Joint Standing Committee on the Office of the Valuer General



PARLIAMENT OF NEW SOUTH WALES

# Fifteenth 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

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# Chair's foreword

I am pleased to present the Committee's review of the Annual Report of the Office of the Valuer General NSW (VGNSW). As an oversight committee, the Joint Standing Committee on the Office of the Valuer General is responsible for monitoring the functions of VGNSW. The Valuer General's authority and jurisdiction is outlined in the Valuation of Land Act 1916 (the Valuation of Land Act) and the Land Acquisition (Just Terms Compensation) Act 1991 (the Land Acquisition Act).

The Valuation of Land Act sets out the functional responsibilities and legislative authority of the Valuer General in relation to the valuation of land and as custodian of the Register of Land Values. The Land Acquisition Act empowers the Valuer General to determine compensation values for land subject to compulsory acquisition.

The Committee's oversight of VGNSW focuses on the administration of the land valuation system in NSW. This includes monitoring the current methodologies used for valuation in NSW, arrangements for the contracting of valuation services, and the overall standard of valuations. The Committee found that VGNSW has fulfilled its responsibility in administering this important scheme for managing land in NSW, and has carried out its functions in line with the legislation in a manner consistent with community expectations for quality land valuation services.

Further, the Committee recognises that VGNSW has undertaken significant projects during the reporting period, including several successful process change initiatives. Examples of other projects include examining how bushfires and other natural disasters impact land values, and establishing a framework for just terms compensation that takes into account cultural loss. These projects have involved extensive community engagement, and aim to provide individuals with fair and accurate valuations. This requires that valuations are both quality assured for consistency, and also reflect a range of relevant cultural or physical circumstances.

The Committee recognises that there is still work to be done in ensuring valuations meet community and market expectations. We recommend that VGNSW continues to monitor and report on the implementation of its own research as well as external reports and recommendations, in particular those made by the International Property Tax Institute following their benchmark comparison of the NSW valuation system.

The Committee heard evidence at the public hearings about difficulties in communication between VGNSW and the Department of Planning and Environment (the Department). There have been a number of issues ongoing since the previous annual review. The Committee recommends that VGNSW continues to work with the Department to find optimal ways of managing operational matters, while ensuring that the land valuation system, particularly its public-facing functions, maintains both integrity and accessibility.

The Committee thanks the Valuer General, the staff from VGNSW, and the Department for their participation in the two public hearings. The Committee is also pleased to acknowledge the hard work of the Committee staff at each stage of this review.

The Hon Scott Farlow MLC

Chair

# Findings and recommendations

Finding 1	1
The Office of the Valuer General NSW has fulfilled its functions and for specified in the <i>Valuation of Land Act 1916</i> and the <i>Land Acquisition (Just Act 1991.</i>	
Recommendation 1	g
That the Office of the Valuer General NSW align the processes for managi for internal staff and contract valuers, to ensure the transparent and tithese conflicts.	~
Recommendation 2	13
That the Office of the Valuer General NSW continue to work with the Deand Environment to improve communication with the public about land watters.	
Recommendation 3	15
That the Office of the Valuer General NSW monitor the communimplementation of, the cultural loss review, and provide a summary of fin Reports.	

# Chapter One – Governance and administration of the valuation system

# Finding 1

The Office of the Valuer General NSW has fulfilled its functions and followed the principles specified in the *Valuation of Land Act 1916* and the *Land Acquisition* (Just Terms Compensation) Act 1991.

# Role of the Valuer General and fulfilment of functions

- The Valuer General is an independent statutory officer appointed by the Governor of NSW. The Valuer General is charged with overseeing the valuation system, the provisioning of land values for rating and taxing purposes, and determining compensation for land compulsorily acquired by the government. The Valuer General is supported by the Office of the Valuer General, which is presently known by the acronym VGNSW. The current Valuer General is Dr David Parker, who was appointed on 20 January 2020 for a term of seven years.
- 1.2 The Committee found that the Valuer General has fulfilled his functions satisfactorily under both Acts by delivering accurate and timely valuation services for land holders and government. Additionally, he has contributed more broadly to the valuation system by undertaking a number of significant reviews and projects that will have an ongoing impact on how land is valued in NSW.
- 1.3 The Valuation of Land Act 1916 (Valuation of Land Act) sets out the functional responsibilities and legislative authority of the Valuer General in relation to the valuation of land and as custodian of the Register of Land Values. The Land Acquisition Act (Just Terms Compensation) Act 1991 (Land Acquisition Act) provides for the further function of the Valuer General to determine compensation values for land subject to compulsory acquisition under the Land Acquisition Act.
- 1.4 The Valuer General is independent from VGNSW, and does not directly employ staff because the NSW Constitution prevents statutory officers from direct hiring. VGNSW is instead staffed by people employed by the Department of Planning and Environment (the Department).
- 1.5 This independence of the Valuer General ensures a clear separation between the impartial land valuation process and the use of valuations by state and local government for levying rates and taxes or determining compensation following the compulsory acquisition of land.

# Changes to the legislative and operational environment

# **Organisational structure**

1.6 On 20 January 2020, the Office of the Valuer General and Valuation Services were merged to form Valuer General NSW (VGNSW). There is limited reporting on

governance matters relating to the new merger and organisational structure in the 2020-21 Annual Report.

- 1.7 The Committee recommended in its 2019-20 review that VGNSW undertake further consultation with staff and relevant stakeholders to finalise optimal operational arrangements under the merged structure. This recommendation was made after the close of the 2020-21 reporting period, and there is no direct response to this recommendation in the 2020-21 Annual Report. However, the Committee heard evidence at the two public hearings that a comprehensive staffing restructure has now been finalised following an extensive consultation process undertaken in mid-2022. Implementation of the new structure began in September 2022.<sup>2</sup>
- 1.8 During the reporting period, VGNSW used specialist teams to manage each of its core business units that process objections, determinations of compensation for compulsory acquisition, and special valuations. The Annual Report noted that workloads for these teams were variable over the course of the year.<sup>3</sup>
- 1.9 Since September 2022, a new flexible workforce model is being implemented as a result of the restructure. The new model, described by the Valuer General as a 'responsive valuation practice', will see staff trained and utilised across all three teams according to the business needs of VGNSW.<sup>4</sup>
- 1.10 The new model aims to improve timeliness of processing objections and just terms compensation determinations, as delays are mainly caused by the limited availability of specialist staff under peak loads. Specific timeframes for processing are specified in the Valuation of Land Act and the Land Acquisition Act. VGNSW is currently not meeting these benchmarks.
- 1.11 VGNSW is also partway through implementing a new risk-based performance management system. This will link staff performance measures to the VGNSW risk management framework in addition to its existing measures for operational matters. The goal of this system is to improve service delivery in the context of known risks while ensuring that the highest standards of integrity, public confidence and trust are upheld. The new system will be managed through the existing MyTalent plan platform, and reporting will commence against the new system once all of the 2022-23 Talent plans are in place.<sup>6</sup>

<sup>&</sup>lt;sup>1</sup> Joint Standing Committee on the Office of the Valuer General, <u>Fourteenth General Meeting with the Valuer General</u>, Report 2/57 November 2021, Recommendation 1, p <u>12</u>.

