



Valuer General

Mr Geoff Provest MP
Chair
Joint Standing Committee on the Office of the Valuer General
Parliament of NSW
Macquarie Street
SYDNEY NSW 2000

VG17/359/5

Via email: valuergeneral@parliament.nsw.gov.au

Dear Mr Provest

Thank you for the opportunity of appearing at the public hearing of the Joint Standing Committee on the 16 October 2017. At that hearing I took two Questions on Notice and an additional 13 questions were raised following the hearing. Please find my response to those questions below.

Response to Additional Questions following Public Hearing - 16 October 2017

STRUCTURAL CHANGES

1. Whole of Government Changes

Please explain your role within the new whole of government structure for compensation and land valuation management and your relationship with the various other entities including the reconstituted LPI, the Westconnex portfolio, the Customer Service Commissioner, the Property Acquisition Standards Group within DFSI and the Centre for Property Acquisitions within Transport for NSW.

Response

As Valuer General I am an independent officer appointed by the Governor of NSW to oversee the valuation system which provides land values for rating and taxing; and determinations of compensation when land is compulsory acquired.

My role remains independent and unchanged within the new whole of Government structure. I continue to issue determinations of compensation when land is compulsorily acquired and provide advice to government in respect to the Valuer General's role in the compensation process. I am involved with other entities as detailed in the table below.

Entity	Nature of relationship
Land and Property Information (now Australian Registry Investments)	Provision of services including collection and supply of property sales data and access to title and plan searches is unchanged.

Entity	Nature of relationship
Acquiring authorities (incl. WestConnex)	<p>The independence of the determination of compensation is unchanged. However, the Government reforms now require:</p> <ul style="list-style-type: none"> the acquiring authority to provide the Valuer General with information relevant to a compensation determination as soon as practicable but not later than seven days after compulsory acquisition of land that the claim for compensation form ('the section 39 form') can be directly provided to the Valuer General by the former land owner (rather than via the acquiring authority). the Valuer General to provide the compensation determination (including land valuation report) directly to the land owner at the same time as the acquiring authority (previously <i>the Land Acquisition (Just Terms Compensation) Act 1991</i> required the determination to only be provided to the acquiring authority only) acquiring authorities to pay the Valuer General's reasonable costs of preparing valuations for the determination of compensation, regardless of whether a determination of compensation is issued.
Customer Service Commissioner	<p>The Valuer General was a member of the land acquisition reform steering committee chaired by the Customer Service Commissioner. The final committee meeting was 7 March 2017.</p>
Property Acquisition Standards Group within the Department of Finance, Services and Innovation	<p>The Valuer General reports bi-annually to the Property Acquisition Standards Group on: total determinations of compensation issued, determinations issued for residential properties, preliminary valuation reports issued and land owner consultation.</p>

Entity	Nature of relationship
Centre for Property Acquisition	A representative of the Office of the Valuer General attended the Centre for Property Acquisition's Working Group from March 2017 to August 2017. The group focused on the implementation of government recommendations, communication material and staff training.

2. Independence of the Valuer General

The Valuer General is an independent officer appointed by the Governor of New South Wales to oversee the valuation system.

- *Can you please inform the Committee how your independence is guaranteed within the new whole of government structure for compulsory land acquisitions?*

Response

The *Land Acquisition (Just Terms Compensation) Act 1991* requires the Valuer General to determine the amount of compensation to be paid by an acquiring authority to a former land owner if they are unable to negotiate the purchase of the land.

The Valuer General is independent in the compulsory acquisition process and does not act for either the former land owner or the acquiring authority. This independence is important so that there is separation between the acquisition of land by government for a public purpose and the determination of compensation.

The Valuer General's role remains independent under the whole of government structure for compulsory land acquisitions.

I have implemented the following improvements to increase fairness, transparency and reinforce the Valuer General's independence in the compulsory acquisition process:

- a coordinator is now appointed at the beginning of the compulsory acquisition process providing a single point of contact for the former land owner during the determination of compensation
- conferencing is available to the former land owner throughout the process
- free exchange of all information between the acquiring authority, former land owner and Valuer General; this includes all information considered by the valuer in making the valuation
- former land owners are encouraged to provide information to the Valuer General and to meet with his representatives
- a preliminary valuation report is issued to both the former land owner and the acquiring authority at the same time, giving them a 15 day right of reply to raise any issues or concerns before the report is finalised
- the final valuation report and certificate of determination is issued to both the former land owner and the acquiring authority
- valuation reports have been improved to:

- provide additional information on valuation assumptions and rationale
- address the claims, issues and concerns of the former land owner
- explain how the compensation amount was determined
- valuers acting on behalf of the Valuer General are required to contact the former land owner to discuss their issues
- letters on behalf of the Valuer General are sent to the former land owner at all key stages of the process
- former land owners are issued with a survey to gauge satisfaction at the end of the process
- plain English information about the process and the Valuer General's role is available on the Valuer General's website and the newly published Government's Property Acquisition website
- published policies:
 - *Compensation following compulsory acquisition.* This policy guides valuers acting on behalf of the Valuer General on the methods to use, and factors to consider, when determining compensation. The policy requires valuers, when determining market value to resolve any reasonable doubt in favour of the former land owner ensuring that the compensation will not be less than market value
 - *Compulsory acquisition advice.* This policy guides valuers who provide advice on behalf of the Valuer General for land that is subject to or may become subject to compulsory acquisition
 - *Compensation following compulsory acquisition involving possible conflicts of interest.* This policy provides instruction for cases where there is a perceived or actual conflict of interest within Valuation Services, part of Property NSW, determining compensation for land that is compulsorily acquired.

3. Impact of Privatisation of LPI Titling and Registry Services

The Presentation states (p11) that the new LPI operator's contract for the operation of the land titles system provides for ongoing provision of information to the Valuer General with the result that the new arrangement has had little impact on your office.

- *Are you satisfied that the risk management and information security mechanisms are adequate in relation to the protection of land and property information now and in the future?*

Response

On the 1 July 2016 the Office of the Registrar General was created to monitor and enforce performance of the land titles registry business of Land and Property Information (LPI).

The Office of the Registrar General is a regulator, policy advisor and legal advisor working to ensure the integrity of the NSW land title system.

From 1 July 2017, the operation of titling and registry services was transferred under a concession agreement to a private operator. The Office of the Registrar General manages the concession to ensure integrity, security, performance and availability of the NSW land titles system through a range of oversights, rules and directions, quality assurance and strong engagement with stakeholders.

The new operator provides all services to the Valuer General previously provided by LPI's Titling and Registry Services.

The services and data supply previously provided by LPI to the Valuer General will continue to be provided under memorandums of understanding with the Registrar General and Spatial Services, both part of the Department of Finance, Services and Innovation. The memorandum of understanding (MoU) with the Registrar General is under final negotiation before being signed off and the MoU with spatial services is being developed.

4. IAB Audit

The 2015/16 Annual Report (p83) refers to the 2014 Audit Report of the Internal Audit Bureau (IAB). It comments that one recommendation relating to the need to establish efficiency and effectiveness benchmarks for the quality assurance process is still outstanding.

- *Is this still a major priority?*

Response

Yes.

A consultant has been contracted to review quality assurance activities and to recommend efficiency and effectiveness benchmarks. The review will identify service and system solutions and map a pathway for the implementation of new quality assurance processes.

The final report on the review is expected to be delivered in the first quarter of 2018 with any new quality assurance processes implemented before the end of the financial year.

FINANCE AND PERFORMANCE REPORTING

5. Table of Key Performance Indicators

The performance measurements table quantifies (pp89-90) the total number of valuations completed and notifications issued; as well as giving measurements of the number of objections received and processed and the timeliness in processing objections and customer service responsiveness.

- *Can you comment on the most satisfactory and/or unsatisfactory performance results for the 2015/16 and indicate any measures subsequently taken to address any significant problems?*

Response

I was satisfied to report that all key performance measures were met in the 2015/2016 reporting period with the exception of those in relation to objections.

High objection volumes experienced in the reporting period impacted on performance in relation to the timely completion of objections. The increase in objection numbers compared to preceding years was attributed to the strong market conditions existing at 1 July 2015 leading to Notices of Valuation showing significant increases in land value issuing in early 2016 when media reports speculated a cooling market.

A pilot project for the issue of a preliminary objection reports, allowing landholders the opportunity to raise issues or concerns regarding the objection report and provide additional information prior to the final report being issued was undertaken in 2014 and 2015. The pilot impacted on the timeframes for completion of objections in the reporting period and was suspended in 2016 so that the pilot could be evaluated.

