 September, 2018, p8

¹¹⁰ NSW Valuer General, Transcript of evidence, 21 September 2018, p19

- 3.16 Based on survey data in the Annual Report, participation and satisfaction rates indicated overall satisfaction with the telephone service.¹¹¹ A survey to assess satisfaction with the objection process was reported to be fully implemented in the second half of 2017, outside the reporting period.¹¹²
- 3.17 Since being introduced in October 2016, 87 surveys were included with a determination of compensation, with four responses received. The report noted, however, that the single response received for the acquisition of a primary place of residence showed that the former owner was satisfied with the overall level of service.¹¹³
- 3.18 The Annual Report also included information about customer surveys of landholders who chose to have a facilitated conference. During the 2016-17 reporting period, there were 54 facilitated conferences, either face to face or by telephone, of which 11 were completed and returned. Overall, seven landholders had expressed satisfaction with the conduct of the conference, two were neutral and two disagreed.¹¹⁴
- 3.19 Following feedback from landholders participating in facilitated conferences, the Valuer General investigated options to improve information about how valuers determine the added value of improvements when analysing property sales.¹¹⁵ At the General Meeting, the Valuer General advised that Tables have now been published detailing the added values of improvements used by contract valuers in analysing property sales.¹¹⁶

Customer enquiry services

- 3.20 The number of customer enquiry calls handled in 2016-17 totalled 34,428, managed by a specialist customer service team within Valuation Services. During the peak enquiry period when Notices of Valuation were issued to landholders, the telephone service was outsourced. During the period under review, the contracted call centre went into voluntary liquidation, resulting in Valuation Services bringing the service in-house with associated staff reallocation and the addition of temporary staff.¹¹⁷
- 3.21 The Annual Report outlined the top five call types received by the customer services team, with the greatest proportion of calls (23%) being queries about mailing addresses or update requests. The Report also noted the online form, introduced in June 2017, for updating mailing address details in order to improve efficiency and customer service for landholders.¹¹⁸
- 3.22 In addition to telephone enquiries, 8,074 written enquiries were received in the 2016-17 reporting year, with more than half (51%) involving updates to postal

¹¹¹ NSW Valuer General, Annual Report 2016 -17, p46

¹¹² NSW Valuer General, Annual Report 2016 -17, pp46-47

¹¹³ NSW Valuer General, Annual Report 2016 -17, p33

¹¹⁴ NSW Valuer General, Annual Report 2016 -17, p44

¹¹⁵ NSW Valuer General, Annual Report 2016 -17, p44

¹¹⁶ NSW Valuer General, Transcript of evidence, 21 September 2018, p2

¹¹⁷ NSW Valuer General, Annual Report 2016 -17, p42

¹¹⁸ NSW Valuer General, Annual Report 2016 -17, p42

details. The Report noted that 82.7% of written enquiries had been answered within the Valuer General's performance target of 80% within 10 business days. During the reporting year, Valuation Services commenced using an outbound telephone call to resolve enquiries in order to reduce the response time for written enquiries.¹¹⁹

- 3.23 At the General Meeting, the Valuer General advised that email correspondence was increasing. He explained that there was a range of ways in which landholders could make contact with staff and responses were tailored to the landholder's preferred enquiry method. He confirmed that data was captured to analyse responsiveness to enquiries and that performance was generally good. In his view, the greatest challenge in handling enquiries responsively was providing technical information about valuations in plain language to landholders.¹²⁰
- 3.24 Further details regarding written and email enquiries received over the past three reporting periods were provided by the Acting Valuer General following the General Meeting.¹²¹

Performance reporting and risk management

Activity based financial report

- 3.25 Following the Committee's 2013 Inquiry into the Land Valuation System,¹²² the Valuer General adopted an activity-based reporting system, based on IPART cost methodology. The 2016-17 Annual Report's financial activity based reporting system documented overheads and revenue for the reporting period as \$53,194 for all valuations.¹²³ At the General Meeting, the Valuer General confirmed that performance had been within budget and explained that the budget primarily involved Property NSW, which was responsible for the bulk of staff and contractors.¹²⁴

Performance measures

- 3.26 The 2016-17 performance report included a comprehensive table setting out performance measures across the last five reporting years, noting that a total of 3,592,215 valuations were issued for rating and taxing purposes in 2016-17, compared with 1,820,393 in 2015-16. The report noted that this increase was due to the fact that in 2017, Notices of Valuation had been issued for all LGAs in preparation for the proposed Fire and Emergency Services Levy.¹²⁵ The report explained that this had also led to an increase in the number of objections received, reaching 9,306 compared to 7,051 for the previous reporting period.

¹¹⁹ NSW Valuer General, Annual Report 2016 -17, p42

¹²⁰ NSW Valuer General, Transcript of evidence, 21 September 2018, pp18-19

¹²¹ Mr Michael Parker, Acting Valuer General, Answers to Questions on Notice, 4 October 2018, Question 3, [Answers to Questions on Notice](#)

¹²² Legislative Assembly, Joint Standing Committee on the Office of the Valuer General, Report on the Inquiry Into the Land Valuation System and the Eighth General Meeting with the Valuer General, Report 2/55, May 2013, List of Findings and Recommendations, Recommendations 26 & 27, p xvii [Committee-Report](#)