<sup>&</sup>lt;sup>2</sup> Dr David Parker, Valuer General, Valuer General NSW, <u>Transcript of evidence</u>, 28 September 2022, p <u>4</u>; Mr Leon Walker, Deputy Secretary for Homes, Property and Development, Department of Planning and Environment, <u>Transcript of evidence</u>, 3 November 2022, pp <u>3-4</u>.

<sup>&</sup>lt;sup>3</sup> Valuer General NSW, <u>Annual Report 2020-21</u>, NSW Government, 29 October 2021, p <u>55</u>.

<sup>&</sup>lt;sup>4</sup> Valuer General, <u>Transcript of evidence</u>, p <u>3</u>; <u>Annual Report 2020-21</u>, p <u>55</u>.

<sup>&</sup>lt;sup>5</sup> The processing time for a notice of determination to be issued following an objection under the <u>Valuation of Land Act 1916</u>, <u>s 35C</u>, is 90 days; the processing time for a just terms compensation notice to be given under the <u>Land Acquisition (Just Terms Compensation) Act 1991</u>, <u>s 42</u>, is 45 days.

<sup>&</sup>lt;sup>6</sup> Annual Report 2020-21, p <u>55</u>; Valuer General, <u>Transcript of evidence</u>, p <u>3</u>.

# Relationship of the Valuer General with VGNSW staff and the Department

- 1.12 In its 2019-20 review, the Committee reported on staffing arrangements at VGNSW. During that review period, the Valuer General was limited to having contact only with certain staff.<sup>7</sup>
- 1.13 The Committee notes that this arrangement has continued in the current reporting period. The Valuer General is permitted to have contact with approximately eight staff members, who then liaise further with other employees of VGNSW as necessary.<sup>8</sup>
- 1.14 The Committee further notes that three investigations have now been carried out into the Valuer General's conduct since Dr Parker's tenure began.<sup>9</sup>
- 1.15 The Valuer General gave evidence at the first public hearing that these investigations had taken 'a significant toll on [his] psychological wellbeing'. <sup>10</sup> Further, he reported that he felt unsupported in the exercise of his duties as a statutory officer by the Department. The Valuer General informed the Committee that he considers that the Department has failed to collaborate effectively with him. He argued that the Department has delayed or blocked the implementation of initiatives to improve operational matters within VGNSW, including by failing to employ adequately skilled and trained staff. <sup>11</sup>
- 1.16 The Department gave evidence at the second public hearing about the three investigations into Dr Parker's conduct. The first two investigations substantiated matters including the 'bullying and intimidation of VGNSW staff'. The third, a work health and safety inquiry, concluded that 'Dr Parker's conduct had created a risk to the psychological health of VGNSW staff'. 13
- 1.17 The Department stated that it has not sought to adversely impact the Valuer General in his capacity to fulfil his role as an independent statutory officer. The Department also informed the Committee that it takes seriously its obligation to provide a duty of care to its staff and to ensure their health, safety and wellbeing. 14
- 1.18 The Committee has observed that the relationship between Dr Parker and the Department has become strained. The Committee supports the Department in seeking to protect the health and wellbeing of its staff, while also upholding the independence and integrity of the Valuer General and a world-class valuation service.

<sup>&</sup>lt;sup>7</sup> Fourteenth General Meeting with the Valuer General, p 3.

<sup>&</sup>lt;sup>8</sup> Dr David Parker, Valuer General, Valuer General NSW, <u>Answers to Questions on Notice</u>, p <u>6</u>.

<sup>&</sup>lt;sup>9</sup> Mr Walker, <u>Transcript of evidence</u>, p <u>4</u>.

<sup>&</sup>lt;sup>10</sup> Valuer General, <u>Transcript of evidence</u>, p <u>4</u>.

<sup>&</sup>lt;sup>11</sup> Valuer General, <u>Transcript of evidence</u>, pp <u>3-4</u>, <u>14</u>.

<sup>&</sup>lt;sup>12</sup> Mr Walker, <u>Transcript of evidence</u>, p <u>4</u>.

<sup>&</sup>lt;sup>13</sup> Mr Walker, <u>Transcript of evidence</u>, p <u>4</u>.

<sup>&</sup>lt;sup>14</sup> Mr Walker, <u>Transcript of evidence</u>, p <u>4</u>.

# Relationships with other agencies

# **State Revenue and NSW Land Registry Services**

- 1.19 A three year service level agreement is in place between the Chief Commissioner of State Revenue and the Valuer General, which will apply until 2024. 15
- 1.20 A memorandum of understanding is in place between the Valuer General, the Registrar General and NSW Land Registry Services. NSW Land Registry Services provides services to the Valuer General that were previously undertaken by Land and Property Information.<sup>16</sup>

### **Local Councils and Revenue NSW**

- 1.21 VGNSW provides contracted valuation services to local councils and Revenue NSW for use in the calculation of rates and land tax. In 2020-21, VGNSW delivered approximately 2.64 million valuations to councils and Revenue NSW.<sup>17</sup>
- During the same period, approximately 47,000 supplementary valuations were delivered to local councils and Revenue NSW to account for land that was subdivided, amalgamated or materially changed.<sup>18</sup>
- 1.23 VGNSW also conducted 24 liaison meetings with local councils to discuss the 1 July 2020 land values, and dealt with 495 written council enquiries. <sup>19</sup>
- 1.24 The Committee recommended in its 2019-20 review that the responsible Ministers require councils to reimburse VGNSW for the provision of a determination in relation to compulsorily acquired land. <sup>20</sup> The Committee is pleased to note that the Annual Report provides information on fees charged to councils for valuations, which are in line with IPART's determination on appropriate pricing. <sup>21</sup> However, the Committee notes that no comparable fees are reported for the provision of determinations.

<sup>&</sup>lt;sup>15</sup> Annual Report 2020-21, p <u>11</u>.

<sup>&</sup>lt;sup>16</sup> Annual Report 2020-21, p 11.

<sup>&</sup>lt;sup>17</sup> Annual Report 2020-21, p 31.

<sup>&</sup>lt;sup>18</sup> Annual Report 2020-21, p <u>31</u>.

<sup>&</sup>lt;sup>19</sup> Annual Report 2020-21, pp 46, 54.

<sup>&</sup>lt;sup>20</sup> Fourteenth General Meeting with the Valuer General, Recommendation 2, p <u>12</u>.

<sup>&</sup>lt;sup>21</sup> Annual Report 2020-21, p <u>60</u>.

