Joint Committee on
the Office of the Valuer General

PARLIAMENT OF
NEW SOUTH WALES

Seventeenth General Meeting with the Valuer General

Report 2/58 – November 2025

Parliament of New South Wales

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

A catalogue record for this book is available from the National Library of Australia

ISBN: 978 1 925214 76 5

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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Chair’s foreword

I am pleased to present the Committee’s report on the Seventeenth General Meeting with the Valuer General NSW and our review of the 2023-2024 Annual Report of the Office of the Valuer General NSW.

The Joint Standing Committee on the Office of the Valuer General is an oversight committee that is responsible for monitoring the exercise of the Valuer Generals functions relating to land valuations under the *Valuation of Land Act 1916* and the *Land Acquisition (Just Terms Compensation) Act 1991*.

There have been several notable developments and new processes in the 2023-24 reporting period, including a move to yearly general valuations staggered across Local Government Areas, the first determinations of compulsory acquisitions relating to cultural loss and a continued increase in valuation services being delivered in-house by Value NSW (VNSW).

The Valuer General has introduced a new schedule for general valuations in which one third of councils will receive new land valuations each year, shifting from the previous system where most general valuations were delivered every three years in a 'general valuation year'. Under the former schedule, 2.7 million properties were valued in a general valuation year. The new system will deliver approximately 900,000 valuations annually and has the potential to provide a more even workload volume for the agency. The Committee recommends that the Valuer General monitors the impact of this change in terms of objection numbers and customer outcomes, as well as any other impacts.

The first cultural loss determinations in NSW were issued in the reporting period. Under the *Land Acquisition (Just Terms Compensation) Act 1991*, the Valuer General determines the amount of compensation to be paid to landowners whose land is compulsorily acquired. In addition, this process can trigger cultural loss for Aboriginal Traditional Custodians, Native Title holders and other claimants.

The Committee recognises that this is the first time the Office of the Valuer General has undertaken cultural loss assessments. As these determinations are not publicly available the Committee recommends that the Valuer General shares cultural loss determination case studies to the Committee in future so that we can understand how the process is being delivered and provide oversight.

It is pleasing to see more valuations are being delivered in-house by VNSW including specialised valuation services and objection valuations. VNSW has transitioned to delivering approximately half of all valuations in-house in the reporting period. The Committee was also pleased to see the continued improvements to VNSW's workplace culture and recommends that the Valuer General encourages improved cultural diversity reporting to support a diverse workforce as the organisation continues to grow.

The Committee commends the significant work in the reporting period to improve the Valuer General's website and provide new educational content. We recommend that the Valuer General continues to report on community engagement initiatives including their effectiveness in reaching culturally and linguistically diverse communities.

The program to deliver the Valuer Generals new Val IQ software and technology platform was continued in the reporting period. The Committee will continue to monitor the delivery of this program and looks forward to reviewing Val IQ's development in future annual reports.

Finally, the Committee notes the 2025 Independent Pricing and Regulatory Tribunal NSW (IPART) determination relating to the price the Valuer General charges councils for their services, and recommends the valuer General report on the impact if any of IPART determinations.

On behalf of the Committee, I would like to thank the Valuer General and the CEO of VNSW for their participation in the public hearing. The Committee also acknowledges the hard work of the Committee secretariat during this inquiry.

Adjunct Professor Tamara Smith MP
Chair

Findings and recommendations

Finding 1 ____ 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*.

Recommendation 1 ____ 3

That the Valuer General review and report on the impact of the changes to the schedule for general valuations including objections and customer outcomes in future annual reports.

Recommendation 2 ____ 5

That the NSW Valuer General review the effectiveness of the processes for determining compensation for cultural loss including the consultation process and publish its findings.

Recommendation 3 ____ 5

That the NSW Valuer General provide case studies of completed compensation determinations for cultural loss arising from compulsory acquisitions to the Committee on a confidential basis.

Recommendation 4 ____ 8

That the Valuer General report on the performance of Val IQ including the enhanced objection portal in future annual reports.

Recommendation 5 ____ 9

That the NSW Valuer General continue to report on community engagement initiatives, including through its website and provision of educational resources in future annual reports, and how effective these initiatives have been in reaching culturally and linguistically diverse communities.

Recommendation 6 ____ 14

That the Valuer General makes every effort to promote the collection of data on the cultural diversity of their internal workforce, including at the executive level.

Finding 2 ____ 16

That the Independent Pricing and Regulatory Tribunal NSW determination has set a single maximum price of $7.93 per valuation across all councils from 1 July 2025.

Recommendation 7 ____ 16

That the Valuer General monitor the impact of the Independent Pricing and Regulatory Tribunal NSW determination on the work of the Valuer General and Value NSW.

Chapter One – Governance of the valuation system and new processes

1.1 This chapter examines the governance and operational arrangements that support the work of the Office of the Valuer General and Value NSW as detailed in the 2023-24 Annual Report, titled 'Yearly Insights 2023-24'.

1.2 The Committee finds that the Office of the Valuer General has fulfilled its statutory functions and explores operational change at VNSW during the 2023-24 reporting period.

1.3 It also examines new processes for the Valuer General: the change to the schedule for general valuations to provide valuations to a third of all councils in NSW annually and the first compensation determinations for cultural loss arising from compulsory acquisitions.

1.4 The Committee recommends that the Valuer General report on the impact of the change to the schedule for general valuations. We also make recommendations related to monitoring and assessing the effectiveness of the new cultural loss determination process, particularly the consultation process.

Role of Valuer General and fulfilment of functions

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*.

1.5 The Committee is satisfied that the NSW Valuer General has delivered fair valuation services and fulfilled its functions under the *Valuation of Land Act 1916* and the *Land Acquisition (Just Terms Compensation) Act 1991* in the 2023-24 reporting period.

1.6 The Committee notes several new items from the 2023-24 reporting period including a move to annual general valuations across councils, the first determinations of compulsory acquisitions relating to cultural loss, and the continued increase of valuation services being delivered in-house at Value NSW (VNSW).

1.7 The Valuer General is an independent statutory officer who oversees the land valuation system in NSW. Appointed by the Governor of NSW, the Valuer General is responsible for:

- providing consistent and fair land values in NSW for rating and taxing purposes in line with the *Valuation of Land Act 1916*, and

- determining the amount of compensation to be paid to a landowner in a compulsory land acquisition, in line with the *Land Acquisition (Just Terms Compensation) Act 1991*.[1]

1.8 The independence of the Valuer General ensures that the determination of land values in NSW is impartial and distinct from the use by state and local governments.[2]

1.9 As a statutory officer the Valuer General cannot directly employ staff. Instead, they are supported by the government agency Value NSW (VNSW). VNSW staff are employed by the Department of Planning, Housing and Infrastructure and undertake various valuation services on behalf of the Valuer General. The agency's primary roles include the operation of the valuation system, responding to public enquiries, and investigating complaints and appeals.[3]

Changes to the operational environment

Organisation updates

1.10 Since the 2022-2023 reporting period the agency supporting the Valuer General previously known as Valuation NSW was renamed Value NSW.[4]

1.11 VNSW's Executive Committee oversees risk management and activity planning for VNSW's principal business streams and consists of the Chief Executive Officer, an Executive Director, special advisors and directors. There were changes to the Executive Committee, including new or renamed business streams managed by new executive director, director or special advisor roles:

- Executive Director, Customer & Business Operations
- Director Commercial & Special Valuations
- Director, Val IQ
- Director, Rating & Taxing Quality Assurance
- Director, Rating & Taxing In-House Valuations
- Director Strategy & Advice. [5]

1.12 The Valuer General and Chief Executive Officer of VNSW roles remain filled by Ms Sally Dale and Mr Stewart Mclachlan, respectively, following Ms Dales' ongoing appointment to the role in June 2024.[6]

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[1] NSW Valuer General, *Yearly Insights 2023-24*, November 2024, p 7; NSW Valuer General, What the Valuer General does, viewed 16 July 2025.