During 2016 the full end to end objection process was reviewed prior to full implementation of the preliminary report process in 2017. Following evaluation of the pilot project, an important amendment to the process included sending the preliminary report direct to landholders rather than undergoing a detailed quality assurance by Valuation Services prior to being issued. This enabled the landholders to receive the preliminary report earlier in the process reducing the impact on the overall timeframes.

In order to improve efficiency, value for money, consistency of objection outcomes and improve contractor performance a new process of engaging single contractors to provide objection review services to specific local government areas was introduced in January 2017. Early program outcomes show an average reduction of:

- 11 days in the time taken to process objections by Valuation Services
- 3 days in the time taken by the contractor to review the objection
- \$63 in cost per objection.

Data for the 2016/2017 reporting period shows improvements in key performance indicators relating to the completion of objections.

6. Percentage of Objections which led to a change in land value

The Committee notes that a KPI measuring the percentage of objections which led to a change in land value has been published for the first time in the 2015/16 Annual Report.

- *Can you elaborate the usefulness of this KPI and the reason for its development?*

Response

Objections provide for the individual and independent review of valuations determined through mass valuation. The objection process provides rigorous quality assurance, the opportunity for new evidence to be considered and for land values to be individually valued.

This KPI was developed as an additional tool to monitor the quality of issued land values. Statistical quality measures for land values measure the general level of accuracy and consistency of land values at a local government or state-wide level, whereas this KPI monitors the outcome of the objection process. The measure is a general marker but is also used at a local level to target quality assurance activities.

In the 2016/2017 reporting year the percentage of objections that led to a change in land value showed an 8% decrease to 22% from the previous reporting period.

MEDIA AND COMMUNITY RELATIONS

7. Media and Community Education

The Committee notes that, according to your Presentation (p12), the release of the Report on NSW Land Values, published in January 2017, was covered in many media articles.

- *Do you have a formal process for monitoring and evaluating media coverage of your public communications?*
- *Do you have any community education strategies in addition to your newsletters and your media relations following reports on land values?*

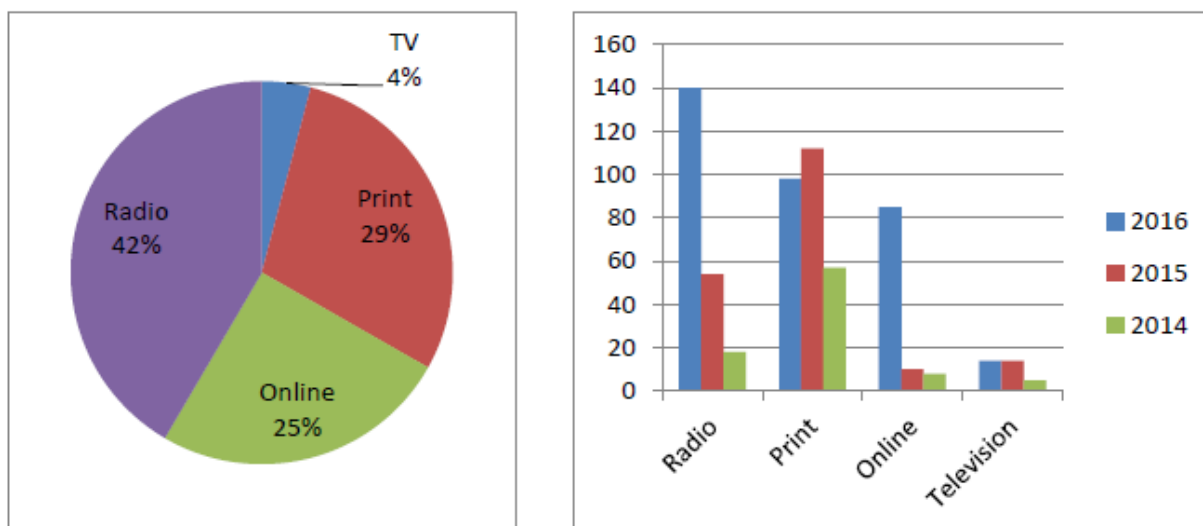
Response

Yes. The Department of Finance, Services and Innovation (DFSI) media unit monitor, coordinate and evaluate media coverage following the release of new land values in December/January each year. An evaluation report is provided to the Valuer General at the end of the annual media campaign.

In January 2016 a state wide media release and 29 other media releases covering 47 local government areas were issued by the Valuer General for the 1 July 2015 land values. During the 22 day campaign period (7 - 29 January 2016):

- 337 stories ran, compared to 190 stories the previous year running over a 37-day campaign
- more than 90 percent of all media coverage was categorised as positive, neutral or balanced
- negative coverage dropped to 9% from 13% for the previous years' campaign.