# Chapter Two – Service delivery and stakeholder relations

# **Service delivery**

- The Committee acknowledges the work undertaken by the Office of the Valuer General NSW (VGNSW) to increase efficiency and improve the timeliness of service delivery in this reporting period. VGNSW has thoroughly reviewed its systems and executed a number of ambitious change management programs, including programs to optimise the objection and compensation determination management processes.
- 2.2 The Committee commends the responsiveness of VGNSW to the Committee's 2019-20 review, which recommended that VGNSW monitor the systems used to deliver its core services, restructuring processes and employing new technology where required.<sup>22</sup>

# **Objections by landholders**

- 2.3 If a landholder disagrees with the land value or land data on the Notice of Valuation or land tax assessment issued to them by VGNSW, they can lodge an objection. When an objection is received by VGNSW, they are required to review the decision under section 35B of the *Valuation of Land Act 1916* (Valuation of Land Act).
- To safeguard procedural fairness, the land value is reviewed by a valuer who did not make the original valuation. The information the landholder provides when making their objection is reviewed, and if necessary, adjustments are made. If a landholder is unsatisfied with the outcome of the determination of their objection, they can then lodge a further appeal in the Land and Environment Court.
- 2.5 The land category that had the largest number of objections during the reporting period was residential land, accounting for 46 per cent of the total number of objections processed.<sup>23</sup> Across all categories, 29.4 per cent of objections resulted in a change to land value at the determination stage.<sup>24</sup>
- 2.6 VGNSW undertook a review of its systems and processes during the reporting period with the aim of reducing the time taken to process objections. Following this review, immediate changes were implemented to streamline the objection process. A landholder is now required to provide more information when they lodge an objection, including:
  - (i) stating their opinion of what the land value should be,

 $<sup>^{22}</sup>$  <u>Fourteenth General Meeting with the Valuer General</u>, Recommendations 3 and 5, p  $\underline{25}$ .

<sup>&</sup>lt;sup>23</sup> Annual Report 2020-21, p <u>35</u>.

<sup>&</sup>lt;sup>24</sup> <u>Annual Report 2020-21</u>, p <u>35</u>.

- (ii) providing an explanation as to why the assessed land value was incorrect, and
- (iii) providing comparable sales evidence in support of their claim. 25
- 2.7 The information required for an objection now meets the minimum evidential requirement to lodge an appeal in the Land and Environment Court.<sup>26</sup> The changes have resulted in a reduction in the number of objections received in the reporting period, and there has been no corresponding upward trend in complaints.<sup>27</sup>
- 2.8 VGNSW also developed and implemented Objections 2021, a major change program designed to further streamline the objection process. The key achievements of this program, which involved an overhaul of IT systems and the development of new policies and procedures, included the following:
  - (i) improved webforms and prefill options for information,
  - (ii) the provision of a preliminary objection report to the landholder before the final determination of objection is made,
  - (iii) the option for a landholder to request an informal conference with the valuer to have the preliminary objection report explained to them, and to correct errors of fact,
  - (iv) a reconfiguration of the allocation of contract valuers to provide one valuer for each geographic area, improving the consistency of objection outcomes, and
  - (v) enhancements to the final determination of objection through increased automation, with the report including greater detail from throughout the objection process.<sup>28</sup>
- 2.9 Objections 2021 has resulted in quantifiable improvements to the timeliness of processing objections. The average time taken to complete an objection fell by 49 per cent, from 140 days in 2019-20 to 71 days in 2020-21.<sup>29</sup>
- 2.10 The Committee commends VGNSW on their detailed systems review and the successful implementation of Objections 2021.

### **Compulsory Acquisition**

2.11 VGNSW is responsible for issuing a determination of compensation for compulsory acquisition under Part 3 of the *Land Acquisition (Just Terms Compensation) Act* 1991 in the event that a landowner and acquiring authority cannot negotiate a

<sup>&</sup>lt;sup>25</sup> Annual Report 2020-21, p <u>19</u>.

<sup>&</sup>lt;sup>26</sup> <u>Annual Report 2020-21</u>, p <u>19</u>. See also: NSW Legislation, <u>Practice Note – Class 3 Valuation Objections</u>, NSW Government Gazette, No 68, 18 May 2007, pp <u>2896-2921</u>.

<sup>&</sup>lt;sup>27</sup> Annual Report 2020-21, pp 20-21.

<sup>&</sup>lt;sup>28</sup> Annual Report 2020-21, pp <u>20</u>.

<sup>&</sup>lt;sup>29</sup> <u>Annual Report 2020-21</u>, p <u>66</u>.

compensation amount following the issuing of a Proposed Acquisition Notice (PAN).

- 2.12 VGNSW undertakes valuations for compulsory acquisition in-house and also uses external contractors. VGNSW quality-assures external valuations for compulsory acquisition before they are issued.
- 2.13 Acquiring authorities pay VGNSW for the preparation of valuations required for acquisitions.<sup>30</sup> VGNSW is therefore required to ensure valuations are prepared efficiently, not only to provide timely information to the affected landholder, but also to assist with adequate budgetary forecasting by the acquiring authority.
- 2.14 VGNSW undertook a comprehensive review of the compulsory acquisition determination process during the reporting period. A major change project, Just Terms 2021 (JT21), was initiated following the review. JT21 focused on improving efficiency while preserving and enhancing procedural fairness.<sup>31</sup>
- 2.15 JT21 has resulted in a new standardised process for valuations, with the following steps:
  - (i) the landholder lodges a statement of claim during the PAN period and is offered a conference with VGNSW to explain their claim,
  - the acquiring authority is required to provide a list of issues within seven days of the gazettal of a notice of compulsory acquisition, and is offered a conference with VGNSW to explain these issues,
  - (iii) the Valuer General acts as the mediator between the parties, exchanging the statement of claim and list of issues,
  - (iv) the Valuer General undertakes its valuation and prepares a valuation report, a response to each party's claims and a determination of compensation, which are forwarded to both parties,
  - (v) each party is offered an additional conference with VGNSW to correct errors of fact in the determination, and
  - (vi) the Valuer General issues the determination to the acquiring authority.<sup>32</sup>
- 2.16 As a result of JT21, the average time to complete determinations has fallen by nearly 53 per cent, from 171 days in 2019-20 to 81 days in 2020-21.<sup>33</sup> This is still short of the legislated timeframe of 45 days.<sup>34</sup>
- 2.17 When questioned on the 45-day target at the public hearing, the Valuer General expressed confidence that the issue of timeliness is 'moving in the right direction'.

<sup>&</sup>lt;sup>30</sup> Annual Report 2020-21, p 41.

<sup>&</sup>lt;sup>31</sup> Annual Report 2020-21, pp 21-22.

<sup>32</sup> Annual Report 2020-21, p 22.

<sup>&</sup>lt;sup>33</sup> <u>Annual Report 2020-21</u>, p <u>22</u>.

<sup>&</sup>lt;sup>34</sup> <u>Land Acquisition (Just Terms Compensation) Act 1991</u>, <u>s 42</u>(1).

However, he noted that the Just Terms team is still hampered by significant legacy matters and a substantial 'backlog'. 35

2.18 The Committee commends VGNSW on its significant improvement in the timely processing of determinations, and looks forward to seeing how the recent restructure may result in further improvements.