[2] *Yearly Insights 2023-24*, p 7.

[3] NSW Valuer General, What the Valuer General does, viewed 16 July 2025; NSW Valuer General, About Value NSW, viewed 16 July 2025.

[4] *Yearly Insights 2023-24*, p 7.

[5] *Yearly Insights 2023-24*, p 8; Valuer General, *Annual Report 2022-23*, 31 October 2023, p 4

[6] NSW Government, *NSW makes history with appointment of ongoing female Valuer General*, media release, 17 May 2024, viewed 29 July 2024

Revised Valuer General's instrument of delegations and service level agreement

1.13 The Valuer General delegates their operational functions to VNSW staff. In June 2024 the Valuer General's instrument of delegations was reviewed and updated to improve business operations. The updates included:

- clearer guidelines for business procedures
- more specific guidance on team roles and responsibilities
- expanded delegated functions to varying staff levels, and
- clearer escalation processes for raising issues with the Chief Executive Officer and/or Valuer General.[7]

1.14 At the public hearing Ms Dale stated that a new service level agreement between the Valuer General and VNSW was also revised and signed ensuring 'proactive oversight' of the Valuer General's statutory requirements. The agreement outlines key performance indicators and benchmarks for the organisation and aligns with the updated instrument of delegations.[8]

Changes to the schedule for general valuations

Recommendation 1

That the Valuer General review and report on the impact of the changes to the schedule for general valuations including objections and customer outcomes in future annual reports.

1.15 The Valuer General has introduced a new schedule for general valuations in which one third of councils will receive new land valuations each year.[9] Councils use land values to help distribute rates across their local government areas.[10] This will be a significant shift in the operational processes of the Valuer General. The Committee is interested to monitor its impacts and will follow developments in future reviews of the Valuer General's work.

1.16 Under the previous valuation schedule, the Valuer General issued new land values to councils for rating at least once every three years in line with the *Valuation of Land Act 1916* which was referred to as a 'general valuation year'. This equated to approximately 2.7 million properties being valued every three years.[11]

[7] *Yearly Insights 2023-24*, p 15; Ms Sally Dale, Valuer General, Office of the Valuer General NSW, Transcript of evidence, 5 May 2025, p 2.

[8] Ms Dale, Evidence, 5 May 2025, p 2; *Yearly Insights 2023-24*, p 42.

[9] Value NSW, *Information regarding changes to the general valuation redistribution*, May 2025, pp 2-3.

[10] NSW Valuer General, Why land is valued and what it's used for, viewed 28 July 2025.

[11] Value NSW, *Information regarding changes to the general valuation redistribution*, May 2025, pp 2-3.

1.17 Under the new valuation schedule for general valuations introduced in 2024 about one-third of NSW councils will receive new land valuations each year. This will involve approximately 900,000 valuations annually.[12]

1.18 The Valuer General told the Committee that the previous schedule resulted in a large influx of work every three years and the move to an annual schedule is aimed at improving customer outcomes:

> … the intention behind this was really to improve customer response times, because you can imagine once every three years the general notices of valuation go out, everyone gets them, and then, for example, in the last general valuation year where we were all together in one year, I think we had up to 13,000 objections, and that was off the back of a rising market… Once every three years the influx of work is huge. That not only impacts the turnaround times and us getting back to the customers but also the valuation industry.[13]

1.19 VNSW report that the previous valuation schedule resulted in 'peaks and troughs in the valuation volumes … leading to longer response times, higher costs and lower customer satisfaction'. VNSW also noted that the 'demand for valuation services outstripped supply' which drove up the price for objection valuations. VNSW stated that the new valuation schedule will support a more even workload as valuations and their related enquiries and objections are spread across multiple years.[14]

1.20 VNSW expect that it will also 'stabilise costs for local councils and the NSW Government' and improve the quality of the valuation services they provide.[15] The Valuer General told the Committee that this 'staggered system' was previously used, prior to 2017.[16]

1.21 The Valuer General informed councils about the proposed change in late 2024. They provided councils with an information pack on the new schedule and offered face-to-face meetings with council staff and representatives. The Valuer General reported that the transition so far has been 'smooth', and that they haven't received any negative feedback about the change in valuation schedules.[17]

1.22 The Committee notes this is a considerable change in operating procedure and is interested in the impact of the redistribution of general valuations on the number of objections and customer outcomes. We recommend that the Valuer General reports on the impact of this change in future annual reports so that the Committee can monitor this issue.

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12 Value NSW, *Information regarding changes to the general valuation redistribution*, May 2025, pp 2-3.

13 Ms Dale, Evidence, 5 May 2025, pp 14-15.

14 Value NSW, *Information regarding changes to the general valuation redistribution*, May 2025, p 2.

15 Value NSW, *Information regarding changes to the general valuation redistribution*, May 2025, p 2.

16 Ms Dale, Evidence, p 14.

17 Ms Dale, Evidence, p 15.

Cultural loss

Recommendation 2

That the NSW Valuer General review the effectiveness of the processes for determining compensation for cultural loss including the consultation process and publish its findings.

Recommendation 3

That the NSW Valuer General provide case studies of completed compensation determinations for cultural loss arising from compulsory acquisitions to the Committee on a confidential basis.

Compulsory acquisition compensation for cultural loss

Under the *Land Acquisition (Just Terms Compensation) Act 1991* the Valuer General is responsible for determining the amount of compensation to be paid to former landowners whose land is compulsorily acquired. [18] This includes compensation for cultural loss, which is a form of non-economic loss that may be experienced by Aboriginal people during compulsory land acquisition.[19]

The *Land Acquisition (Just Terms Compensation) Act 1991* provides for the compulsory acquisition of native title rights and interests in relation to land in compliance with the *Native Title Act 1993 (Cth)*. The compensation for such a compulsory acquisition is payable in money or in a form other than money.[20]

In June 2021, the Valuer General led and published a review of forms of cultural loss and the process and method for quantifying compulsory acquisition titled *Review of Forms of Cultural Loss and the Process and Method for Quantifying Compensation for Compulsory Acquisition*.

1.23 The Valuer General issued NSW's first cultural loss determinations during the 2023-24 reporting period.[21] As of May 2025, 20 cultural loss determinations had been completed.[22]

1.24 The Committee notes that the Valuer General is undertaking the first compensation determinations for cultural loss in NSW and acknowledges the complexity of managing valuations that consider the loss of cultural elements for Aboriginal people. The Committee would therefore like further understanding around how the processes, particularly the consultation processes, are supporting informed and appropriate determinations for cultural loss.

[18] *Land Acquisition (Just Terms Compensation) Act 1991*, s 47.

[19] NSW Valuer General, *Compensation for cultural loss arising from compulsory acquisition*, February 2024, viewed 30 July 2025, p 6.

[20] *Land Acquisition (Just Terms Compensation) Act 1991*, ss 7A, 37A; NSW Valuer General, *Review of Forms of Cultural Loss and the Process and Method for Quantifying Compensation for Compulsory Acquisition*, June 2021, p 5.

[21] *Yearly Insights 2023-24*, p 11.

[22] Ms Dale, Evidence, 5 May 2025, p 19.

1.25 Given their significance we recommend that the Valuer General review the effectiveness of the processes for determining compensation for cultural loss and publish its findings.