¹²³ NSW Valuer General, Annual Report 2016-17, p53

¹²⁴ NSW Valuer General, Transcript of evidence, 21 September 2018, p11

¹²⁵ NSW Valuer General, Annual Report 2016-17, p57

- 3.27 The report also identified that the implementation of preliminary objection reports, which commenced in February 2017, had impacted on timeframes to finalise objections. The preliminary reporting process allows 28 days for the landholder to review the report and provide feedback.
- 3.28 Preliminary reports were being provided to owners at a rate of 71% within 90 days, 89% within 120 days and 95% within 180 days. In 2016-17, objections received constituted 0.26% of all valuations issued for that reporting year. The time frames for completion of objections were: 55% within 90 days; 86% within 120 days; and 94% within 180 days.¹²⁶
- 3.29 In addition, the report noted that there was a marked reduction in the percentage of objections which led to a change in land value. This was from 30% in 2015-16, when the performance indicator was introduced, to 22% in 2016-17.¹²⁷ Further detailed comment on the financial and performance measures reports were provided by the Acting Valuer General, following the General Meeting.¹²⁸

Risk management

- 3.30 The 2016-17 Annual Report outlined a variety of risk management mechanisms and processes applying during the reporting year. As discussed in Chapter One, oversight provided by the Valuation Joint Steering Committee was supplemented by monitoring of areas of risk relating to land valuations undertaken by the Land Valuation Advisory Group.¹²⁹ The Land Value Improvement Group provided oversight for research into the quality of valuations and the valuation process.¹³⁰ Conflicts of interest were managed as part of the risk management framework and governance arrangements between Valuation Services and the Valuer General.¹³¹
- 3.31 During the reporting period, the performance of contract valuers and the quality of land values was monitored by means of an annual risk based quality assurance program and by system based data integrity checks. The program identified a number of areas of risk and valuation quality deficiencies, which were rectified before acceptance of the valuations onto the Register of Land Values. The program also identified a number of system enhancements and procedural changes to improve valuation quality.¹³²
- 3.32 Contract valuers also undertook a systematic, risk based process of periodically verifying property data and land values as part of the Verification Program. The Annual Report advised that, over the six year period of the current program, all land values in NSW would be verified.¹³³

¹²⁶ NSW Valuer General, Annual Report 2016-17, p57

¹²⁷ NSW Valuer General, Annual Report 2016-17, p57

¹²⁸ Mr Michael Parker, Acting Valuer General, Answers to Supplementary Questions, 4 October 2018, Questions 6 & 7, [Answers to Supplementary Questions](#)

¹²⁹ NSW Valuer General, Annual Report 2016-17, p15

¹³⁰ NSW Valuer General, Annual Report 2016-17, p29

¹³¹ NSW Valuer General, Annual Report 2016-17, p16

¹³² NSW Valuer General, Annual Report 2016-17, p25

¹³³ NSW Valuer General, Annual Report 2016-17, p26

- 3.33 Additional information regarding the quality assurance and verification programs which ensure the accuracy and integrity of the valuation system is provided in Chapter Four.

Best practice

- 3.34 In his foreword to the 2016-17 Annual Report, the Valuer General expressed a commitment to delivering 'a world class valuation system that inspires confidence and trust'. He further stated that:

Our operations are built on a strong professional ethic. We apply best practice methods and monitor our performance against recognised industry standards to ensure our staff and contractors are accountable for the quality of their work.¹³⁴

- 3.35 During the period under review, the International Property Tax Institute (IPTI) held a two-day symposium in Sydney focussing on innovation, adaptation and best practice. The Annual Report advised that the Valuer General had presented a paper on challenges and opportunities in building trust in a mass valuation environment.¹³⁵

- 3.36 At the General Meeting, Mr Gilkes emphasised the importance of transparency and fairness in gaining public trust in the valuation system.¹³⁶ In addition, the Valuer General advised that there was a range of information sources about international best practice available to the OVG. In particular, he cited the usefulness of international benchmarking surveys undertaken periodically by IPTI, which included surveys of transparency as well as benchmarking the valuation system as a whole.¹³⁷

- 3.37 In relation to the adherence of the OVG to best practice performance standards, the Valuer General observed that:

..Our performance in delivering fair and accurate valuations continues to be world class. Statistical measures of valuation quality have remained well within the target bands, while objections to land values and referrals to the court continue to be at low levels.¹³⁸

Changes to Annual Reporting

- 3.38 The foreword to the 2016-17 Annual Report advised that, in response to a previous recommendation,¹³⁹ this was the first stand-alone annual report of the OVG. This contrasts with previous years, when the Valuer General's reporting formed part of the Annual Reports of the Department of Finance, Services and Innovation (DFSI).

¹³⁴ NSW Valuer General, Annual Report 2016-17, p2

¹³⁵ NSW Valuer General, Annual Report 2016-17, p22

¹³⁶ NSW Valuer General, Transcript of evidence, 21 September 2018, p15

¹³⁷ NSW Valuer General, Transcript of evidence, 21 September 2018, p16

¹³⁸ NSW Valuer General, Transcript of evidence, 21 September 2018, p3

¹³⁹ Legislative Assembly, Joint Standing Committee on the Office of the Valuer General, Report on the Inquiry Into the Land Valuation System and the Eighth General Meeting with the Valuer General, Report 2/55, May 2013, List of Findings and Recommendations, Recommendation 25, p xvii [Committee-Report](#)

- 3.39 At the General Meeting, Mr Gilkes commented that the stand-alone report reinforced his independence, as well as increasing the transparency and accountability of the OVG.¹⁴⁰ He confirmed that publication of the stand-alone report would continue annually, with statutory reporting through the DFSI's annual report.¹⁴¹
- 3.40 In further discussion with the Committee, the Valuer General was confident that the availability of information relating to the valuation system in two separate Annual Reports would not be confusing for the public. He believed that the stand-alone Annual Report would be the most useful document for obtaining a comprehensive understanding of the valuation system.¹⁴²

Public access to information, privacy and data sharing

Initiatives taken in the reporting period

- 3.41 The Annual Report highlighted initiatives taken by the Valuer General in the provision of public information. These included: publication of the Valuer General's Report on NSW Land Values; the availability of online interactive land value summaries; and the provision of bulk property sales information from March 2017.¹⁴³ At the General Meeting, the Committee explored measures taken by the Valuer General to protect personal data collected by the valuation system or contained in information about property sales. These matter are discussed later in the Chapter.