# **Private valuations and the Register of Land Values**

- 2.19 A minor function of VGNSW is to provide private land valuations under section 9A of the Valuation of Land Act. This role is largely delegated to contract valuers, with VGNSW undertaking a quality assurance function. In 2020-21, VGNSW oversaw five private valuations on behalf of government bodies including NSW Ports and the Lord Howe Island Board.<sup>36</sup>
- Another minor function is updating and maintaining the Register of Land Values, which is undertaken by VGNSW's Land Data Management team. This public register provides the official record of land values in NSW, including ownership details, title details and the value of the land. <sup>37</sup> Ongoing maintenance tasks include creating new records when land is subdivided, acquired, or separately valued, and amendments to property details including area and zoning. New records were created for 39,130 properties in 2020-21. <sup>38</sup>

#### **Customer service at VGNSW**

- 2.21 The Annual Report outlines VGNSW's commitment to fair, professional and customer-centric service. VGNSW manages stakeholder liaison through an inhouse Customer Service team, which operates a call centre and manages written enquiries.<sup>39</sup>
- 2.22 To improve customer experience and convenience for stakeholders, VGNSW has been liaising with Service NSW since 2019 to provide additional services to customers, including:
  - (i) access to digital notices of valuation,
  - (ii) first level call centre services,
  - (iii) opt-in digital Notices of Valuation
  - (iv) digital self-service kiosks at Service NSW centres, and
  - (v) face to face customer services at Service NSW centres. 40

<sup>&</sup>lt;sup>35</sup> Valuer General, <u>Transcript of evidence</u>, p <u>17</u>.

<sup>&</sup>lt;sup>36</sup> Annual Report 2020-21, p 42.

<sup>&</sup>lt;sup>37</sup> The Register of Land Values is required under the *Valuation of Land Act 1916*, s 14CC.

<sup>38</sup> Annual Report 2020-21, p 43.

<sup>&</sup>lt;sup>39</sup> Annual Report 2020-21, pp 44-45.

<sup>&</sup>lt;sup>40</sup> <u>Annual Report 2020-21</u>, p <u>46</u>.

# **Customer surveys**

- 2.23 VGNSW undertook a number of customer service surveys in the reporting period, which informed improvements in its service delivery. All surveys required customers to opt-in, and therefore the integrity of the resulting data may have been impacted by low response rates.<sup>41</sup>
- 2.24 Stakeholders targeted by the surveys included landholders following a facilitated conference, and former landholders after a determination of compulsory acquisition. In addition, VGNSW issued more general surveys assessing service level, timeliness and accessibility of information.
- 2.25 The data collected in the surveys was considered in the planning and implementation of the Objections 2021 project, with improvements made as a direct response to landholder feedback.<sup>42</sup>

# **Contractors and consultants**

## **Recommendation 1**

That the Office of the Valuer General NSW align the processes for managing conflicts of interest for internal staff and contract valuers, to ensure the transparent and timely management of these conflicts.

#### **Conflicts of interest**

- 2.26 The Committee's previous annual review recommended that VGNSW carefully manage conflicts of interest and continuously evaluate and improve the training on conflicts of interest provided to its contractors.<sup>43</sup>
- 2.27 VGNSW delivered conflict of interest training to contractors in August 2020 and April 2021. Conflict of interest notifications increased in 2021-21 as compared to 2019-20, suggesting that training is playing an effective role in raising awareness about conflicts of interest.<sup>44</sup>
- 2.28 In the Annual Report, VGNSW reported that conflicts of interest for VGNSW or Department employees are managed through the Department's self-managed declaration process. This is now hosted through an e-register to facilitate better record-keeping, monitoring and compliance.<sup>45</sup>
- 2.29 Conflicts of interest for contractors are managed through a declarations process, which varies depending on the specific contract. The Annual Report outlined that an online declaration portal and conflicts e-register for contractors was being developed to improve transparency and management of conflicts.<sup>46</sup>

<sup>&</sup>lt;sup>41</sup> Annual Report 2020-21, pp 48-49.

<sup>&</sup>lt;sup>42</sup> Annual Report 2020-21, p 50.

<sup>&</sup>lt;sup>43</sup> Fourteenth General Meeting with the Valuer General, Recommendations 11 and 12, pp 35-36.

<sup>&</sup>lt;sup>44</sup> Annual Report 2020-21, p 12.

<sup>&</sup>lt;sup>45</sup> Annual Report 2020-21, p 11.

<sup>&</sup>lt;sup>46</sup> Annual Report 2020-21, p <u>11</u>.

2.30 The Committee is recommending that VGNSW continues to align the process for consultant conflict of interest declarations to more closely reflect that used for its internal staff, in order to manage conflicts consistently and transparently across all staff. The Committee looks forward to further reporting on the development of the contractor conflicts e-register in its next Annual Report.

# Service delivery and customer contacts

- 2.31 The Committee recommended in its 2019-20 review that contractors be rigorously monitored for performance standards including the integrity and reliability of valuations. <sup>47</sup> The Committee considers that VGNSW has appropriately fulfilled its obligations in relation to contractor management, showing commitment to quality assurance.
- 2.32 VGNSW outsources the majority of its valuation services to contractors, who are selected through an open tender process in compliance with strict procurement guidelines.<sup>48</sup>
- 2.33 There are currently 11 firms contracted by VGNSW on five-year terms to provide 18 types of rating and taxing valuation services. These include general project management, market analysis, land value verification, supplementary valuations and appeal services.<sup>49</sup>
- Additional contractors are engaged to provide special valuation services, which include compulsory acquisitions and the review of objections. In March 2021, a series of new contracts were entered into, known as 'single contractor standard land value objection review contracts'. These are two-year contracts that limit a contractor's responsibility to a single local government area or group of related areas. The aim of this new contract is to provide shorter service timeframes and greater consistency of outcomes. The Committee looks forward to further reporting on the effectiveness of these contracts in the next Annual Report.
- 2.35 VGNSW has undertaken online monthly meetings with individual contractors, hosted contractor forums, and updated directions to contractors, particularly in relation to safe working practices during the period of COVID-19 pandemic restrictions. The Committee will be interested to hear about ongoing trends in contractor training and performance in the next Annual Report.

#### **Quality assurance**

2.36 Due to the large volume of work undertaken by contractors, VGNSW performs an important quality assurance function. The Deputy Valuer General oversees the annual risk-based quality assurance program, which monitors contractors for

<sup>&</sup>lt;sup>47</sup> Fourteenth General Meeting with the Valuer General, Recommendation 10, p 35.

<sup>&</sup>lt;sup>48</sup> Annual Report 2020-21, p 26.

<sup>&</sup>lt;sup>49</sup> Annual Report 2020-21, p 27.

<sup>&</sup>lt;sup>50</sup> This type of contractor is engaged by competitive tender through the Land and Asset Valuation Scheme SCM7671, which provides a pool of pre-qualified contractors. See: <u>Annual Report 2020-21</u>, p <u>27</u>.

<sup>&</sup>lt;sup>51</sup> Annual Report 2020-21, p 28.