1.26 The Committee also recommends that the Valuer General provide case studies of completed compensation determinations for cultural loss arising from compulsory acquisitions to the Committee on a confidential basis. This will support the Committee's understanding of how the process is being delivered as documents relating to these acquisitions are not publicly available.

1.27 The 2023-24 Annual Report stated that the Valuer General and VNSW will monitor and review any objections and subsequent court decisions arising from cultural loss determinations to inform and implement future learnings.[23] The NSW Government's response to the Committee's report on the Sixteenth Meeting with the Valuer General also noted that a summary of cultural loss findings will be provided in future annual reports.[24] The Committee is interested in reviewing these findings.

Process for determining cultural loss

1.28 During the reporting period, the Valuer General published a guidance note on compensation for cultural loss arising from compulsory acquisition.[25] It is designed to be read along with the review of forms of cultural loss published by the Valuer General in June 2021. The guidance note advises valuers on the approach and valuation methodology for determining compensation for cultural loss arising from compulsory acquisition.[26]

1.29 The process for determining cultural loss compensation includes the valuer receiving advice from Aboriginal advisors and/or relevant third parties with expertise in the areas of ecology, anthropology and heritage.[27] The valuer then typically seeks a meeting with the native title holder/s on Country to hear oral evidence.[28] VNSW then prepares a preliminary report with a recommended compensation amount. This is provided to the native title holder and acquiring authority who both can respond and raise issues. VNSW will consider any responses, and the parties may also request a conference before the Valuer General issues a final report and determination. The final notice of compensation can be objected to through the Land and Environment Court.[29]

1.30 The Valuer General noted the complexity of cultural loss matters and explained that the guidance note facilitates professional learning and consistency.[30] Mr

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[23] *Yearly Insights 2023-24*, p 16.

[24] NSW Government, *Response to the report on the sixteenth general meeting with the Valuer General*, 25 March 2025, p 4.

[25] NSW Valuer General, Compensation for cultural loss arising from compulsory acquisition, February 2024.

[26] NSW Valuer General, Compensation for cultural loss arising from compulsory acquisition, February 2024, pp 4, 6.

[27] NSW Valuer General, Compensation for cultural loss arising from compulsory acquisition, February 2024, p 9; Mr McLachlan, Evidence, 5 May 2025, pp 20-21.

[28] Answers to supplementary questions, Value NSW, 19 June 2025, p 2; Answers to questions on notice, Value NSW, 23 June 2025, pp 5-6.

[29] Answers to supplementary questions, Value NSW, 19 June 2025, p 2; Answers to questions on notice, Value NSW, 23 June 2025, pp 5-6.

[30] Ms Dale, Evidence, 5 May 2025, p 19.

Stewart McLachlan, CEO, VNSW also stated that with a process now in place the timeframes for determining compensation for cultural loss will improve:

> If you look at our average time frame, [it's] six years or seven years. But the important part is for five or six of the seven years we didn't have a policy; we didn't have a procedure. Now that we have a documented way forward of how we go, who we engage, who we rely upon and when we inspect, it will be a lot quicker.[31]

1.31 The Committee was pleased to hear about the development of the guidance note and a process to support staff in determining compensation for cultural loss. However, noting that this is a complex area outside of usual compulsory acquisition processes the Committee recommends that the Valuer General review the effectiveness of the processes for determining compensation for cultural loss and publish its findings. We also recommend that the Valuer General provides the Committee with case studies on a confidential basis to support oversight of the process, particularly about Aboriginal consultation processes.

[31] Mr Stewart Mclachlan, Chief Executive Officer, Value NSW, Transcript of evidence, 5 May 2025, p 20.

Chapter Two – Service delivery, workforce and public engagement

2.1 This chapter reviews developments from the reporting period that may have impacted the delivery of services by VNSW. This includes the roll out of the Val IQ software and technology platform, the hybrid delivery model that increases in-house valuation services delivered by VNSW, and the continued improvements to VNSW's workplace culture. We recommend ongoing monitoring and reporting to the Committee on the rollout of new technology, the continued expansion of in-house valuations and data on VNSW's workforce's cultural diversity.

2.2 It also discusses the improvements made through the Valuer General's refreshed website and education initiatives to develop the public's understanding of the valuation system and improve accessibility for culturally and linguistically diverse customers.

Val IQ

Recommendation 4

That the Valuer General report on the performance of Val IQ including the enhanced objection portal in future annual reports.

2.3 Val IQ is a new software and technology platform that will replace the 20-year-old Valnet system used by VNSW. It will deliver a new customer portal and workflow management for valuation processes and the maintenance of the NSW Register of Land Values.[32] VNSW advised that Val IQ is expected to deliver approximately $22 million in savings over 10 years.[33]

2.4 A three-year project to deliver the new platform commenced in March 2023.[34] In the 2023-24 reporting period VNSW completed Val IQ design and development which included a new customer self-service portal, a Customer Relationship Management module for staff, and land data management functions and workflows.[35]

2.5 The Valuer General explained that the first stage of Val IQ would be rolled out in May or June of 2025. This will include features to make it easier for customers to review their landholdings and properties and gain data to object to their land values.[36]

[32] *Yearly Insights 2023–24*, pp 13, 34
[33] Answers to questions on notice, Value NSW, 23 June 2025, p 1
[34] *Yearly Insights 2023–24*, p 13.
[35] *Yearly Insights 2023–24*, p 13.
[36] Ms Dale, Evidence, 5 May 2025, p 12.

2.6 Future expansion of Val IQ will include contract management and valuation modules,[37] and content that will assist in managing conflict-of-interest requirements for contractors.[38]

2.7 The Valuer General indicated that they are 'looking at having an AI chatbot called Valerie help with customer inquiries',[39] and Mr Mclachlan stated that after Val IQ is 'up and running' they will consider the integration of AI with Val IQ.[40]

2.8 The Committee is interested to see how effective the new AI and data technologies are in terms of customer support, conflict-of-interest management, and other areas in the future.

Public education and awareness

Recommendation 5

That the NSW Valuer General continue to report on community engagement initiatives, including through its website and provision of educational resources in future annual reports, and how effective these initiatives have been in reaching culturally and linguistically diverse communities.

2.9 The report on the Sixteenth General Meeting with the Valuer General made two recommendations to refine and improve the accessibility of the Valuer General's website.[41]

2.10 The Committee commends the Valuer General and VNSW on their significant work in the 2023-24 reporting period to improve their website and provide new educational content.

2.11 The 2023-24 Annual Report contains updates on the improvements made to the Valuer General's online content and education initiatives to help improve land owners' understanding of the valuation system and the objection review process. This includes the launch of:

- the Valuer General’s refreshed website
- the Valuer General’s Education Roadmap, and
- a five-part animated series to explain the NSW valuation system in an informative and easy to understand format.[42]

Website updates

2.12 The 2023-24 Annual Report explained that the Valuer General's refreshed website has been 'designed to cater to customer needs, making it simpler and

[37] *Yearly Insights 2023–24*, pp 13, 49.
[38] Mr Mclachlan, Evidence, 5 May 2025, p 17.
[39] Ms Dale, Evidence, 5 May 2025, p 22.
[40] Mr Mclachlan, Evidence, 5 May 2025, p 22.
[41] Joint Standing Committee on the Office of the Valuer General, *Sixteenth General Meeting with the Valuer General*, report 1/58, Parliament of New South Wales, September 2024, p 7.
[42] *Yearly Insights 2023–24*, p 23.

faster for visitors to find information they need'. The report stated they've seen strong engagement from visitors to the site in the first three months after launching in June 2024.[43]