Access to information on the internet and data sharing

- 3.42 The Valuer General has continued to provide immediately accessible online land valuation information for use by the general public, Government agencies and industry. In addition to the publication of the Valuer General's Report on NSW Land Values as at 1 July 2016, the Valuer General published interactive summaries for all LGAs and 14 regions across the State.¹⁴⁴ The Annual Report noted that individual LGA summaries attracted 3,452 visitors, compared to 746 users seeking information on regional summaries.¹⁴⁵
- 3.43 From March 2017, bulk property sales information from 1991 onwards was made publicly available in machine readable format to enable further analysis by relevant stakeholders. The Annual Report noted that providing access to bulk property sales data met the NSW Government directive for greater access to government information.¹⁴⁶ It further advised that, since the data was released via the valuation portal, there had been 700 data downloads.¹⁴⁷

¹⁴⁰ NSW Valuer General, Transcript of evidence, 21 September 2018, p2

¹⁴¹ NSW Valuer General, Annual Report 2016-17, p2

¹⁴² NSW Valuer General, Transcript of evidence, 21 September 2018, p8

¹⁴³ NSW Valuer General, Annual Report 2016-17, p20

¹⁴⁴ NSW Valuer General, Annual Report 2016-17, p20

¹⁴⁵ NSW Valuer General, Annual Report 2016-17, p47

¹⁴⁶ NSW Valuer General, Annual Report 2016-17, p20

¹⁴⁷ NSW Valuer General, Annual Report 2016-17, p47

Publications

- 3.44 Five new policies were published in 2016-17, making a total of 30 overall. These policies provide guidance to valuers on valuation methods and practices in relation to a wide range of issues. In addition, the Valuer General conducted an administrative review of 19 policies, with stakeholder consultation being undertaken for all new policies or where amendments were required. During the review, 249 stakeholders were contacted and 12 responses received.¹⁴⁸
- 3.45 During the reporting period, Valuer General newsletters were issued in July 2016 and July 2017 and distributed with Local Council rates notices. In January-February 2017, the Valuer General issued a newsletter in conjunction with the release of Notices of Valuation.¹⁴⁹ In addition, the Annual Report confirmed that a compulsory acquisition brochure and fact sheet had been updated to reflect Government changes to land acquisition processes. The Report further noted that six new fact sheets were published about accessing bulk property sales information.¹⁵⁰
- 3.46 Following publication of the 2016-17 Annual Report, the Valuer General wrote to the Committee advising that a new information sheet on the valuation of domestic waterfront occupancies had been published in May 2018. This publication was developed in response to recommendation 3 of the Committee's 2016 Report on the Tenth General Meeting with the Valuer General.¹⁵¹

Privacy

- 3.47 The 2016-17 Annual Report raised issues relating to the *NSW Privacy and Personal Information Protection Act 1998* (PIIP Act) and its impact on information such as ownership or rate paying lessee details, title details and the value of land held in the Register of Land Values. Under the PIIP Act, the Register of Land Values is a public register.¹⁵²
- 3.48 The Annual Report also advised that the OVG had received a complaint regarding privacy and personal information, but that after investigation, no privacy breach had occurred.¹⁵³ In addition, the Valuer General sought advice from the Crown Solicitor regarding the use of surnames in property sales information and valuations in relation to the *Rookwood Necropolis Act 1901*.¹⁵⁴
- 3.49 At the public hearing, the Valuer General explained that most sales information was supplied as open data with the names of parties removed. For a limited subset of customers, sales information relating to certain non-market transactions, retaining family names, was provided through information brokers. The Valuer General

¹⁴⁸ NSW Valuer General, Annual Report 2016-17, p44

¹⁴⁹ NSW Valuer General, Annual Report 2016-17, p45

¹⁵⁰ NSW Valuer General, Annual Report 2016-17, p45

¹⁵¹ Letter from Mr Simon Gilkes, Valuer General to Mr Geoff Provest MP, Chair, Joint Standing Committee on the Office of the Valuer General, dated 9 May 2018

¹⁵² NSW Valuer General, Annual Report 2016-17, p37

¹⁵³ NSW Valuer General, Annual Report 2016-17, p43

¹⁵⁴ NSW Valuer General, Annual Report 2016-17, p51

confirmed that he had sought the advice of the Crown Solicitor about the need for access controls for the latter category of information.¹⁵⁵

3.50 The Valuer General confirmed that the numbers of privacy complaints were not large. He observed that:

I see it as part of the role of the Valuer General to encourage an open and transparent property market, and in that sense purchase prices are not personal information as such...¹⁵⁶

3.51 In the case of owners' names, he advised that there was a process for suppression of the name in cases where a sound reason was provided. However, the most important item of personal information held by the Register was the address for service of Notices of Valuation to landholders. In general, this was not distributed to other parties, unless there was a clear public benefit to facilitate contact with people by such organisations as rural fire services.¹⁵⁷

3.52 In relation to required data management protocols, the Valuer General confirmed adherence to a DFSI policy, which was followed as a matter of course by the OVG. He expressed the view that this 'seemed to be adequate for the purposes'. In addition, standard online DFSI privacy training was undertaken by all Valuer General and Valuation Services staff, not only as part of an induction program but on an ongoing basis.¹⁵⁸

3.53 In discussion with the Committee, the Valuer General was of the view that it was not necessary for the OVG to have a separate privacy management plan, as was done by some other entities within DFSI. However, he agreed that future annual reports could include privacy as a regular area of comment.¹⁵⁹

Future initiatives

3.54 The Annual Report also foreshadowed initiatives to be undertaken during 2017-18. These included: improving the information and data available in relation to benchmarks for valuations and for determining the value of improvements to properties; initiating an independent review of the quality assurance program for land values; expanding customer feedback options to enable more informed business improvement activities; and the engagement of KPMG by Valuation Services to analyse processes and make recommendations for business improvements.¹⁶⁰ Further information regarding the review undertaken by KPMG is provided in Chapter Four.