Coverage statistics for the Valuer General's 2016 media campaign



The Office of the Valuer General monitors the media on a daily basis to check for any emerging or recurring issues. If information gaps are identified consideration is given to the best way to address these. Solutions may include:

- adding new information to call centre scripts
- offering meetings with councils
- updating existing or drafting new customer facing collateral.

The Valuer General is heavily involved in promotion of the role of the Valuer General through his membership with the Australian Property Institute and as a member of the Land Valuation Advisory Group.

In January 2017 the Valuer General released an online video to explain the 1 July 2016 land values and the NSW valuation system. The video was promoted on the Valuer General's website; <https://vimeo.com/199080190/8692b6b884>. Further educational videos are being planned.

8. Communications Strategies

At the Tenth General Meeting, the Valuer General emphasised the need to have a range of communication strategies (Transcript 13 May 2016, p16).

- *Have you considered any new methods of communicating with the public e.g. via social media?*
- *Have you considered the feasibility of promoting the services of the Valuer General through links with other relevant departments or organisations?*

Response

New communications

As Valuer General I aim to continually improve the services we offer to the public, this includes the means by which landholders can communicate and interact with the Office of the Valuer General and Valuation Services, and the methods we use to communicate with landholders.

A key area for expansion is digital communications for landholders and other stakeholders.. A number of additional communication methods have already been implemented in support of this:

- a new online facility enables landholders to self-serve and update their mailing address
- the introduction of online land value information summaries available by Local Government Area and Region. The summaries provide comprehensive information about market trends, land value levels and movement
- a new additional channel for gathering and managing customer complaints and feedback has been introduced. The feedback popup 'widget' enables landholders to lodge feedback and suggestions simply via the on the Valuer General's website
- an online video featuring the Valuer General explaining the 1 July 2016 land values and the NSW valuation system
- comprehensive, free of charge land value and property sales information is available online via the Valuer General's website. In 2017 new functionality was released that enables this information to be accessed in bulk.

The use of social media has been explored, with consideration given to the *NSW Government Social Media Policy and Guidelines* and advice from the Department of Finance, Services and Innovation communications unit. This avenue of communication has not been progressed at this time due to the potential resource implications and the need to provide a continual flow of information to maintain followers (in what is traditionally an area of seasonal or low news). There were less than 30 Tweets referencing the NSW Valuer General this year.

Other avenues promoting services

The services and role of the Valuer General are promoted through a variety of other departments and organisations. The table below provides a summary.

Organisation	Nature of information
Centre for Property Acquisition	Their Property Acquisition website includes information on the role of the Valuer General, compulsory acquisition and the compulsory acquisition process.

Organisation	Nature of information
Revenue NSW	<p>Their website includes:</p> <ul style="list-style-type: none"> • Frequently Asked Questions (FAQs) relating to land value. • Links to the Valuer General's website, information on how the Valuer General determines the land tax threshold. • A brochure which includes information on how land value is determined by the Valuer General, a link to the Valuer General's website, customer service contact details and details of how to lodge a land value objection. • Information about land values and contact details for the Valuer General are printed on land tax assessments issued by Revenue NSW. The Valuer General's brochure, <i>Your land value</i> will be issued with all land tax assessment by Revenue NSW in 2018.
Service NSW	<p>Their website includes information about how land is valued, how to lodge an objection, how to find out the land value of your property and a link to the Valuer General's website.</p>
Data NSW	<p>Information about the publication of land value information and how to access bulk land value information on their website.</p>
Property NSW	<p>Information on their website about the services provided by Valuation Services on behalf of the Valuer General.</p>
Ombudsman NSW	<p>A factsheet on their website about rates and charges which includes information on a landholder's right to lodge an objection to their land value.</p>
Office of Local Government	<p>A FAQs factsheet on their website on rates and charges which includes information on the determination of land value, how to lodge an objection and contact details.</p>
Councils	<p>The majority of NSW councils issue the Valuer General's newsletter annually with their rates notices. 1.7 million copies were distributed by councils in July 2017.</p>
The Land Valuation Advisory Group (LVAG)	<p>The LVAG is the Valuer General's principal stakeholder liaison committee. The group comprises of industry representatives from:</p> <ul style="list-style-type: none"> • Australian Property Institute • Local Government NSW • Office of Local Government • Office of State Revenue • Office of the Valuer General