2.13 The website's content has been re-designed to make it more accessible, aligning with Web Content Accessibility Guidelines 2.2 best practices, and by moderating the reading level from grade 12 to grade 7-9 for greater comprehension.[44]

2.14 The report provided an update on the migration of the website to the NSW Government OneCX platform that allows visitors to translate the website into their preferred language. VNSW stated that they will continue to work closely with Multicultural NSW to better reach culturally and linguistically diverse communities.[45]

Educational initiatives

2.15 The Valuer General's Education Roadmap 2024-27 was launched in June 2024 and aims to 'enhance public understanding of the valuation system'.[46] It includes a program of educational activities over the next four years to support 'the Valuer General and Value NSW's mission of being a trusted and respected world-leading provider of valuation services'.[47]

2.16 A five-part educational animated series has also been developed and published on the relaunched website to help explain the NSW valuation system, including tools to explain:

- What is the role of the Valuer General?
- How is my land value calculated?
- How does the mass valuation system work?
- How does my land value affect my land tax? and,
- How does my land value affect my council rates?[48]

2.17 The Committee is pleased to see the work of the Valuer General and VNSW to improve their website and educational content and looks forward to further updates in future reports.

[43] *Yearly Insights 2023–24*, p 12.
[44] *Yearly Insights 2023–24*, p 15.
[45] *Yearly Insights 2023–24*, p 15.
[46] *Yearly Insights 2023–24*, p 5.
[47] *Yearly Insights 2023–24*, p 13.
[48] *Yearly Insights 2023–24*, p 12.

In-house delivery models

2.18 VNSW have adopted a hybrid service delivery model which increases the number of valuations completed in-house including specialised valuation services such as compulsory land acquisition determinations and objection valuations. Previously many of these services were completed by contractors.[49]

2.19 Under the new model most valuation services are completed by in-house valuers, and the remainder are completed by independent contractors. The allocation of valuation services between in-house and external contractors depends on factors such as location, valuation area and property type, as well as the capacity and capability of the agency's in-house valuers.[50]

Expansion of the hybrid delivery model

2.20 In March 2024, VNSW transitioned to a hybrid service delivery model.[51] The Committee heard that the hybrid service delivery model has led to improved compliance rates, service delivery and efficiencies, including taking less time to complete valuation services.[52]

2.21 VNSW has expanded the new hybrid service delivery model, transitioning to deliver approximately 50 per cent of all valuations in-house in this reporting period.[53] The Committee notes that this is a considerable increase compared to the last reporting period when approximately 30 per cent of land valuations were completed in-house.[54]

2.22 In addition, during the reporting period:

- rating and taxing valuations in four areas (the Central Tablelands, North Coast, Hunter Coast and Sydney Coast North) that were allocated to contracted valuers commenced a transition to in-house valuers.
- approximately 80 per cent of compulsory land acquisition valuations were delivered in-house at the end of the reporting period. [55]

2.23 The 2023-24 Annual Report noted that the hybrid model would be further expanded in the next reporting period. The 2023-24 Annual Report stated that from March 2025 VNSW would be transitioning another four contract areas in-house: Sydney Coast South, South Coast NSW, Sydney Central West and South-East Regional NSW. This would create 60 full-time equivalent non-executive roles.[56]

[49] Joint Standing Committee on the Office of the Valuer General, *Sixteenth General Meeting with the Valuer General*, report 1/58, Parliament of New South Wales, September 2024, p 3; Ms Dale, Evidence, 5 May 2025, p 2.
[50] Ms Dale, Evidence, 5 May 2025, p 16; Evidence, 5 May 2025, p 16.
[51] *Yearly Insights 2023-24*, p 13; Ms Dale, Evidence, 5 May 2025, p 2.
[52] *Yearly Insights 2023-24*, pp 5, 11; Mr Mclachlan, Evidence, 5 May 2025, pp 3, 7.
[53] Mr Mclachlan, Evidence, 5 May 2025, p 3.
[54] Joint Standing Committee on the Office of the Valuer General, *Sixteenth General Meeting with the Valuer General*, report 1/58, Parliament of New South Wales, September 2024, p 3.
[55] *Yearly Insights 2023-24*, p 13.
[56] *Yearly Insights 2023-24*, p 13.

2.24 Mr Mclachlan stated that over time the hybrid delivery model is predicted to address market capacity constraints and cost increases. He noted that a recent tender saw outside contract fees increase by just over 50 per cent.[57] Mr Mclachlan observed that stabilising costs has been a key benefit of the transition:

> As I pointed to some examples, we're seeing pretty wild pricing in some of those that are competitively tendered… The reason for [the] in-house [model] is obviously significant advantages, but one of the main advantages we probably haven't touched on is that it stabilises the cost base. We know exactly what it costs us now to do [services across] half the State because we've got the resourcing set up.[58]

2.25 Mr Mclachlan also noted that the shift to in-house valuation services aligns with the government's aim of reducing reliance on contractors and developing the NSW public service's capability and capacity.[59]

2.26 Mr Mclachlan highlighted that the transition to in-house valuation services has led to cost savings for VNSW that are forecasted to continue in the years ahead. In the first year of rolling out the hybrid service delivery model VNSW completed 800,000 land valuations internally and saved $1.7 million. VNSW expect that they will save an additional $28 million by the end of the 2030-31 financial year.[60]

2.27 The transition to the new service delivery model has grown VNSW's workforce. VNSW now employs close to 200 valuers, making it the largest valuation employer in the state.[61]

In-house objections pilot

What is an objection valuation?

When a NSW landowner receives a notice of valuation or land tax assessment, they can lodge an objection if they believe their land value has been incorrectly assessed, or that there are factual errors in their notice. The objection must be lodged with the Valuer General within 60 days of the land tax assessment notice being issued or before the objection closing date that is notified in the valuation notice. The objection is then independently reviewed by a valuer who was not involved in the original land valuation.[62]

Objections are generally automatically awarded to a single contractor who has been appointed to carry out standard reviews for a particular area.[63]

[57] Mr Mclachlan, Evidence, 5 May 2025, p 3.
[58] Mr Mclachlan, Evidence, 5 May 2025, p 8.
[59] Mr Mclachlan, Evidence, 5 May 2025, p 3.
[60] Mr Mclachlan, Evidence, 5 May 2025, p 3.
[61] Mr Mclachlan, Evidence, 5 May 2025, p 3.
[62] NSW Valuer General, Understanding the land valuation objection process, viewed 21 July 2025; NSW Valuer General, How to object to a land valuation and how we review this, viewed 21 July 2025; *Yearly Insights 2023-24*, p 22.
[63] *Yearly Insights 2023–24*, p 39.

2.28 In addition to the increase in valuations performed in-house VNSW have conducted pilot programs where objection valuations are completed by in-house valuers.[64]

2.29 The 2023-24 Annual Report noted that VNSW completed a second in-house objections pilot in the reporting period which confirmed the capability of in-house valuers to complete objection valuations.[65]

2.30 The report stated that the pilot informed the decision to 'rebalance how objection valuations are undertaken' and VNSW would implement a hybrid delivery model for objection valuations from January 2025 onward.[66]

2.31 Noting the continued planned expansion of in-house valuations through the hybrid service delivery model the Committee will continue to monitor the ongoing transition to in-house valuation services, its effects on VNSW, and service delivery.

Workforce

2.32 The Committee is pleased to note that the female representation at VNSW is better than the valuation industry average and to hear reports of continued improvements to workplace culture at VNSW.[67]

2.33 Noting the expansion of in-house valuation services and staffing the Committee recommends that the Valuer General encourages opportunities for greater cultural diversity in hiring practises, and ongoing reporting around diversity in the workplace at VNSW as the organisation grows.