¹⁵⁵ NSW Valuer General, Transcript of evidence, 21 September 2018, p11

¹⁵⁶ NSW Valuer General, Transcript of evidence, 21 September 2018, p13

¹⁵⁷ NSW Valuer General, Transcript of evidence, 21 September 2018, p13

¹⁵⁸ NSW Valuer General, Transcript of evidence, 21 September 2018, p14

¹⁵⁹ NSW Valuer General, Transcript of evidence, 21 September 2018, p14

¹⁶⁰ NSW Valuer General, Annual Report 2016-17, p49

Committee Comment

Liaison with Local Government

- 3.55 The Committee welcomes the action taken to date by the Valuer General to explore new modes of liaison with local Councils and, in particular, the dissemination of information to the community when new land values are released.¹⁶¹ The Committee notes that consultations have been initiated with Local Government and other relevant stakeholders and that the OVG has arranged to obtain more detailed media analysis of its public education activities.¹⁶²
- 3.56 The Committee trusts that the OVG will, in due course, receive greater support for its public education activities by Local Government and that there will be more opportunities for landholders to receive information about the land valuation system through a range of sources including their local Councils. The Committee looks forward to receiving a report on the outcome of these efforts at the next General Meeting.

Collaboration in customer service

- 3.57 Following the Eleventh General Meeting, the Committee recommended that the OVG explores the possibility of expanding its customer service capability through linkages with other agencies and organisations, in particular Service NSW.¹⁶³ The Committee is therefore pleased to learn that Valuation Services has initiated detailed consultations with Service NSW to enable property owners to access valuation services and information via Service NSW digital platforms.¹⁶⁴ The Committee looks forward to being updated on developments and the impact on customer service and relations in future annual reports.

Liaison with Multicultural NSW

- 3.58 The Committee acknowledges the positive response of the Valuer General to its recommendation, arising from the Tenth General Meeting, which identified the desirability of displaying links to Multicultural NSW more prominently on key information products, as well as on the Valuer General's website. In May 2018, the Committee was pleased to be notified about a further system development enabling information about the valuation system, translated into 10 languages, to be directly accessed on the homepage of the website.¹⁶⁵ This is a significant

¹⁶¹ NSW Legislative Assembly, Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh General Meeting with the Valuer General, Report 2/56, February 2018, Summary of Recommendations, Recommendations 3 & 4 p ix Committee-Report

¹⁶² The Hon. Victor Dominello MP, Minister for Finance, Services and Property, NSW Government's Response to the Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh Meeting with the Valuer General, 5 July 2018, response to Recommendations 3 & 4 [Government-Response](#)

¹⁶³ NSW Legislative Assembly, Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh General Meeting with the Valuer General, Report 2/56, February 2018, Summary of Recommendations, Recommendation 5 p ix [Committee Report](#)

¹⁶⁴ The Hon. Victor Dominello MP, Minister for Finance, Services and Property, NSW Government's Response to the Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh Meeting with the Valuer General, 5 July 2018, response to Recommendation 5 [Government-Response](#)

¹⁶⁵ Letter from Mr Simon Gilkes, Valuer General to Mr Geoff Provest MP, Chair, Joint Standing Committee on the Office of the Valuer General, dated 9 May 2018

customer service achievement which recognises the diverse cultural backgrounds of the NSW population and of property owners within the NSW community.

- 3.59 Following discussion with the Valuer General at the Twelfth General Meeting, the Committee notes his agreement to consult with media advisors to ensure that media coverage of public information campaigns about the valuation system includes multicultural media groups. The Committee looks forward to receiving an update on further refinements to the Valuer General's multicultural communications strategies at the next General Meeting.

Management of privacy and personal information

- 3.60 The Committee acknowledges that the Register of Land Values is a public register for the purposes of the *NSW Privacy and Personal Information Protection Act 1998*. At the same time, the 2016-17 Annual Report raised a number of instances where particular measures to protect some types of personal information may have been necessary.
- 3.61 The Committee was therefore pleased to receive the Valuer General's assurance that his management of personal information is guided by the DFSI Privacy Management Plan which sets out the statutory principles for the collection, use and disclosure of personal information by NSW public sector agencies.¹⁶⁶ The Committee notes in particular, his assurance that all staff receive ongoing training in the responsible management of personal information.
- 3.62 The Committee is mindful of growing community sensitivity regarding the collection of personal information and the need for reliable measures to ensure that agencies collect personal information for lawful purposes, protected from misuse and unauthorised release. The Committee therefore appreciates receiving the Valuer General's undertaking to address privacy as a regular part of his future annual reporting program. The Committee looks forward to receiving updates on privacy management issues which have arisen during the reporting year as well as the specific measures taken to ensure that personal information held within the valuation system is protected from misuse.

Stand-alone Annual Report

- 3.63 The Committee welcomes the advent of the stand-alone Annual Report providing a comprehensive profile and analysis of the activities of the OVG and Valuation Services. The Committee acknowledges the work of the Valuer General in bringing to fruition a key recommendation arising from the Committee's 2013 Inquiry into the Land Valuation System.¹⁶⁷ The Committee commends the comprehensive editorial content and well-designed tables providing relevant comparative data across a number of years.
- 3.64 The Committee held some concerns that publication of information in the DFSI Annual Report and in the Valuer General's stand-alone Report may be confusing for

¹⁶⁶ NSW Government, Department of Finance, Services and Innovation, Annual Report, pp36-37 [DFSI Annual Report 2016-17](#)

¹⁶⁷ Legislative Assembly, Joint Standing Committee on the Office of the Valuer General, Report on the Inquiry Into the Land Valuation System and the Eighth General Meeting with the Valuer General, Report 2/55, May 2013, List of Findings and Recommendations, Recommendation 25, p xvii [Committee-Report](#)

property owners seeking information about the valuation system. However, the Committee notes the Valuer General's assurance that the OVG has not received any adverse commentary in this regard.