<sup>&</sup>lt;sup>52</sup> Annual Report 2020-21, p <u>27</u>.

compliance with contract specifications, as well as the overall quality of valuations.<sup>53</sup>

- 2.37 In 2020, a new scorecard was developed to provide progressive overall scores for each contractor area. Where high-risk areas are identified under this scorecard, VGNSW undertakes additional auditing and develops targeted action plans.<sup>54</sup>
- 2.38 In addition to this general monitoring, VGNSW undertakes a thorough quality assurance review on annual land values and performs any necessary modifications prior to their entry onto the Register of Land Values. The 1 July 2020 land values were tested against a range of criteria including statistical compliance, sale selection and analysis and benchmark selection. Corrections were also made where the findings of the Valuer General's bushfire and COVID-19 reports had not been applied appropriately.<sup>55</sup>
- 2.39 Additionally, comprehensive valuation reviews were undertaken in 2020-21 for a number of areas, including Kingsford Smith Airport and Western Sydney Aerotropolis, to test the overall integrity of the valuation system. <sup>56</sup> At the first public hearing, the Committee heard evidence that these quality assurance reviews resulted in significant correction and uplifting of land values. <sup>57</sup> The Valuer General expressed the opinion that these corrections were required because the staff at VGNSW lack the appropriate skills and capabilities to fulfil their valuation duties. <sup>58</sup>
- 2.40 The Department of Planning and Environment (the Department) expressed the differing view that, 'far from being examples of a damaged system, these are actually examples of the process working as it was designed to do'. They noted that both the identification and resolution of the issue was successfully managed by VGNSW staff.<sup>59</sup> The Committee will continue to monitor quality assurance processes to ensure accurate and timely determinations.
- 2.41 In the Annual Report, VGNSW proposed to conduct a review of how quality assurance is managed in high risk or high value settings, for example heritage properties, contaminated properties, shopping centres, high-rise office towers and airports. 60 The Committee supports this initiative and looks forward to further reporting on the outcome of that review.

# **Annual Reporting and provision of public information**

### **International Property Tax Institute Benchmark report**

2.42 In September 2020, VGNSW received the final report from the International Property Tax Institute's (IPTI) benchmark comparison of the NSW valuation system.

<sup>&</sup>lt;sup>53</sup> Annual Report 2020-21, pp 25-26.

<sup>&</sup>lt;sup>54</sup> <u>Annual Report 2020-21</u>, p <u>33</u>.

<sup>55</sup> Annual Report 2020-21, p 32.

<sup>&</sup>lt;sup>56</sup> Annual Report 2020-21, p 34.

<sup>&</sup>lt;sup>57</sup> Valuer General, <u>Transcript of evidence</u>, p <u>2</u>.

<sup>&</sup>lt;sup>58</sup> Valuer General, <u>Transcript of evidence</u>, p <u>4</u>.

<sup>&</sup>lt;sup>59</sup> Mr Walker, <u>Transcript of evidence</u>, p <u>3</u>.

<sup>&</sup>lt;sup>60</sup> Annual Report 2020-21, p <u>55</u>.

Its recommendations centred on the use of external audits, monitoring the development and applicability of artificial intelligence for property valuation purposes, and specialist provision of data analytics and quality checks.<sup>61</sup>

- 2.43 VGNSW has made progress implementing IPTI's recommendations. For example, VGNSW engaged external auditors to review particular valuation areas, including Kingsford Smith Airport and the Western Sydney Aerotropolis. 62
- The Committee notes that while some additional data analytics have been run by the quality management team, VGNSW is yet to engage a specialist data analyst as recommended. The Committee continues to consider this a valuable recommendation to improve valuation accuracy and consistency, and supports the implementation of more robust data quality checks.
- 2.45 VGNSW has engaged with a specialist team at the University of New South Wales to research the use of artificial intelligence to develop a viable automated valuation model throughout the reporting period. The Committee heard evidence from the Valuer General that an automated valuation model would have limited applicability in NSW. Further detail on this matter is included in paragraph 3.7 of this report.

# Financial reporting

- The Annual Report contains detailed financial reports for 2020-21, which are divided by business area and include comparison figures against the previous financial year. The Committee notes that mass valuation services accounted for the largest share of the operating budget at \$36.2 million, followed by the Just Terms and Special Valuations services, at \$4.6 million.<sup>64</sup> Total operating costs have decreased by \$11.3 million compared to 2019-20.<sup>65</sup>
- 2.47 The Committee commends VGNSW on its close adherence to IPART's determination for FY2021-21 on fees charged to councils for valuations. The total fee variance was \$50,613, which was a variation of less than one per cent. 66

# Performance reporting

- 2.48 The Committee commends VGNSW on its transparent reporting of performance statistics. VGNSW recorded improved performance against a range of KPIs, particularly in relation to the timely resolution of objections.<sup>67</sup>
- 2.49 The Annual Report includes an update on VGNSW's privacy and management of personal information policies, which the Committee recommended VGNSW report on in its previous annual review.<sup>68</sup> The Committee notes that VGNSW is in

<sup>&</sup>lt;sup>61</sup> Annual Report 2020-21, pp <u>18-19</u>.

<sup>62</sup> Annual Report 2020-21, p <u>18</u>.

<sup>63</sup> Annual Report 2020-21, p 19.

<sup>64</sup> Annual Report 2020-21, p 58.

<sup>65</sup> Annual Report 2020-21, p 59.

<sup>66</sup> Annual Report 2020-21, p 60.

<sup>&</sup>lt;sup>67</sup> Annual Report 2020-21, pp <u>62-67</u>.

<sup>&</sup>lt;sup>68</sup> Fourteenth General Meeting with the Valuer General, Recommendation 6, p 34.

compliance with privacy legislation, with adequate safeguards in place to permit only authorised users to access data stored in the Register of Land Values.<sup>69</sup>

# Significant judicial decisions and matters before the courts

- 2.50 The Committee recommended in its 2019-20 review that VGNSW publish information about the role of court appeals in identifying valuation errors.<sup>70</sup>
- 2.51 The Annual Report includes a section on decisions handed down by the Land and Environment Court in 2020-21. The Report states that these decisions have upheld the approach of the VGNSW and resulted in only minor variance to land values.<sup>71</sup>
- 2.52 The Committee questioned the Valuer General on the recent proceedings brought by AMP Macquarie Pty Ltd appealing a valuation determined by VGNSW. The judgement was handed down on 21 September 2022, and the Court held in favour of AMP, resulting in the land valuation being varied down by approximately \$250 million below VGNSW's initial valuation.<sup>72</sup>
- 2.53 The Valuer General noted that the case provided helpful precedent about the use of a static hypothetical development model, but did not substantially make findings that would alter VGNSW's approach to valuation. The Valuer General further noted that VGNSW will take on board what it has learnt about its approach to major litigation.<sup>73</sup>
- 2.54 The Committee looks forward to ongoing reporting of matters heard by the courts and any resulting implications for VGNSW or land valuations.

# **Public engagement**

#### **Recommendation 2**

That the Office of the Valuer General NSW continue to work with the Department of Planning and Environment to improve communication with the public about land valuations and related matters.

- 2.55 The Committee notes VGNSW's successful transition from the NSW Globe platform to the NSW Land Values and Property Sales Map in January 2020. The centralised features of the new platform have resulted in a reduction in discrete searches for components of the valuation process, which were previously tracked separately. This makes it difficult to assess overall access trends.<sup>74</sup>
- 2.56 The Committee notes that VGNSW website use remains relatively low compared with other government agencies. At the public hearing the Valuer General noted that, although a progressive update of website pages has been occurring, effective use of social media to promote the work of VGNSW remains a more difficult issue to resolve due to the Department being in control of the platforms used. The

<sup>69</sup> Annual Report 2020-21, p 50.

<sup>&</sup>lt;sup>70</sup> Fourteenth General Meeting with the Valuer General, Recommendation 9, pp 35-36.