Organisation	Nature of information
	<ul style="list-style-type: none"> • Property Council of Australia • Real Estate Institute of NSW • Royal Institute of Chartered Surveyors • Shopping Centre Council of Australia.
Australian Property Institute	The Valuer General promotes the role through his membership of the Australian Property Institute. He was until recently member of the NSW Divisional Council.
International Property Tax Institute (IPTI)	<p>IPTI is a not-for-profit organisation with a goal to advance and foster property taxation and assessment ideals on an international level.</p> <p>IPTI's 12th mass appraisal symposium "Innovation, Adaptation and Best Practices" was held in Sydney in co-operation with the Office of the NSW Valuer General in 2017.</p> <p>The Valuer General presented, <i>Challenges and opportunities in building public trust in a mass valuation environment</i>, at the conference.</p>
Media	In January each year, to coincide with the issue of Notices of Valuation to landholders the Valuer General undertakes a substantial media release campaign. The media releases advise of and provide commentary on land value movements in areas, how land values are determined, that land values are used in the determination of rates, contact details and how to lodge an objection.

9. Customer Service Management

The 2015/16 Annual Report refers (p88) to the outsourced valuation enquiry call centre.

- What are the arrangements for your call centre following your transition to DFSI?
- Is this managed in-house or is it outsourced?

Response

In-house Call Centre / Customer Service function

Valuation Services, on behalf of the Valuer General operates a permanent in-house call centre capability operating from Bathurst NSW with a workforce of both permanent and seasonal team members. A range of customer services are provided, including responding to phone, email and correspondence queries as well as a variety of other functions which support dispute resolution processes. This capability was in place prior to the transition to the DFSI and was retained following this transition.

Peak business cycle outsourced call centre

In addition to the above, Valuation Services also periodically provides services to customers utilising an Australian based outsourced managed service provider. This capability is used to increase call handling capacity during peak periods, predominantly following the issuing of Notices of Valuation early in the calendar year. This peak period is largely driven by the objection lodgement window that follows the issue of the Notices of Valuation. The outsourced call centre provider went in to receivership during the period of their contract in early 2017 and call handling was brought back in house until a procurement activity was executed to secure a new outsourced call centre provider to supplement in-house capabilities in July 2017. The new outsourced call centre provided services for the remainder of the peak period for call volumes. The outsourced call centre is not presently in use due to reduced call volumes. All calls are being managed in-house at present.

The arrangement with the managed services provider enables Valuation Services to activate this service at short notice when required.

WEBSITE AND INFORMATION TECHNOLOGY

10. Property Sales Information and Land Value Searches On-line

The Presentation refers to various on-line search tools (p21):

- *What has been the overall impact on the efficiency of your customer service provision of providing more property sales information on-line and of providing the land value search facility?*

Response

Online access to property sales information and land values are part of an increasing range of digital services provided to the community.

An important aspect of our customer service is to provide information that is effective in meeting landholders needs and is delivered efficiently. Providing services online for open public access is central to my objective of providing a transparent and accessible valuation system that provides landholders with the information they need to understand their land value.

The Valuer General's website provides property sales information through the property sales enquiry function or via the NSW Globe. The NSW Globe provides sales information from 2001 for individual properties and sales information for the last five years at street and suburb level. Similarly land values are available via a land value search or the NSW Globe. The NSW Globe has land values from the last five years, alongside maps, property information and the latest aerial imagery.

In addition, bulk property sales and land values in machine readable formats are also now available online. Previously this information was obtained through individual requests and incurred a fee.

Improvements:

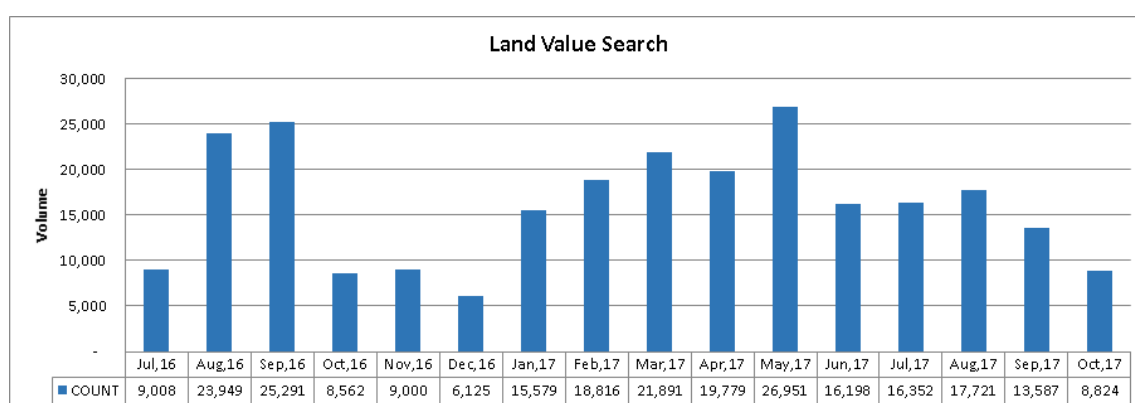
- Customers can access property sales information and land values through a 24/7 self-serve capability. Access to information has been simplified by removing the need to register and all land value searches are now free. Prior to 1 July 2016 non-owners paid a fee for the land value search.
- The online search tools have expanded the volume of information openly available to customers. Landholders now have access to all sales that are registered in NSW.

Previously landholders could only obtain sales information in the form of a 'Valuation Sales Report' requested from the Valuation Services call centre team, or online after a registration process. The Valuation Sales Report is limited to sales analysed by the contract valuer when valuing properties in the landholder's component as part of the mass valuation process. The Valuation Sales Report remains available but no longer requires a registration process.

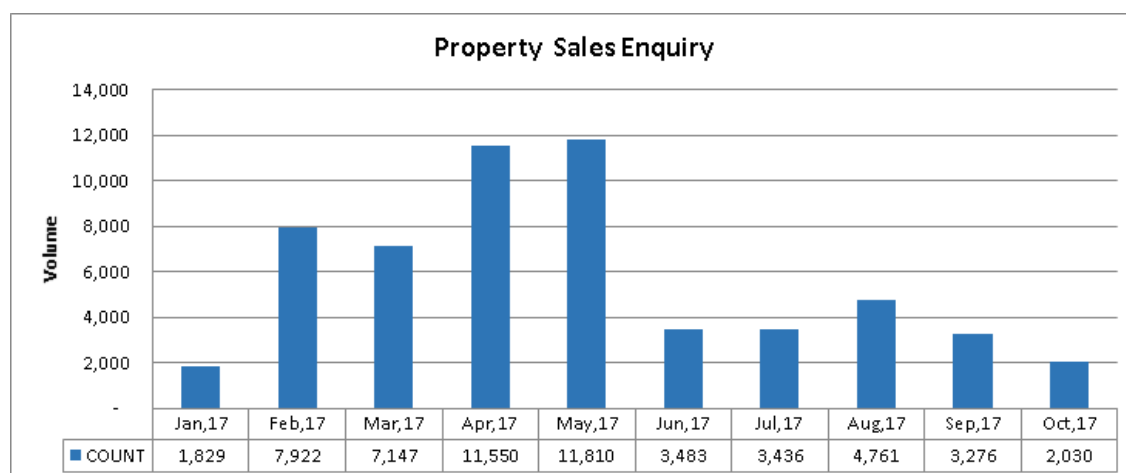
- Customers no longer need to make applications to Valuation Services or have to pay to obtain bulk information from the Register of Land Values or comprehensive sales information as data is freely available in machine readable format for their own analysis. Alternatively, customised reports are available via paid services from commercial providers.
- Reduced manual effort in servicing requests from customers.

Indicators of usage of online services:

- Land value search usage over the period from July 2016 to October 2017 as shown in the following chart demonstrates increased usage at peak valuation enquiry times in August and September following the issues of council rates notices and from January to May 2017, coinciding with the issue of 1 July 2016 land values across NSW.



- Property sales enquiry usage over the period from January 2017 to October 2017 demonstrates a similar trend as the land value search indicating landholders used this facility when considering their new land values. Property sales are the most important consideration when determining or reviewing land values. The following chart shows peak sage coinciding with the issue of 1 July 2016 land values and the objection period.