Customer surveys

- 3.65 During the period under review, the Committee notes that a range of customer surveys were conducted by Valuation Services seeking feedback from service users to further improve service delivery. In view of the reported participation and response rates to some surveys appearing to be low, the Committee was therefore pleased to receive confirmation from the Government's Response to the Eleventh General Meeting, that work has commenced to improve online feedback mechanisms on the Valuer General's website.¹⁶⁸
- 3.66 The Committee commends the ongoing efforts of the Valuer General to improve data capture in engagement processes with landholders in order to more precisely analyse their needs and optimise service delivery. The Committee will be interested to receive the Valuer General's evaluation of the impact of the improvements in mechanisms for customer service data collection and analysis in future annual reports and discussions at upcoming General Meetings.

Recommendation 3

The Committee recommends that the Valuer General publishes regular updates in the next Annual Report on any privacy issues resulting from the land valuation system, particularly in relation to the management of personal information and its adherence to the Privacy Management Plan of the Department of Finance, Services and Innovation.

Recommendation 4

The Committee recommends that the Valuer General continues to develop initiatives to assess customer service experience and expands options to receive feedback to better inform future business improvement activities.

Recommendation 5

The Committee recommends that the Valuer General expands multicultural media coverage as part of a future media and community education strategy to ensure that landholders from non-English speaking backgrounds are adequately informed about the land valuation system in NSW, their rights in relation to objections to valuations for rating and taxing, and to compensation in the case of compulsory acquisitions.

¹⁶⁸ The Hon. Victor Dominello MP, Minister for Finance, Services and Property, NSW Government's Response to the Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh Meeting with the Valuer General, 5 July 2018, response to Recommendation 6 [Government-Response](#)

Chapter Four – Contractors, Consultants and Quality Assurance

Contract management and service agreements

Improvements to the contract management system

- 4.1 For the 2016-17 reporting year, the Annual Report highlighted several significant developments in contract management. These included: improved mechanisms for communication with contractors; initiation of a review of the procurement strategy; and a new process of employing single contractors to provide objection review services to specific Local Government Areas (LGAs).¹⁶⁹

Contract management of valuers

- 4.2 The Annual Report described the role of contract valuers as being: to determine land values for rating and taxing for defined geographic regions across NSW; to review objections; and undertake valuation reports for the determination of compensation. Contractors are selected by an open market tender process, complying with strict procurement guidelines for NSW public sector agencies.¹⁷⁰
- 4.3 Contractors are selected from a Valuation Panel for one calendar year, with possible extension for an additional year. The Valuer General reported that, as at 30 June 2017, there were 77 Valuation Panel contractors.¹⁷¹

Performance monitoring of contract valuers

- 4.4 The Annual Report confirmed that monitoring contractor performance is ongoing to ensure timeliness, quality and cost effectiveness. As well as satisfying contractual terms, each contract valuer is required to comply with a range of legislative and regulatory requirements, including the Valuer General's policies and industry codes of professional conduct. At the General Meeting, the Valuer General emphasised that:

Our operations are built on a strong professional ethic. We apply best practice methods and monitor our performance against recognised industry standards to ensure our staff and contractors are accountable for the quality of their work.¹⁷²

- 4.5 During the 2016-17 reporting year, the majority of contractors performed to the required standards. Where standards were not met, there was a structured management process to address the performance issue, including consultation with the contractor. Integrity is preserved by ensuring that contractors who review objections are independent of the original valuation process.¹⁷³

¹⁶⁹ NSW Valuer General Annual Report 2016-17, pp39-40

¹⁷⁰ NSW Valuer General Annual Report 2016-17, p39

¹⁷¹ NSW Valuer General, Annual Report 2016 -17, p39

¹⁷² NSW Valuer General, Transcript of evidence, 21 September 2018, p3

¹⁷³ NSW Valuer General, Annual Report 2016 -17, p39

- 4.6 At the General Meeting, there was further discussion about the adequacy of measures to discipline contractors in cases where there was a failure to observe conflict of interest procedures.¹⁷⁴ The Committee's recommendation regarding the strengthening of penalties is detailed in Chapter One. At the General Meeting, the Valuation Manager, Rating and Taxing, Valuation Services informed the Committee about a new method of monitoring and rating performance contractors, implemented in new contracts from 1 March 2019. He explained that :

...Any failures of the contractors to meet their contractual requirements are scored and reductions in score occur across the board. The intent there is that each of the contractors can be banded across to be able to measure their performance against one another. Looking forward next year to introducing that, it will allow a much better process comparing one contractor to another.¹⁷⁵

- 4.7 The Government Response to the Committee's Report on the Eleventh General Meeting indicated that the Valuer General had commenced the development of a customer service training and certification module, as part of a proposed accreditation process for contract valuers. This project had been undertaken in collaboration with the Australian Property Institute and the Royal Institute of Chartered Surveyors. The Government Response noted that the certification will be considered by Valuation Services in the future engagement of contract valuers.¹⁷⁶

Valuer contracts issued during the reporting year

- 4.8 The Annual Report advised that 41 rating and taxing contracts were in operation, with 19 contractors providing services during 2016-17. Five contract extensions of one year were granted, pending a review of the procurement strategy as a whole. Prior to negotiating the extensions, consultation occurred with NSW Procurement and individual reviews were undertaken to ensure performance standards had been met.¹⁷⁷