<sup>&</sup>lt;sup>71</sup> Annual Report 2020-21, pp 24-25.

<sup>&</sup>lt;sup>72</sup> Valuer General, <u>Transcript of evidence</u>, p <u>6</u>; Valuer General, <u>Answers to Questions on Notice</u>, p <u>2</u>.

<sup>&</sup>lt;sup>73</sup> Valuer General, <u>Transcript of evidence</u>, p <u>6</u>.

<sup>&</sup>lt;sup>74</sup> <u>Annual Report 2020-21</u>, p <u>53</u>.

Valuer General noted that the initiative to improve social media communications would continue in the current reporting year.  $^{75}$ 

2.57 The Committee recommends that VGNSW work with the Department to improve its communication strategy, including use of social media to promote awareness of the VGNSW website and its extensive digital tools and data.

<sup>&</sup>lt;sup>75</sup> Valuer General, <u>Transcript of evidence</u>, p <u>3</u>.

# Chapter Three – Emerging issues

# **Published reviews and policies**

#### Recommendation 3

That the Office of the Valuer General NSW monitor the community response to, and implementation of, the cultural loss review, and provide a summary of findings in future Annual Reports.

- 3.1 The Valuer General initiated and published reviews into several topical issues affecting land values in NSW during the reporting period. Published reports were made available on the Office of the Valuer General NSW (VGNSW) website and include:
  - Review of the impact of rezoning potentiality on land values
  - Review of forms of cultural loss and the process and method for quantifying compensation for compulsory acquisition
  - Review of the impact of COVID-19 on the NSW property market
  - Review of land values in Jordan Springs East.<sup>76</sup>
- The cultural loss review was a particularly significant piece of policy work, taking into account evidence from fourteen written submissions as well as a stakeholder consultation day, summarising relevant case law, and benchmarking international approaches. As outlined in the report, cultural loss is difficult to quantify while remaining within the parameters of the legislation governing VGNSW's functions, due to the fact that:

Compensation under the [Land Acquisition (Just Terms Compensation)] Act is premised on assessment of market value reflecting a transaction basis where the parties are commercially ambivalent and have no form of personal interest in the transaction with both the parties and the transaction being hypothetical. However, determination of compensation for cultural loss is more akin to an assessment of worth, acknowledging the actual parties and their interests in an actual transaction, removing commercial ambivalence and allowing reflection of the worth to a specified party. Accordingly, the requirement of the Act to express a notion of worth as a statement of market value presents a crucial and fundamental dilemma in the determination of compensation.<sup>77</sup>

1.3 The cultural loss review outlined the Valuer General's policy framework in response to these issues. It explained that VGNSW will independently assess cultural loss according to a conceptual diagram that establishes the nexus between the form, number and significance of cultural losses suffered by a claimant. Under this model, 'a wide range of forms of cultural loss which are many in number and

<sup>&</sup>lt;sup>76</sup> <u>Annual Report 2020-21</u>, pp <u>14</u>-<u>17</u>.

<sup>&</sup>lt;sup>77</sup> Valuer General NSW, <u>Review of Forms of Cultural Loss and the Process and Method for Quantifying Compensation for Compulsory Acquisition</u>, January 2022, p <u>4</u>.

very significant would support the highest level of compensation with fewer forms, lower numbers and lesser significance supporting lower levels of compensation'.<sup>78</sup>

1.4 The Committee notes that the cultural loss review will have a significant impact on Aboriginal landholders whose land has cultural importance. The Committee recommends that the Valuer General monitor the response to this review, and provide further detailed reporting on the findings from the review and their implementation as part of the valuation process.

# Natural disasters and other emergencies

- The land valuation system was significantly impacted by the 2019-20 bushfires, which burnt over 54,000 square kilometres, approximately seven percent of the land in NSW.<sup>79</sup> Land valuation traditionally relies on the availability of continual sales data, and natural disasters often result in a reduction or halting of sales in affected areas. This means that valuations in affected areas for a period following these disasters may require a different approach.
- In 2020, the Valuer General led a significant review into methods of calculating land value in the absence of sales evidence for bushfire-affected land. The review developed an evidence-based model that considered sales trends before and after fire events for other bushfire zones. 80 The report, titled *Review of the impact of bushfires on land values*, was published in April 2020, and the new valuation model was applied by contractors to determine the 1 July 2020 land values.
- 3.4 VGNSW won the prestigious Valuation Team of the Year award at the 2020 Australian Property Institute's Excellence in Property Awards. The award was presented in recognition of the Valuer General's thought leadership in response to the 2019-20 bushfires in NSW, which is applicable to other jurisdictions globally. The Committee commends VGNSW for successfully undertaking this important project.

# **New IT Systems**

- 3.5 The Committee recommended in its 2019-20 review that VGNSW explore new technologies to support the performance and integrity of the land valuation process. 82
- During the reporting period, VGNSW sought funding of \$26 million from Treasury for Valnet III, a new cloud-based database. This system is a replacement for the existing Valnet II, an outdated system. The Annual Report outlines the significant limitations of Valnet II's functionality, including the lack of flexibility and limited capacity for reporting features.<sup>83</sup> The Committee is pleased to note that funding

<sup>&</sup>lt;sup>78</sup> Review of Forms of Cultural Loss, p 6.

<sup>&</sup>lt;sup>79</sup> Annual Report 2020-21, p 13.

<sup>&</sup>lt;sup>80</sup> Valuer General NSW, Review of the impact of bushfires on land values, 9 April 2020.

<sup>81</sup> Annual Report 2020-21, p 13.

<sup>82 &</sup>lt;u>Fourteenth General Meeting with the Valuer General</u>, Recommendation 5, p <u>25</u>.

<sup>83 &</sup>lt;u>Annual Report 2020-21</u>, pp <u>23</u>, <u>56</u>.

for Valnet III has now been granted, and looks forward to receiving reports on the upcoming rollout.<sup>84</sup>

- 3.7 VGNSW has been working on the Value Australia project with Frontier SI, a consortium including the University of New South Wales and other partners. Value Australia has been aiming to develop an automated valuation model (AVM) suitable for use in NSW. AVMs are used in several jurisdictions around the world, where they utilise advanced computer generated algorithms with minimal valuer input to produce valuations. The International Property Tax Institute have given advice that the use of modern AVM technology in valuation assists agencies to improve the accuracy, consistency and cost efficiency of the valuation system.<sup>85</sup>
- 3.8 VGNSW explained at the hearing that extensive modelling and testing of the AVM technology was undertaken via three separate automated valuation models. However, following this testing VGNSW has concluded that it is not suitable for rating and taxing valuation purposes in NSW, because the models tested relied too heavily on previous land values and therefore deliver little improvement on current practices.<sup>86</sup>

<sup>&</sup>lt;sup>84</sup> Funding was confirmed by letter to the Valuer General on 1 April 2022. See: Transcript of evidence, p 3.

<sup>85 &</sup>lt;u>Annual Report 2020-21</u>, p <u>24</u>.

<sup>&</sup>lt;sup>86</sup> Valuer General, <u>Transcript of evidence</u>, p <u>3</u>.