11. Interactive Portal

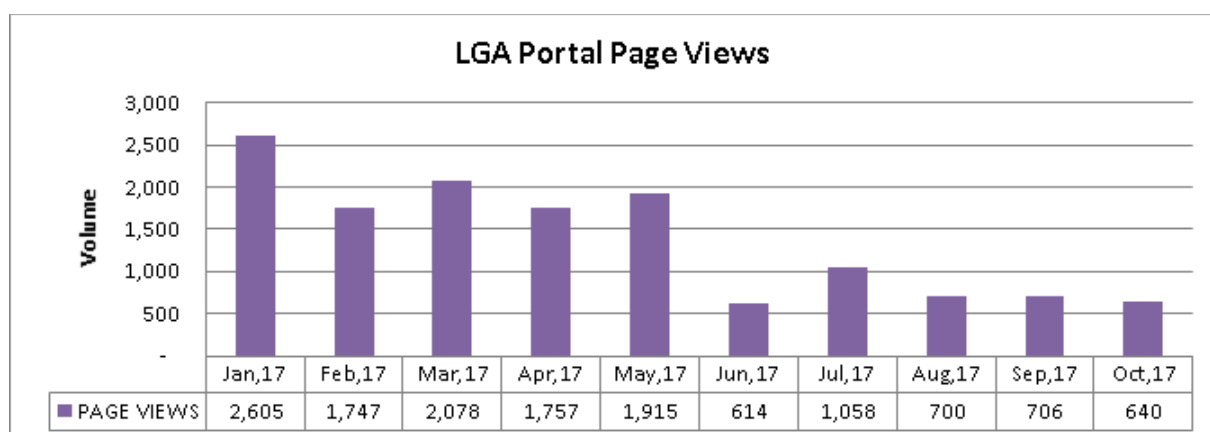
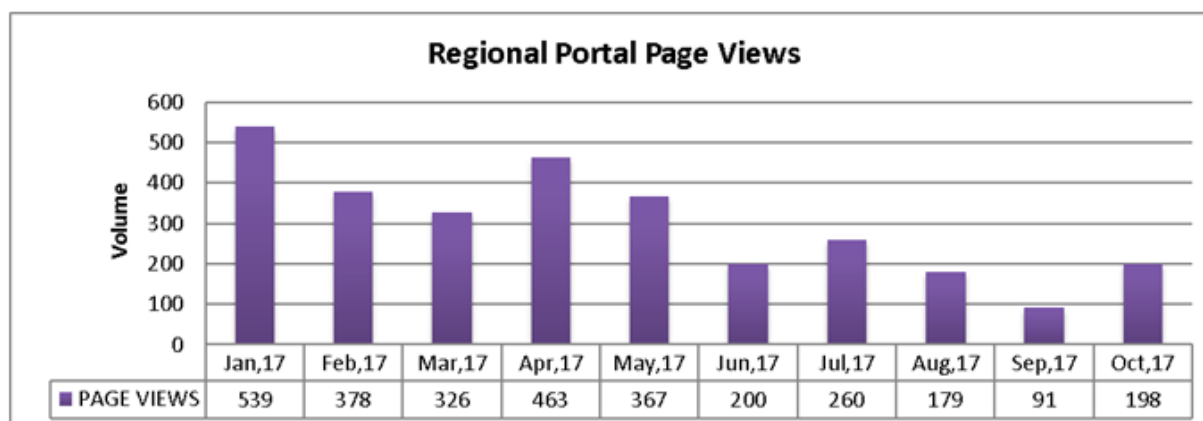
The Presentation reports (p19) the development of a public interactive portal enabling landholders to access interactive LGA and Regional summaries for all LGAs covering 14 regions across NSW which includes information on residential, commercial, industrial and rural properties.

- How do you measure the usefulness of this information tool?

Response

The interactive portal, including local government area (LGA) and regional summaries, was implemented in January 2017 to coincide with issuing the 1 July 2016 Notices of Valuation to landholders.

The effectiveness of this information tool is currently measured through the volume of hits on the respective web pages, as well as feedback received from members of the public and media. The peak use periods in the graph below correlate with the issue of Notices of Valuation, the window for lodging objections and the issuing of rates notices by councils. This indicates that landholders are utilising this information at key points in the valuation cycle.



Valuation Services, who operate a customer service call centre on behalf of the Valuer General refer customers to this information tool where necessary. Valuation Services has advised that overall customer feedback has been positive.

Media

Positive feedback on the usefulness to the media of the LGA and regional summaries has been received from the Department of Finance, Services and Innovation (DFSI) Media Unit. The unit advised that the summaries were invaluable in dealing with media enquiries in 2017 and that feedback from journalists and media outlets has been very positive. Journalists were pleased with the increased level of details, breakdowns of property type (residential, rural etc.) and that specific roads or streets were identified. The DFSI Media Unit were able to direct journalists to the information online to self-serve, leading to less than four percent of enquiries requiring information in addition to that provided in the online summaries.