Single objection contractor program

- 4.9 In January 2017, a program was introduced to engage a single objection contractor to provide objection review services to specific LGAs, which in 2017 covered 105 of 152 LGAs. The Valuer General explained that the aim of this initiative was to improve efficiency, value for money, consistency of objection outcomes and contractor performance. He advised that early program outcomes had been positive, including an average reduction of 11 days in the time taken by Valuation Services to process the objection and three days for the contractor to review the objection. In addition, there was a reduction of \$63.00 in cost per objection.¹⁷⁸

¹⁷⁴ NSW Valuer General, Transcript of evidence, 21 September 2018, pp9-10

¹⁷⁵ Mr Paul Chudleigh, Valuation Manager, Rating and Taxing, Valuation Services, Property NSW, Transcript of evidence, 21 September 2018, p10

¹⁷⁶ The Hon. Victor Dominello MP, Minister for Finance, Services and Property, NSW Government's Response to the Joint Standing Committee on the Office of the Valuer General, Report on the Eleventh Meeting with the Valuer General, 5 July 2018, response to Recommendation 5, [Government-Response](#)

¹⁷⁷ NSW Valuer General, Annual Report 2016 -17, p39

¹⁷⁸ NSW Valuer General Annual Report 2016-17, pp39-40

Improved communications with contract valuers

- 4.10 During 2016-17, Valuation Services improved communication with contractors through surveys, group liaison meetings and individual consultations. In addition, the Valuer General delivered a number of presentations at contractor liaison meetings. These focussed, in particular, on building the trust of the community through the provision of professional, fair and customer driven services.¹⁷⁹ The Annual Report also noted that, as part of an improved procurement process introduced in December 2016, a contractor portal was established to enable more efficient engagement and document exchange with contractors.¹⁸⁰

Financial report on contractors and consultants

- 4.11 The financial reporting section of the Annual Report provided tables setting out details of consultants and contractors and the purpose of the services commissioned by Valuation Services and the OVG during 2016-17.¹⁸¹
- 4.12 The tables demonstrated that a total of nine services were provided to Valuation Services and the OVG by consultants or contractors, including: management services by KPMG; project management; Crown Solicitor's services; quality assurance of valuation data by Western Sydney University; and call centre staffing arrangements. The Annual Report noted that the total expenditure on contractors and consultants by the OVG in 2016-17 was \$82,000.¹⁸²

Quality assurance

The quality assurance program

- 4.13 Land values provided by valuation contractors are quality assured by Valuation Services before the land values are entered on the Register of Land Values, with formal quality assurance audits undertaken in each LGA. The performance of contract valuers and the quality of the land values are monitored through an annual risk based quality assurance program and system based data integrity checks.¹⁸³
- 4.14 In addition, valuation uniformity and accuracy are tested against a range of statistical requirements. The Valuer General observed that the level of statistical compliance has been improving over a number of years and was above targets for all major property types. The Annual Report included specific performance outcomes for statistical compliance in its performance report.¹⁸⁴
- 4.15 During 2016-17, the formal quality assurance program was managed by Valuation Services and overseen by the Valuation Joint Steering Committee. Monitoring activities undertaken during the reporting period included: auditing of values in LGAs; sales analysis; parallel reviews to check mass valuation outcomes and

¹⁷⁹ NSW Valuer General Annual Report 2016-17, p40

¹⁸⁰ NSW Valuer General Annual Report 2016-17, p33

¹⁸¹ NSW Legislative Assembly, Joint Standing Committee on the Office of the Valuer General, Report on the Tenth General Meeting with the Valuer General, Report 1/56, September 2016, List of Findings and Recommendations, Recommendation 6 p vi [Committee-Report](#)

¹⁸² NSW Valuer General Annual Report 2016-17, p51

¹⁸³ NSW Valuer General Annual Report 2016-17, p25

¹⁸⁴ NSW Valuer General, Annual Report 2016 -17, pp25 & 56

processes; and reviews of contractors' final reports before publication on the Valuer General's website.¹⁸⁵

- 4.16 The Annual Report advised that the quality assurance program had identified a number of areas of risk and valuation quality deficiencies, which were rectified before valuations were accepted and entered on the Register of Land Values. The program also identified a number of system enhancements and procedural changes which would improve valuation quality. These included new data integrity checks and delivery exception reports. Technical instructions were also amended to provide better direction to contract valuers.¹⁸⁶
- 4.17 In addition to the quality assurance program, the Annual Report referred to the role of the Land Value Improvement Group, which oversaw research into the quality of valuations and the valuation process. Activities undertaken by this Group included: consideration of reports on objections and land valuations by Western Sydney University for previous years; a project for improvement of methodologies used in complex land valuations; staff training; and transition arrangements for the independent checking of valuations following the conclusion of the contract with Western Sydney University.¹⁸⁷
- 4.18 At the General Meeting, the Valuer General expressed the view that the performance of the NSW valuation system in delivering fair and accurate valuations continues to be world class. He advised that statistical measures of valuation quality have remained well within the target bands and noted that this was supported in a recent review by adjunct Professor John Macfarlane of Western Sydney University who stated that:

I believe the statutory land values produced in NSW meet and exceed international standards and there are very few jurisdictions which produce statutory valuation outcomes of a comparable high quality.¹⁸⁸

Verification program

- 4.19 During the reporting period, further assurance that the NSW valuation base remained sound was provided by the Verification Program. This required contract valuers to undertake a systematic, risk based process of periodically verifying property data and land values. The Annual Report noted that the program commenced in 2006 and, following improvements made in 2012, was extended until 2018.
- 4.20 The Report confirmed that, during the six years of the current verification program, all land values in NSW would be verified and that properties identified as having higher risk of valuation error are verified more regularly. The Report also included a table indicating the annual verification targets and outcomes for 2016-17.¹⁸⁹ Further

¹⁸⁵ NSW Valuer General Annual Report 2016-17, p25

¹⁸⁶ NSW Valuer General Annual Report 2016-17, p25

¹⁸⁷ NSW Valuer General, Annual Report 2016 -17, p29

¹⁸⁸ NSW Valuer General, Transcript of evidence, 21 September 2018, p3

¹⁸⁹ NSW Valuer General, Annual Report 2016 -17, p26

information about the verification program was provided by the Acting Valuer General following the General Meeting.¹⁹⁰

Internal and external reviews

- 4.21 In addition to the quality assurance program, the Valuer General reported on several internal and external reviews to further strengthen the effectiveness of quality assurance and the efficiency and effectiveness of business operations initiated during the 2016-17 year.