# Appendix One – Committee functions

### The Committee's functions are:

- 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,
- 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,
- 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),
- 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.

# Appendix Two – Conduct of inquiry

On 10 June 2022, the Valuer General provided a private briefing to the Committee at Parliament House, outlining the operational environment and work program for Valuer General New South Wales, and an update on the investigations on the conduct of the Valuer General due to complaints from staff about their wellbeing.

On 28 September 2022, the Committee conducted the Fifteenth General Meeting with the Valuer General at Parliament House. During the hearing, the Valuer General was examined on the Annual Report for the reporting period of 2020-21 and the findings on the investigations on the conduct of the Valuer General. The Committee sent written questions that were taken on notice to the Valuer General, further to the General Meeting.

On 7 October 2022 the Valuer General provided written responses to questions taken on notice during evidence taken at the General Meeting.

On 3 November 2022, the Committee conducted a public hearing with Mr Leon Walker, the Deputy Secretary for Homes, Property and Development from the NSW Department of Planning and Environment.

These documents are available on the Committee's webpage.

# Appendix Three – Witnesses

# 28 September 2022

Parliament House, Jubilee Room, Sydney NSW

Witness and Position	Organisation
Dr David Parker Valuer General	
Mr Josh Etherington Director	Valuer General NSW
Ms Sharna Salt Executive Officer	

# 3 November 2022

Parliament House, Macquarie Room, Sydney NSW

Witness and Position	Organisation
Mr Leon Walker  Deputy Secretary for Homes, Property and Development	NSW Department of Planning and Environment

# Appendix Four – Extracts from minutes

### **MINUTES OF MEETING 9**

Wednesday 11 May 2022, 1.42 pm Parkes Room

# Members present

The Hon. Scott Farlow MLC, Ms Felicity Wilson MP, Mr Stephen Kamper MP, Mr Geoffrey Provest MP, The Hon. Adam Searle MLC

# Officers present

Jonathan Elliot (Clerk-Assistant), Clara Hawker, Rima Dabliz, Abegail Turingan

## 1. Committee membership

The Deputy Clerk read the extracts from the Legislative Assembly Votes and Proceedings and Legislative Council Minutes.

### 2. Election of Chair

There being a vacancy in the office of Chair of the Committee, the Clerk-Assistant called for nominations for the office of Chair.

Ms Wilson moved that Mr Farlow be the Chair of the Committee. Seconded by Mr Provest. No further nominations were received. There being only one nomination, the Clerk-Assistant declared The Hon. Scott Farlow to be the Chair.

### 3. Handover to Chair

The Clerk-Assistant handed over to the Chair to preside the rest of the meeting.

# 4. Election of Deputy Chair

There being a vacancy in the office of Deputy Chair of the Committee, the Chair called for nominations for the office of Deputy Chair.

Ms Wilson moved that Ms Wilson be the Deputy Chair of the Committee. Seconded by Mr Kamper. No further nominations were received. There being only one nomination, the Chair declared Ms Wilson to be the Deputy Chair.

# 5. Confirmation of minutes

Resolved, on the motion of Mr Provest: That the minutes of the meeting of 12 November 2021 be confirmed.

## 6. Correspondence

The Committee noted correspondence, dated 29 April 2022, from Mr David Parker, Valuer General, in response to the Fourteenth General Meeting Report (previously circulated).

### 7. Adoption of 2021-2022 Annual Review

Resolved, on the motion of Mr Searle: That the Committee conduct the 2021-22 Annual Review of the Valuer General of NSW.

## 8. Request for a briefing from the Secretary of DPE, Mick Cassel

Discussion ensued.

# 9. Offer of an informal briefing from the Valuer General

Discussion ensued.

# 10. Next Meeting

The meeting adjourned at 1.49 pm.

### **MINUTES OF MEETING 10**

Friday 10 June 2022, 10.02 am Room 1136

# **Members present**

The Hon. Scott Farlow MLC (Chair), Ms Felicity Wilson MP (Deputy Chair), Mr Stephen Kamper MP, The Hon. Adam Searle MLC, Mr Geoff Provest MP

# Officers present

Clara Hawker, Abegail Turingan, Imogen Wurf, Rima Dabliz

#### 1. Confirmation of minutes

Resolved, on the motion of Mr Provest: That the minutes of meeting no 9, held on 11 May 2022, be confirmed.

2. \*\*\*

# 3. Request for a briefing from the Secretary of DPE, Mick Cassel.

Resolved, on the motion of Mr Searle: That the Committee write to the Secretary of DPE to invite him for an informal briefing to be held in the last week of June 2022.

# 4. Briefing by the NSW Valuer General

- The briefing commenced at 10.08 am.
- The Chair welcomed David Parker (Valuer General), Sharna Salt (Executive Officer), Sally Dale (Executive Director) and Josh Etherington (Director) for the informal briefing.
- Discussion ensued.
- The briefing concluded at 11.44 am.
- 5. \*\*\*

#### 6. Next meeting

The meeting adjourned at 11.50 am until a date to be determined.

# **MINUTES OF MEETING 11**

Monday 1 August 2022, 10.02 am
Room 1254 and via videoconference

### Members present

The Hon. Scott Farlow MLC (Chair), Ms Felicity Wilson MP (Deputy Chair) (by Webex 10.17 am), Mr Stephen Kamper MP, and Mr Geoff Provest MP (by Webex)

# Officers present

Clara Hawker, Abegail Turingan, and Amy Pond

### **Apologies**

The Hon. Adam Searle MLC

#### 1. Confirmation of minutes

Resolved, on the motion of Mr Provest, seconded by Mr Kamper: That the minutes of meeting no. 10, held on 10 June 2022, be confirmed.

# 2. \*\*\*

# 3. Briefing by Department of Primary Industries and the Environment.

- briefing commenced at 10.04 am
- the Chair welcomed Mr Leon Walker (Deputy Secretary Homes, Property and Development) and Ms Tracey Walsh (Acting Executive Director, Office of the Valuer General)
- discussion ensued
- briefing concluded at 10.25 am

# 4. \*\*\*

# 5. Next Meeting

The meeting adjourned at 10.25 am until 10.00 am 19 September 2022 in Room 814/815.

### **MINUTES OF MEETING 12**

Wednesday 28 September 2022, 10.02 am Jubilee Room and via videoconference

### Members present

The Hon. Scott Farlow MLC (Chair), Ms Felicity Wilson MP (Deputy Chair) (by Webex from 10.08 am), Mr Stephen Kamper MP, The Hon. Adam Searle MLC, and Mr Geoff Provest MP (by Webex)

# Officer present

Clara Hawker, Abegail Turingan, and Imogen Wurf

# 1. Confirmation of minutes

Resolved, on the motion of Mr Kamper: That the minutes of meeting no. 11, held on 1 August 2022, be confirmed.

## 2. Pre-hearing deliberative meeting

#### 2.1 Procedural resolutions

The Committee considered the standard resolutions for the conduct of the public hearing on 28 September 2022. Resolved, on the motion of Mr Provest:

- That the Committee invites the witnesses listed in the notice of the public hearing for Monday, 19 September 2022 to give evidence in relation to the Fifteenth General Meeting with the Valuer General.
- That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 28 September 2022 in accordance with the NSW Legislative Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.
- That witnesses be requested to return answers to questions taken on notice and supplementary questions within 7 days of the date on which the questions are forwarded, and that once received, answers be published on the Committee's website.