Workforce culture

2.34 The Committee was pleased to hear about continued improvements to VNSW's workplace culture and its strong results in the 2023 People Matter Employee Survey (PMES). The PMES is an annual survey that asks public sector employees about their experiences and perceptions across a range of workplace practices and issues, including leadership, inclusion and diversity and service delivery.[68]

2.35 VNSW also completed a 2024 PMES action plan which focused on change and communication, accessibility of senior management, learning and development and recruitment during the reporting period.[69]

2.36 Mr Mclachlan told the Committee that the agency was 'well above public sector averages' in the indicators that reflect staff experience from the PMES responses. The Committee notes this is in stark contrast to three years ago when the agency scored below average and struggled to attract and retain staff.[70]

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[64] *Yearly Insights 2023–24*, p 24.
[65] *Yearly Insights 2023–24*, p 24.
[66] *Yearly Insights 2023–24*, p 24.
[67] Ms Dale, Evidence, 5 May 2025, p 17.
[68] NSW Public Service Commission, People Matter Employee Survey, viewed 1 August 2025.
[69] *Yearly Insights 2023-24*, p 11.
[70] Mr Mclachlan, Evidence, 5 May 2025, p 4.

2.37 Mr Mclachlan reported that VNSW is now seen as a desirable workplace with over 200 graduate program applicants on average per annum and record job application numbers for roles at the executive and non-executive level.[71]

Diversity

Recommendation 6

That the Valuer General makes every effort to promote the collection of data on the cultural diversity of their internal workforce, including at the executive level.

2.38 Last year the Committee recommended that the Valuer General report on the gender balance of its workforce, including at the executive level, in future annual reports. The NSW Government supported this recommendation and noted that the Valuer General will include this information in future annual reports.[72]

2.39 The Valuer General told the Committee that 52 per cent of VNSW's staff are women. She stated that female representation in the agency's workforce is better than the valuation industry average noting that:

- 43 per cent of VNSW's senior executive roles are filled by women, compared to the industry average of approximately 23 per cent, and
- 32 per cent of valuer roles are filled by women compared to an industry average of 23 per cent.[73]

2.40 The Committee notes there is limited data available on the cultural diversity of its staff and encourages the Valuer General to promote the importance of collecting data on cultural diversity as VNSW continues to grow.

2.41 In a voluntary Department of Planning, Housing and Infrastructure survey staff were asked if they are from a racial, ethnic, or ethno-religious minority group. VNSW reported that recent survey results show that 5.8 per cent of their staff responded yes to this question, 47.3 per cent answered no, and 46.9 per cent of staff did not respond. [74]

2.42 VNSW stated that as 46.9 per cent of staff did not respond and participation in the survey is voluntary the results 'do not fully represent' their staff's ethnic diversity.[75]

2.43 Further surveys that seek feedback from staff about cultural identification will improve the capacity for VNSW to increase cultural diversity in the sector. The Committee recommends that the Valuer General promote the collection of

[71] Mr Mclachlan, Evidence, 5 May 2025, p 4.

[72] Joint Standing Committee on the Office of the Valuer General, *Sixteenth General Meeting with the Valuer General*, report 1/58, Parliament of New South Wales, September 2024, p 12; NSW Government, *Response to the report on the Sixteenth General Meeting with the Valuer General*, 25 March 2025, p 4.

[73] Ms Dale, Evidence, 5 May 2025, p 17.

[74] Answers to questions on notice, Value NSW, 23 June 2025, p 3.

[75] Answers to questions on notice, Value NSW, 23 June 2025, p 3.

cultural diversity data among its internal employees, including at the executive level.

Chapter Three – Annual reporting and other developments

3.1 This chapter provides an overview of the Independent Pricing and Regulatory Tribunal NSW's 2025 determination on the Valuer General's rates to councils. It then discusses the Valuer General's financial and performance reporting, conflict-of-interest and privacy of data compliance, and significant judicial decisions.

3.2 Finally, it looks at the methodology used by the Valuer General to perform mass valuations and calculate land values for industrial land.

Finances

Finding 2

That the Independent Pricing and Regulatory Tribunal NSW determination has set a single maximum price of $7.93 per valuation across all councils from 1 July 2025.

Recommendation 7

That the Valuer General monitor the impact of the Independent Pricing and Regulatory Tribunal NSW determination on the work of the Valuer General and Value NSW.

Independent Pricing and Regulatory Tribunal NSW price-setting for valuation services

The Independent Pricing and Regulatory Tribunal NSW (IPART) reviews and determines the maximum price the Valuer General can charge councils for the provision of land valuation services every four to six years. IPART seeks stakeholder feedback throughout their determination process including from the Valuer General.

IPART made a new determination to set a single maximum price per valuation across all councils commencing on 1 July 2025. The previous determination expired on 30 June 2025. IPART released a Draft Report on its 'review of Valuer General prices to local government 2025' on 4 April 2025, which the Valuer General and Value NSW responded to via a submission. The Final Report and Final Determination on 'prices for land valuation services provided by the Valuer General to councils' were published on 30 May 2025.

3.3 The Committee recognises that the 2025 Independent Pricing and Regulatory Tribunal NSW (IPART) determination has the potential to impact the work of the Valuer General and is interested in hearing about this in the future. We therefore recommend that the Valuer General monitor the impact of the IPART determination.

3.4 The Valuer General provides land values to councils in NSW, which councils use to inform their decisions when setting rates. IPART determines the maximum price that the Valuer General can charge councils for providing land valuation services.[76]

3.5 The previous determination that was in effect from 2019 to 2025 involved variable prices across four geographical zones. It set prices for councils based on their zone of Country, Coastal, Metro or Sydney city.[77]

3.6 In May 2025 IPART made a determination which was to set a single maximum price of $7.93 per valuation across all councils, to commence on 1 July 2025.[78] This will be in effect for four years from 1 July 2025 to 30 June 2029.[79]

IPARTs calculation of baseline funding

3.7 The Valuer General raised with the Committee and IPART that the baseline funding set by IPART may impact the ability of the Valuer General to meet legislative requirements as outlined in the *Valuation of Land Act 1916*.[80]

3.8 IPART calculated the baseline funding from average costs over the previous six years. The Valuer General reported in their submission to IPART that over the previous six-year period there were significant staff vacancies at VNSW that may skew the assessment of costs. They stated that at its highest, vacancies represented almost 50 per cent of their budgeted work force and $7 million in underspend.[81]

3.9 Mr Stewart Mclachlan, CEO, VNSW, explained that the issue of using the previous six-year period's average expenditure to form the baseline was the inclusion of three years (2019 to 2022) that had seen significant staff vacancies.[82]

3.10 The Valuer General noted that IPART had applied a five per cent increase to mass valuation contracts from the previous 2019 determination. However, the Valuer General provided data to IPART showing that 'contract costs had gone up between 40 to 50 per cent in that time frame'.[83]

3.11 The Valuer General emphasised the importance of their funding proposal to effectively provide relevant services:

> … to be able to deliver our valuation system, we need to have staff not just around—it's not just about efficiency. There are legislative requirements, and we've also got

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[76] Independent Pricing and Regulatory Tribunal NSW (IPART), Review of Valuer General prices to local government 2025: Final Report, May 2025, p 1.

[77] IPART, Review of prices for land valuation services provided by the Valuer General to councils: Final Report, May 2019, pp 4, 16.

[78] IPART, Review of Valuer General prices to local government 2025: Final Report, p 1.

[79] IPART, Review of Valuer General prices to local government 2025: Final Report, p 1.