Western Sydney University

- 4.22 A research agreement with Western Sydney University expired on 31 December 2016, whereby the University had provided independent validation of the quality of the valuations on the Register of Land Values over a number of years. This involved reviewing and reporting to the Valuer General on data delivered by valuation contractors, as well as their analytical activities in relation to objections and the property market.¹⁹¹
- 4.23 The Annual Report advised that the Land Value Improvement Group, which oversaw research into the quality of valuations and the valuation process, was considering transitional arrangements following the end of the contract with Western Sydney University.¹⁹² Further details regarding the arrangements for independent monitoring were provided by the Acting Valuer General following the General Meeting.¹⁹³

Independent Audit Bureau (IAB)

- 4.24 The Annual Report confirmed that action had also been taken to respond to an outstanding recommendation from a review of quality assurance activities conducted by the Internal Audit Office (IAB) in 2014. The Report advised that Valuation Services would engage a contractor to review quality assurance activities and develop efficiency and effectiveness benchmarks, as recommended by the IAB Report.¹⁹⁴

KPMG

- 4.25 The Annual Report advised that KPMG had been engaged from June 2017 to analyse current processes and make recommendations for business improvements. This project would involve the development of training manuals, as well as providing a road map of priorities for the future.¹⁹⁵ At the General Meeting, Valuation Services confirmed that KPMG had reported on its review, which included

¹⁹⁰ Mr Michael Parker, Acting Valuer General, Answers to Supplementary Questions, 4 October 2018, Question 2, [Answers to Supplementary Questions](#)

¹⁹¹ NSW Valuer General Annual Report 2016-17, p26

¹⁹² NSW Valuer General Annual Report 2016-17, p29

¹⁹³ Mr Michael Parker, Acting Valuer General, Answers to Supplementary Questions, 4 October 2018, Question 3, [Answers to Supplementary Questions](#)

¹⁹⁴ NSW Valuer General Annual Report 2016-17, p27

¹⁹⁵ NSW Valuer General, Annual Report 2016 -17, p49

recommendations about the rating and taxing quality assurance process, and that the recommendations had been implemented.¹⁹⁶

Service Level Agreements and Memoranda of Understanding

- 4.26 Services provided to the Valuer General by Valuation Services are formalised through a Service Level Agreement (SLA) between the Valuer General and the Property and Advisory Group, which includes Valuation Services as a division of the Department of Finance, Service and Innovation (DFSI). The Annual Report confirmed that this agreement is reviewed and renegotiated annually.¹⁹⁷
- 4.27 During the period under review, an SLA was also negotiated with the Chief Commissioner of State Revenue for the period from 1 July 2017 to 30 June 2018. In addition, new agreements in the form of Memoranda of Understanding, were negotiated within DFSI with Spatial Services and with the Registrar General. The Annual Report explained that this was to formalise the ongoing delivery of services, previously provided by Land and Property Information before the restructuring in 2016.¹⁹⁸

Committee Comment

Improvements to the contract management system

- 4.28 The Committee welcomes the steps taken by the Valuer General to improve the management of valuation contractors, particularly the review of the procurement system and the introduction of the single objection contractor program. The Committee agrees with the Valuer General that the integrity of the contract management system and the performance of contract valuers are crucial factors in maintaining the confidence of NSW landholders in the services provided by the Valuer General.
- 4.29 The adequacy of penalties for breaches of conflict of interest remained a cause of Committee concern, however. In Chapter One of this report, the Committee proposes a method of strengthening discipline for contractors who fail to comply with contract requirements. As noted at the General Meeting, the loss of a valuation contract should itself be a deterrent for failure to comply with conflict of interest requirements.¹⁹⁹
- 4.30 In this regard, the Committee was pleased to be informed of a new scorecard system for monitoring the performance of contractors, currently being trialled. At the General Meeting, the Committee was told that the system will commence on 1 March 2019 for new contracts.²⁰⁰
- 4.31 The Committee trusts that future annual reporting will provide regular updates on the effectiveness of the scorecard system. In the view of the Committee, it is

¹⁹⁶ Mr Dennis Szabo, Executive Director, Valuation Services, Property NSW, NSW Valuer General, Transcript of evidence, 21 September 2018, p20

¹⁹⁷ NSW Valuer General, Annual Report 2016 -17, p15

¹⁹⁸ NSW Valuer General, Annual Report 2016 -17, p15

¹⁹⁹ Mr Stephen Kamper MP, Transcript of evidence, 21 September 2018, p10

²⁰⁰ Mr Paul Chudleigh, Valuation Manager, Rating and Taxing, Valuation Services, Property NSW, Transcript of evidence, 21 September 2018, p10

essential that the Valuer General takes the necessary measures to ensure full compliance with all contractual requirements. The Committee is mindful that compliance of contractors, particularly for conflict of interest requirements, is a vital element in maintaining the ethical integrity of the valuation system.