# 3. Public Hearing - Fifteenth General Meeting with the Valuer General

### 3.1 Public Hearing

The Chair opened the public hearing at 10.05 am.

Witnesses and the public were admitted.

The following witnesses were affirmed and examined:

- Dr David Parker, Valuer General, Valuer General NSW
- Ms Sharna Salt, Executive Assistant, Valuer General NSW

The following witness was sworn and examined:

Mr Josh Etherington, Director, Valuer General NSW

The Public hearing concluded at 11.25 am.

# 4. Post-hearing deliberative meeting

The Committee resumed the deliberative meeting at 11.25 am.

# 4.1 Procedural resolutions

Resolved, on the motion of Mr Searle, seconded by Ms Wilson:

- That the corrected transcript of evidence given on 28 September 2022 be authorised for publication and uploaded on the Committee's website.
- That answers to questions taken on notice and supplementary questions be accepted by the Committee and published on the Committee's website.
- That the Committee write to the Minister requesting that they provide the Committee, within 7 days of receiving the request, with the reports and related correspondence that concern investigations into Dr Parker.

## 5. Next Meeting

The meeting adjourned at 11.31 am until a time and date to be determined.

#### **MINUTES OF MEETING 13**

Wednesday 19 October 2022, 1.47 pm Room 1136

# Members present

The Hon. Scott Farlow MLC (Chair), Ms Felicity Wilson MP (Deputy Chair), and the Hon. Adam Searle MLC

# Officers present

Clara Hawker, Imogen Wurf, and Gerard Rajakariar

### **Apologies**

Mr Stephen Kamper MP, and Mr Geoff Provest MP

#### 1. Confirmation of minutes

Resolved, on the motion of Mr Searle: That the minutes of the meeting of 28 September 2022 be confirmed.

# 2. \*\*\*

# 3. Current inquiry

Resolved, on the motion of Mr Searle: That the Committee write to Mr Leon Walker, Deputy Secretary for Homes, Property and Development to invite him to provide the Committee with in-camera evidence at the public hearing scheduled for 3 November 2022.

# 4. \*\*\*

# 5. Next Meeting

The meeting adjourned at 1.51 pm until 10.00 am, Thursday 3 November 2022.

## **MINUTES OF MEETING 14**

Thursday 3 November 2022, 10.00 am Macquarie Room and via videoconference

## Members present

The Hon. Scott Farlow MLC (Chair), Ms Felicity Wilson MP (Deputy Chair), Mr Stephen Kamper MP and the Hon. Adam Searle MLC

# Officers present

Clara Hawker, Imogen Wurf, Catherine Blake and Abegail Turingan

# **Apologies**

Mr Geoff Provest MP

#### 1. Confirmation of minutes

Resolved, on the motion of Mr Kamper: That the minutes of the meeting of 19 October 2022 be confirmed.

# 2. Correspondence

Resolved, on the motion of Mr Searle: That the Committee note the following correspondence received and send an amended response that informs Mr Baker that the Committee will pass his correspondence on to the Privacy Commissioner.

# 2.1 Incoming correspondence

- Monday 24 October 2022 Response to the Committee's correspondence about his appearance at the public hearing from Mr Leon Walker.
- \*\*\*

# 3. Pre-hearing deliberative meeting

### 3.1 Procedural resolutions

The Committee considered the standard resolutions for the conduct of the public hearing on 3 November 2022. Resolved, on the motion of Mr Kamper:

- That the Committee invite the witnesses listed in the notice of the public hearing for Thursday, 3 November 2022 to give evidence in relation to the Fifteenth General Meeting with the Valuer General.
- That the Committee authorise the audio-visual recording, photography and broadcasting of the public hearing on 3 November 2022 in accordance with the NSW Legislative Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.
- That witnesses be requested to return answers to questions taken on notice and supplementary questions within 7 days of the date on which the questions are forwarded.

The Committee considered a resolution to provide for the hearing of evidence in-camera. Resolved, on the motion of Mr Kamper:

 That once the Committee has finished hearing evidence from the witness in a public session, the Committee agree to close the hearing to the public and receive evidence from the witness in-camera.

# 4. Public Hearing - Fifteenth General Meeting with the Valuer General

#### 4.1 Public Hearing

The Chair opened the public hearing at 10.05 am.

Witnesses and the public were admitted.

The following witness was affirmed and examined:

 Mr Leon Walker, Deputy Secretary for Homes, Property and Development, Department of Planning and Environment The public hearing concluded at 10.45 am.

# 5. Post-hearing deliberative meeting

The Committee resumed the deliberative meeting at 10.45 am.

### 5.1 Procedural resolutions

Resolved, on the motion of Mr Searle:

- That the corrected transcript of evidence given on 3 November 2022 be authorised for publication and uploaded on the Committee's website.
- That answers to questions taken on notice and supplementary questions be accepted
  by the Committee and published on the Committee's website except for questions on
  notice taken during the in-camera session.
- 6. \*\*\*

# 7. Next Meeting

The meeting adjourned at 10.48 am until a time and date to be determined.

# **UNCONFIRMED MINUTES OF MEETING 15**

Wednesday, 7 December 2022, 10.04 am Videoconference

# Members present

The Hon. Scott Farlow MLC (Chair), Ms Felicity Wilson MP (Deputy Chair), Mr Geoff Provest MP, the Hon. Adam Searle MLC, and Mr Stephen Kamper MP

### Officers present

Rohan Tyler, Imogen Wurf, Catherine Blake and Abegail Turingan

#### 1. Confirmation of minutes

Resolved, on the motion of Mr Searle: That the minutes of the meeting of 3 November 2022 be confirmed.

# 2. Fifteenth Meeting with the Valuer General - Answers to Questions on Notice

Resolved, on the motion of Mr Searle: That the Committee authorise the publication of Mr Walker's answers to Questions on Notice taken during the public session of the 3 November hearing on the Committee's webpage, without the contact details on the final page.

3. \*\*\*

# 4. Fifteenth Meeting with the Valuer General

# 4.1 Consideration of the Chair's Draft Report (previously circulated)

The Committee considered the Chair's Draft Report on the Fifteenth General Meeting with the Valuer General.

By concurrence of all members, the Committee considered the report chapter by chapter.

Resolved, on the motion of Mr Searle: That Chapter 1 stand part of the report.

Resolved, on the motion of Ms Wilson: That Chapter 2 stand part of the report.

Resolved, on the motion of Mr Provest: That Chapter 3 stand part of the report.

Resolved, on the motion of Mr Kamper: That the Chair and committee staff review the Chair's foreword, and that the Chair's foreword stand part of the report.

Resolved, on the motion of Mr Kamper:

- That the draft report be the report of the Committee, and that it be signed by the Chair and presented to the House.
- That the Chair and committee staff be permitted to correct stylistic, typographical and grammatical errors.
- That, once tabled, the report be posted on the Committee's website.

# 5. Next Meeting

The Chair adjourned the meeting at 10.11 am.