[80] Value NSW, Further submission to the Independent Pricing and Regulatory Tribunal, *Review of prices for land valuation services provided by the Valuer General to councils*, May 2025, p 3; Ms Dale, Evidence, 5 May 2025, p 6.

[81] Value NSW, Further submission to the Independent Pricing and Regulatory Tribunal, *Review of prices for land valuation services provided by the Valuer General to councils*, May 2025, p 4.

[82] Mr Mclachlan, Evidence, 5 May 2025, p 7.

[83] Ms Dale, Evidence, 5 May 2025, p 7.

> staff and culture. We need to have the right number of staff to be able to deliver to the people of New South Wales. [84]

3.12 The Committee notes these concerns but also the potential cost savings long term that may be found through more in-house valuations. We recommend that the impact of the IPART determination is monitored by the Valuer General and reported on in the future.

Financial reporting

3.13 The 2023-24 Annual Report shows that the total revenue for VNSW in FY2023-24 has increased by $1.962 million compared with FY2022-23. The report stated this was 'driven predominately by an increase in the special valuation revenue'.[85]

3.14 There was a significant increase of $7.078 million in labour costs compared to FY2022-23 due to the transition to a hybrid delivery approach for mass valuation services. This involved hiring additional staff and an increase in special valuations staff. The report stated that this increased cost was offset by reduced mass valuation determinations costs and increased revenue in special valuations.[86]

Performance reporting

3.15 VNSW measures their performance based on data around the timeliness of the delivery of valuations, objection outcomes and Just Terms determinations.[87] They report on several key performance indicators (KPI) including time taken to complete compulsory acquisitions and objections to valuations.

3.16 As discussed in Chapter 2, landowners may lodge an objection to their notice of valuation or land tax assessment within 60 days if they believe their land value has been incorrectly assessed, or that the information shown on their notice contains factual errors.[88]

3.17 The average number of days to issue a compulsory acquisition determination through to it being gazetted and finalised in 2023-24 improved by 43 percent from 76 days to 44 days when compared to 2022-23. The Annual Report partly attributed this improvement to a decreased reliance on external contractors with in-house valuations on average having a faster rate of completion.[89]

3.18 In the 2023-24 reporting period VNSW completed 9,973 objections compared to 5,508 in the 2022-23 reporting period.[90] The Committee notes that the percentage of objections completed within 90, 120 and 180 days have decreased from 2022-23 to 2023-24.[91] While timely completion of objections is important

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[84] Ms Dale, Evidence, 5 May 2025, p 6.

[85] *Yearly Insights 2023–24*, p 58.

[86] *Yearly Insights 2023–24*, p 58.

[87] Determinations relating to the *Land Acquisition (Just Terms Compensation) Act 1991*

[88] *Yearly Insights 2023–24*, p 22.

[89] *Yearly Insights 2023-24*, p 28.

[90] *Yearly Insights 2023–24*, p 22, p 54.

[91] *Yearly Insights 2023–24*, p 54.

for customers, the Committee recognises the significant increase in the number of completed objections overall.

3.19 The Committee will continue to monitor the objections KPIs, including the percentage of objections completed in 90, 120 and 180 days.

Conflict-of-interest reporting and cyber security

Compliance with conflict-of-interest requirements

3.20 Conflicts-of-interest at VNSW are managed through the risk management framework and governance arrangements of the Department of Planning, Housing and Infrastructure (the Department). The Department uses an online conflict of interest declaration and an e-register for staff (including contractors) to enable accurate record keeping, monitoring and compliance.[92]

3.21 The Committee was pleased to hear that there have been activities to improve conflict-of-interest processes following the recommendations made in the Sixteenth General Meeting with the Valuer General report.[93]

3.22 The government response to the Sixteenth General Meeting with the Valuer General report noted that VNSW is developing a summary document to make consequences of any breaches of conflict-of-interest requirements clear to stakeholders. The Valuer General confirmed that this was expected to be finished in June 2025,[94] which the Committee may examine in a future report.

3.23 VNSW is also exploring opportunities to automate conflict-of-interest requirements as part of the new Val IQ platform which is anticipated to be operational by mid-2026.[95]

3.24 The Valuer General told the Committee that VNSW performs annual audits and have audited around 25 per cent of their contractors and in-house team in 2025. The Valuer General explained how these audits are conducted:

> Our valuers have to declare the properties they own, theirs and their families. Then what we will do is run an audit against those. How we do that is we will actually look at the benchmark property in the component that their property may sit within. We will look at the movement of that benchmark and then audit their individual properties against that movement.[96]

Cyber security

3.25 VNSW had 'one reportable breach' during the 2023-24 reporting period which was a cyber security incident involving a valuation contractor.[97]

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[92] *Yearly Insights 2023–24*, p 39.

[93] Ms Dale, Evidence, pp 17-18.

[94] NSW Government, *Response to the Joint Standing Committee on the Office of the Valuer General – Report on the Sixteenth General Meeting with the Valuer General*, 25 March 2025, p 3; Ms Dale, Evidence, 5 May 2025, p 17.

[95] NSW Government, *Response to the Joint Standing Committee on the Office of the Valuer General – Report on the Sixteenth General Meeting with the Valuer General*, 25 March 2025, p 3.

[96] Ms Dale, Evidence, 5 May 2025, p 17.

[97] *Yearly Insights 2023–24*, p 41.

3.26 VNSW took immediate steps to contain and mitigate the breach which impacted 140 landowners.[98] All affected landowners were informed, and the breach was reported to the Privacy Commissioner and Cyber Security NSW. [99] The matter is now closed.[100]

Licensing arrangements and measures to ensure the appropriate handling of data

Property sales information (PSI) licences

The Valuer General is authorised to on-sell property sales information under the *Valuation of Land Act 1916.* This is done under licence which includes, requirements on the licensee and their customers to adhere to the *Privacy and Personal Information Protection Act 1988* (NSW) and the *Privacy Act 1988* (Cth).[101]

In the 2023-24 reporting period VNSW issued five licenses for three years to supply sales information to commercial clients,[102] with 22 provisions governing the licence including:

- permissible commercial use of the data
- privacy and data security conditions
- clients' obligations regarding VNSW's annual audit and suppression notices
- record keeping obligations, and
- privacy and confidentiality requirements.[103]

Property sales information must be stored securely. It cannot be used for direct marketing, or in combination with any other information in a way that could encroach on individual privacy rights.[104]

3.27 The Committee has previously raised concerns about VNSW's practice of providing and selling property sales data. We recommended in the report on the Sixteenth Meeting with the Valuer General that relevant stakeholders be consulted on this matter.[105]

3.28 The Committee acknowledges VNSW's work to ensure compliance with licensing agreements through the establishment of the new Privacy and Data team in March 2024. This team is responsible for the supply of property sales information

[98] Ms Dale, Evidence, 5 May 2025, p 12.

[99] Ms Dale, Evidence, 5 May 2025, p 12; MrMclachlan, Evidence, 5 May 2025, p 12.

[100] *Yearly Insights 2023–24*, p 41.

[101] *Yearly Insights 2023–24*, p 41.

[102] *Yearly Insights 2023–24*, p 11.

[103] Answers to supplementary questions, Value NSW, 19 June 2025, p 1.

[104] Answers to supplementary questions, Value NSW, 19 June 2025, p 1.