Quality assurance and verification of land values

- 4.32 The Committee acknowledges the efforts made by the Valuer General during 2016-17 to ensure the probity and technical validity of the NSW land valuation system. In addition to ensuring excellence in the performance of contractors, the Valuer General carries a significant responsibility for ensuring that the quality assurance program for valuations is robust. The Committee is pleased to learn that areas of risk and quality deficiencies identified during the reporting period were rectified before valuations were accepted onto the Register of Land Values.²⁰¹
- 4.33 In relation to the verification of land values, the Committee notes the assurance provided in the Annual Report that all NSW land values would be verified by the conclusion of the six year verification program in 2018.²⁰²The Committee acknowledges the centrality of the Valuer General's quality assurance and verification programs in underpinning the integrity of the Register of Land Values entries. The Committee urges the Valuer General to continue to review land valuation methodologies and quality assurance measures, and provide regularly updated information to NSW landholders about improvements to these programs.

Internal and external reviews

- 4.34 The Committee notes the conclusion of the service arrangement with Western Sydney University, which conducted external reviews of valuations. The Committee looks forward to receiving further information in the next Annual Report regarding ongoing arrangements for internal and external review mechanisms to support the valuation system.

Service Level Agreements and Memoranda of Understanding

- 4.35 The Committee endorses the actions of the Valuer General in ensuring that services provided to or received from other relevant areas of activity within DFSI and with external entities such as Revenue NSW, are formalised by written agreement and periodically reviewed. In the view of the Committee, these written agreements are a noteworthy improvement in transparency and accountability in the provision and exchange of services between the Valuer General and other organisations.

Recommendation 6

The Committee recommends that the Valuer General continues to review land valuation methodologies and techniques of quality assuring land values and provides regularly updated information to NSW landholders about improvements to quality assurance and verification programs.

²⁰¹ NSW Valuer General Report 2016-17, p24

²⁰² NSW Valuer General Report 2016-17, p26

Appendix One – Witnesses

Witness	Organisation
Mr Simon Gilkes, Valuer General	Office of the NSW Valuer General
Mr Michael Parker, Deputy Valuer General	Office of the NSW Valuer General
Mr Dennis Szabo, Executive Director Valuation Services	Property NSW
Mr Neville Paul Goldsmith, A/Director Compensation Program, Valuation Services	Property NSW
Mr Paul Chudleigh, Valuation Manager Rating and Taxing, Valuation Services	Property NSW

Appendix Two – Extracts from Minutes

MINUTES OF MEETING NO. 11

9:15am, Friday 21 September 2018
Macquarie Room, Parliament House

Members Present

Mr Geoff Provest (Chair), Mr Stephen Kamper, Ms Natalie Ward, Mr Ernest Wong

Officers in Attendance

Bjarne Nordin, Jacqueline Isles, Derya Sekmen

The Chair commenced the meeting at 9:19am.

1. Apologies

Mr Kevin Humphries (Deputy Chair)

2. Confirmation of Minutes

Resolved, on the motion of Mr Wong : That the minutes of meeting No. 10 held on 7 February 2018 be confirmed.

3. ***

4. Hearing on the Twelfth General Meeting with the Valuer General

Resolved, on the motion of Ms Ward, that the Committee adopts the following standard resolutions for the conduct of the public hearing on 21 September 2018:

- That the Committee permits audio-visual recording, photography and broadcasting of the public hearing.
- That the corrected transcript of evidence given on 21 September 2018 be authorised for publication and uploaded on the Committee’s website.
- That witnesses be requested to return answers to questions taken on notice and any further questions within 14 days of the date on which the questions are forwarded to the witness, and that once received, answers be published on the Committee’s website.
- That documents tendered during the public hearing be accepted by the Committee and published on the Committee’s website.

5. ***

6. Adjournment

The Committee adjourned at 9.25am to conduct a public hearing.

7. Public Hearing - Twelfth General Meeting with the Valuer General

The Chair opened the public hearing at 9:29am.

Witnesses and the public were admitted.

The following witnesses were affirmed and examined:

- Mr Simon Gilkes, Valuer General, Office of the Valuer General
- Mr Michael Parker, Deputy Valuer General, Office of the Valuer General

The following witnesses were affirmed and examined:

- Mr Dennis Szabo, Executive Director, Valuation Services, Property NSW
- Mr Paul Chudleigh, Valuation Manager, Rating and Taxing, Valuation Services, Property NSW
- Mr Paul Goldsmith, A/Director, Compensation Program, Valuation Services, Property NSW

Evidence concluded, the witnesses withdrew.

8. Next meeting

The committee adjourned at 11:44am until a time and date to be determined.

MINUTES OF MEETING NO. 12

1:00pm, Tuesday, 13 November 2018

Room 1043, Parliament House

Members Present

Mr Geoff Provest (Chair), Mr Stephen Kamper, Ms Natalie Ward

Officers in Attendance

Bjarne Nordin, Jacqueline Isles, Derya Sekmen

The Chair commenced the meeting at 1:08pm.

1. Apologies

Mr Kevin Humphries (Deputy Chair)
Mr Ernest Wong

2. Confirmation of Minutes

Resolved, on the motion of Mr Kamper: That the minutes of meeting No. 11 held on 21 September 2018 be confirmed.

3. Report on the Twelfth General Meeting with Valuer General – Consideration of Chair's Draft Report (previously circulated)

- Resolved, on the motion of Ms Ward that the Committee considers the Chair's draft report as circulated.
- Resolved, on the motion of Mr Kamper that the Committee adopts the draft report and signed by the Chair for presentation to the House, and authorises Committee staff to make appropriate final editing and stylistic changes as required.
- Resolved, on the motion of Ms Ward that once tabled the report be published on the Committee's webpage.

4. ***

5. Next meeting

The committee adjourned at 1:10pm, sine die.