[105] Joint Standing Committee on the Office of the Valuer General, *Sixteenth General Meeting with the Valuer General*, Report 1/58, Parliament of New South Wales, September 2024, p 11.

and monitoring licence compliance.[106] They are funded through the revenue generated from the licence fees, which in 2023-24 totalled $1.625 million.[107]

3.29 The team conducts audits to ensure compliance with data quality requirements and to ensure licensees adhere to licence provisions.[108] The first audit of property sales information licences was completed in 2024 and confirmed that all audited licence holders were compliant with privacy requirements.[109]

Significant judicial decisions

3.30 Property owners can appeal if they disagree with their valuations. Appeals are handled by the Land and Environment Court (LEC).[110] Valuation contractors must review all appeals outcomes to identify any ramifications for land valuations.[111]

3.31 The overall percentage of appeals to completed objections remains similar across the last four financial years, however the number of appeals lodged in 2023-24 increased significantly. The 2023-24 Annual Report stated that this increase was expected following the 2022 general valuation year and subsequent increase in objections.[112]

3.32 The 2023-24 Annual Report provided updates on three significant judicial decisions made under the *Valuation of Land Act 1916*, and two made under the *Land Acquisition (Just Terms Compensation) Act 1991* [113]

3.33 Two of the three matters concerning land valuations were dismissed by the LEC and the 2023-24 Annual Report stated that the rulings will be beneficial to inform future appeals.[114] In the third matter, *Warwick Farm Central Pty Ltd v Valuer General* relating to the *Valuation of Land Act 1916*, the court found that the land values determined by the Valuer General were too high and ruled that a reduction be made. The 2023-24 Annual Report described this reduction as 'not significant' and stated that the judicial findings do not have major implications for the assessment of land values more broadly.[115]

3.34 The report described two successful appeals to LEC judgements relating to compensation determinations made under the *Land Acquisition (Just Terms Compensation) Act 1991*. These were *Sydney Metro v Expandamesh Pty Ltd* and *Sydney Metro v G & J Drivas Pty Ltd*. [116] Both decisions have clarified current NSW law relating to substratum developments and the market value of land for compulsory acquisition.

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[106] *Yearly Insights 2023–24*, p 41.
[107] *Yearly Insights 2023–24*, p 11.
[108] *Yearly Insights 2023–24*, p 11.
[109] Mr Mclachlan, Evidence, 5 May 2025, p 4.
[110] *Yearly Insights 2023–24*, p 24.
[111] *Annual Report 2022-23*, p 21
[112] *Yearly Insights 2023–24*, p 24.
[113] *Yearly Insights 2023–24*, p 16.
[114] *Yearly Insights 2023–24*, p 16.
[115] *Yearly Insights 2023–24*, p 16.
[116] *Yearly Insights 2023–24*, p 16.

3.35 In *Sydney Metro v Expandamesh Pty Ltd* Sydney Metro appealed against the LEC judgment that found no just terms compensation liable from Expandamesh Pty Ltd for the construction of two tunnels being constructed to serve a new Waterloo train station. Under *the Land Acquisition (Just Terms Compensation) Act 1991* compensation is not payable for subsurface acquisitions involving underground rail facilities under schedule 6B of the *Transport Administration Act 1988* unless one of the exceptions in clause 2(1) of schedule 6B exists. The LEC originally held that an exception existed to justify compensation for Expandamesh Pty Ltd's subsurface acquisition, but the Court of Appeal overturned the decision and narrowed the definition of exceptions in clause 2(1) of Schedule B.[117]

3.36 In *Sydney Metro v G & J Drivas Pty Ltd* the NSW Court of Appeal also overturned a LEC decision that had calculated the market value of land being compulsorily acquired based on hypothetical improvements intended by the landowner before they became aware that Sydney Metro might compulsorily acquire the land. The decision clarifies that the market value of land should not include the value of proposed development halted due to the prospect of acquisition.[118]

3.37 The Committee supports the Valuer General's continued monitoring of significant judicial decisions and the consideration of their outcomes on future valuation practices.

Mass valuation and industrial land valuations

What is mass valuation?

In NSW, the Valuer General uses a mass valuation approach to assess land values. This approach involves:

1. **Grouping similar properties**: valuers group local properties that have similar features such as location, size and amenities into what are known as components. Properties within a component are expected to experience similar changes in value.

2. **Selecting benchmark properties**: valuers select benchmark properties in each component, which serve as reference points for valuations. A representative benchmark property is selected for valuation in each component.

3. **Analysing sales evidence**: valuers analyse a broad range of sales data in each component.

4. **Calculating components factors**: all benchmark properties are valued using sales evidence. The rate of change recorded for the primary benchmark is called the component factor.

5. **Applying component factors**: The component factor is then applied to all properties within the component. This determines each property's new land value.

[117] *Yearly Insights 2023–24*, p 16.

[118] *Yearly Insights 2023–24*, p 16.

6. **Quality assurance**: VNSW then quality assures the land values for accuracy and consistency.[119]

Mass valuation quality assurance

3.38 Land valuations in NSW are determined using a mass valuation approach.[120] In 2023-24, VNSW transitioned to a hybrid service delivery model for mass valuation assessments which involved hiring additional permanent staff to support the new in-house capability.[121] The transition to a hybrid service delivery approach is discussed further in Chapter 2.

3.39 The quality assurance of the mass valuations process involves the Quality Assurance Roadmap, verification, and statistical measures. [122] The Quality Assurance Team perform quality assurance activities on valuations completed both in-house and by contractors to 'ensure consistency and quality of land values'.[123]

Valuation of industrial land

What is industrial land?

Industrial land is:

- land zoned for industrial, employment or enterprise purposes **or**,
- land which is currently used for industrial purposes, and that use is the highest and best use.

The 'highest and best use' is a valuation concept that means the possible use of a property that would produce the highest market value. The use must be legal, physically possible and financially viable.[124]

3.40 The Committee notes the significant increase in industrial land values, particularly in Western Sydney, in recent years and discussed this with the Valuer General at their Seventeenth General Meeting. The Committee asked about the methodology for calculating industrial land values.[125]

3.41 In NSW the Valuer General uses a mass valuation process to value most industrial land and must also meet the requirements of the *Valuation of Land Act 1916*.[126] The Valuer General acknowledged recent increases in the value of industrial land

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[119] NSW Valuer General, How land is valued in NSW, viewed 30 July 2025; *Yearly Insights 2023–24*, p 18; Value NSW, *Valuation of industrial land*, February 2024.

[120] *Yearly Insights 2023–24*, p 18.

[121] *Yearly Insights 2023–24*, p 45.

[122] *Yearly Insights 2023–24*, p 20.

[123] *Yearly Insights 2023–24*, p 18.

[124] Value NSW, *Valuation of industrial land*, February 2024, p 5.

[125] Dr Hugh McDermott, Transcript of evidence, 5 May 2025, p 9.

[126] Value NSW, *Valuation of industrial land*, February 2024, p 5.

in NSW, noting an increase of approximately 50 per cent in 2021-22 and a further 9.6 and 6 per cent in 2022-23 and 2023-24 respectively.[127]

3.42 The Valuer General explained that market factors impact industrial land valuations, such as changes in business, e-commerce and investor interest. In addition, in Western Sydney the new Western Sydney airport has made this a sought-after location for industrial land leading to further increases.[128] VNSW reported that there has not been a significant increase in industrial land valuation objections in this area. They received 401 objections in the South West Sydney Region during the 2023-24 reporting period.[129] This represented 0.166 per cent of all land values in this region, compared to a statewide average of 0.181 per cent.[130]

3.43 VNSW completed a targeted quality assurance project on industrial zoned land in North Western Sydney, noting the increases in value over the last two years. The project found that overall, the component structures and benchmark selections were compliant.[131]

3.44 The Committee notes that mass valuation is used increasingly in Australia and around the world and that industrial land value is impacted by market factors.[132] The Committee appreciates that the Valuer General provides land values based on the data and information available to them.

3.45 However, the Committee recognises the potential impacts significant increases in industrial land values may have on local industrial landowners and their businesses. The Committee will continue to monitor the Valuer General's valuation of industrial lands.

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[127] Ms Dale, Evidence, 5 May 2025, p 9.

[128] Ms Dale, Evidence, 5 May 2025, p 9.

[129] The South West Sydney Region encompasses land surrounding the Western Sydney Aerotropolis, encompassing Camden City Council, Campbelltown City Council , Liverpool City Council and Penrith City Council; Answers to questions on notice, Value NSW, 23 June 2025, p 1

[130] Answers to questions on notice, Value NSW, 23 June 2025, p 1

[131] Answers to supplementary questions, Value NSW, 19 June 2025, p 1.

[132] Value NSW, *Valuation of industrial land*, February 2024, p 4.

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 19 February 2025, the Committee resolved to conduct its Seventeenth General Meeting with the Valuer General to examine the Valuer General's 2023-24 Annual Report.

On 5 May 2025, the Committee conducted the Seventeenth General Meeting with the Valuer General at Parliament House. During the hearing, the Committee examined Ms Sally Dale, the NSW Valuer General, and Mr Stewart Mclachlan, Chief Executive Officer, Value NSW.

The Committee sent written questions to the Valuer General, further to the General Meeting. On 19 June 2025, Value NSW a provided a written response to these questions. On 23 June 2025, Value NSW provided a written response to questions taken on notice during the General Meeting.

These documents are available on the Committee's website.

Appendix Three – Witnesses

05 May 2025
Parliament House, Macquarie Room, Sydney, NSW

Witness	Position and Organisation
Ms Sally Dale	NSW Valuer General
Mr Stewart Mclachlan	Chief Executive Officer, Value NSW

Appendix Four – Extracts from minutes

MINUTES OF MEETING NO 8

1.33pm, 19 February 2025
Meeting Room 1043, Parliament House

Members present
Adj Prof Tamara Smith (Chair), Dr Hugh McDermott (Deputy Chair), The Hon. Mark Buttigieg, The Hon. Scott Farlow, Mr David Mehan

Officers present
Leon Last, Sukhraj Goraya, Lloyd Connolly

1. *

2. *

3. Seventeenth General Meeting with the Valuer General
Resolved on the motion on Mr Farlow, seconded by Dr McDermott: That the Committee conducts its Seventeenth General Meeting to examine the Valuer General's 2023/24 Annual Report.

Resolved on the motion of Mr Buttigieg: That information about the review be published on the Committee's webpage.

Resolved on the motion of Dr McDermott: That the Committee holds a public hearing or hearings for the review in 2025 on a date or dates to be determined, and invites the Valuer General, CEO of Value NSW, senior staff from the NSW Department of Planning and Environment, and any other identified witnesses to appear to give evidence.

4. *

5. General business
The Committee discussed its future work plans.

6. Next meeting
The meeting adjourned at 1.56pm until 5 May 2025.

MINUTES OF MEETING NO 9

10.12am, 5 May 2025
Macquarie Room, Parliament House

Members present
Adj Prof Tamara Smith (Chair), Dr Hugh McDermott (Deputy Chair), The Hon. Scott Farlow

Via videoconference: The Hon. Mark Buttigieg, Mr David Mehan

Officers present
Leon Last, Madelaine Winkler, Emily Lecky, Lloyd Connolly

1. Confirmation of minutes
Resolved, on the motion of Mr Mehan: That the minutes of the meeting of 19 February 2025 be confirmed.

2. ***

3. Seventeenth General Meeting with the Valuer General

Pre-hearing deliberative meeting

3.1. Media orders
Resolved on the motion of Dr McDermott: That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 5 May 2025, in accordance with the Legislative Assembly's guidelines for the coverage of proceedings for parliamentary committees administered by the Legislative Assembly.

3.2. Supplementary questions and questions taken on notice
Resolved, on the motion of Mr Farlow: That the Committee adopt the following process in relation to supplementary questions:

- Members to email any proposed supplementary questions for witnesses to the secretariat by Friday 16 May 2025
- Secretariat to then circulate all proposed supplementary questions to Committee with Members to lodge any objections to the questions by Tuesday 20 May 2025
- That witnesses be requested to return answers to questions taken on notice and any supplementary questions within 14 days of the date on which the questions are forwarded to witnesses.

The meeting adjourned at 10:22 am.

3.3. Public hearing
Witnesses and the public were admitted. The Chair opened the public hearing at 10:31 am and made a short opening statement.

Ms Sally Dale, Valuer General, Office of the Valuer General, was affirmed and examined.
Mr Stewart Mclachlan, Chief Executive Officer, Valuation NSW, was sworn and examined.

Ms Dale and Mr Mclachlan both made opening statements.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

The public hearing concluded at 12:30 pm.

Post-hearing deliberative meeting

The deliberative meeting resumed at 12:36 pm.

3.4. Publication of transcript

Resolved on the motion of Dr McDermott: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's website.

3.5 Acceptance and publication of documents tendered

Resolved on the motion of Mr Farlow: That subject to confirmation from the Valuer General or CEO, Valuation NSW, the Committee publish the presentation on the new general valuation delivery schedule on their website.

4. Next meeting

The meeting adjourned at 12:39 pm until a date and time to be determined.

MINUTES OF MEETING NO 10

2.01pm, 2 July 2025

Room 1043, Parliament House

Members present

Via videoconference: Adj Prof Tamara Smith (Chair), Dr Hugh McDermott (Deputy Chair), The Hon. Scott Farlow, Mr David Mehan

Apologies

The Hon. Mark Buttigieg

Officers present

Leon Last, Madelaine Winkler, Sukhraj Goraya, Lloyd Connolly

1. Confirmation of minutes

Resolved, on the motion of Mr Mehan: That the minutes of the meeting of 5 May 2025 be confirmed.

2. ***

3. Seventeenth General Meeting with the Valuer General

3.1 Responses to questions on notice

The Committee considered the publication of answers to questions on notice from Mr Stewart McLachlan, CEO, Value NSW, received 15 May 2025.

Resolved, on the motion of Dr McDermott: That the Committee accept and publish the answers to questions taken on notice at the public hearing held on 5 May 2025 publish them on its website.

4. ***

5. Next meeting
The meeting adjourned at 2.05pm until a date and time to be determined.

UNCONFIRMED MINUTES OF MEETING NO 11

3:02pm, 21 October 2025
Meeting room 1043

Members present
Adj Prof Tamara Smith (Chair), Dr Hugh McDermott (Deputy Chair), The Hon. Scott Farlow, Mr David Mehan

Officers present
Leon Last, Madelaine Winkler, Annie Furquan and Jordan Schembri.

1. Confirmation of minutes
Resolved, on the motion of Mr Farlow: That the minutes of the meeting of 2 July 2025 be confirmed.

2. ***

3. Seventeenth General Meeting with the Valuer General

3.1 Consideration of Chair's draft report
The Committee agreed to consider the findings and recommendations of the Chair's draft report first then the report in globo.

Resolved, on the motion of Mr Mehan: That the recommendations and findings stand as part of the report.

Resolved, on the motion of Dr McDermott: That the draft report, including the cover page be the report of the Committee and that it be signed by the Chair and presented to the House.

Resolved on the motion of Mr Mehan: That the Chair and committee staff be permitted to correct stylistic, typographical and grammatical errors.

Resolved on the motion of Mr Farlow: That once tabled, the report be published on the Committee's webpage.

4. Next meeting
The meeting adjourned at 3:09pm until a date and time to be determined.