Future initiatives

In August 2017 the Valuer General implemented a new online feedback widget to key pages of the Valuer General's website. This widget enables website users to provide positive or negative feedback as well as log suggestions.

The feedback widget has recently been expanded to the LGA and regional summaries pages to encourage direct feedback on those information products.

In future the availability of the LGA and regional summaries will be signposted in media releases. This is expected to reduce the number of media enquiries.

12. New Land Acquisition Website

Since the Tenth General Meeting the NSW Government has established a dedicated website providing all relevant information about the 2016 changes to the compulsory land acquisition and compensation process: <http://landacquisition.nsw.gov.au/>

- *Does this website support or replace the information services of the Valuer General in relation to valuations for compulsory land acquisition and compensation?*
- *What is the current status of the land acquisition website? Will it be regularly updated?*
- *Does the Valuer General have input to the information provided on the land acquisition website?*

Response

In October 2017 the Government launched its new website www.propertyacquisition.nsw.gov.au which replaced the land acquisition website. This website supports the information on the Valuer General's website, however, its main focus is the property acquisition process as a whole as opposed to just the compulsory acquisition process in which the Valuer General is involved.

The Office of the Valuer General provided feedback on draft content of the Property Acquisition website during its development.

The Centre for Property Acquisition has responsibility for the Property Acquisition website and its upkeep.

COMPULSORY ACQUISITION

13. Whole of Government Guidelines

The Presentation outlines (p11) the contributions of the Valuer General to the whole of government changes in the policies and processes relating to compensation for land acquisition.

- *What is the significance of the whole of government guidelines for business compensation and for disadvantage resulting from relocation, which were developed as part of the whole of government process?*
- *Where are whole of government guidelines published?*

Response

The whole of government guidelines for business compensation were developed to address a lack of consistency in the assessment of compensation payable to businesses, involved in a compulsory acquisition, by acquiring authorities. The implementation of the guidelines should ensure a more consistent assessment of business claims by acquiring authorities.

The whole of government guidelines for disadvantage resulting from relocation were developed to assist in determining the amount of compensation payable in relation to the inconvenience of having to relocate from a principle place of residence. The guidelines are intended to help to ensure that there is clear guidance on the amount of compensation payable in a range of circumstances.

The whole of Government guidelines are published on the Department of Finance, Services and Innovation website:

- www.finance.nsw.gov.au/sites/default/files/Guidelines_determination_compensation_business.pdf
- www.finance.nsw.gov.au/sites/default/files/Solatium%20Guidelines_Determination_compensation_disadvantage_relocation.pdf

There are also links to the guidelines from the land acquisition page on the Valuer General's website, www.valuergeneral.nsw.gov.au/compulsory_acquisitions/land_acquisition.

Responses to Questions taken on Notice at Public Hearing - 16 October 2017

Question 1

The CHAIR: Your customer service page on the website directs landholders to the Ombudsman if they are not satisfied with the final outcome of their complaint. Do you monitor and record the complaints that go to the Ombudsman? What type of matters have been reviewed by the Ombudsman?

Mr GILKES: I would like to take that on notice to provide more information. The first thing I would say is that the amount of complaints we receive via the Ombudsman is very low. Typically they are about customer service matters, but the numbers are very low. Where they occur we address those complaints either back through the Ombudsman or directly to the landholder, depending on what the Ombudsman requests us to do. The incidence of them is low.

Response

The incidence of complaints made to the Ombudsman is very low. The Ombudsman reports on complaints in their annual report.

In the 2014/2015 reporting year, where over 1.8 million land values were issued to landholders for rating and taxing purposes, two complaints were made to the Ombudsman about Valuation Services. After assessment the Ombudsman deemed no action was required. There were no complaints about the Office of the Valuer General.

In the 2016/2017 reporting year, where 3.5 million land values were issued to landholders for rating and taxing purposes, two complaints were made to the Ombudsman about Valuation Services. After assessment the Ombudsman deemed no action was required. There were no complaints about the Office of the Valuer General.

The breakdown of the complaints referenced above were regarding:

- Objections (3)
- Land value (1).

Question 2

The CHAIR: The 2016 amendments to the land acquisition process included an increased payment of up to \$75,000 for disadvantage resulting from relocation. Why was not that new maximum specifically cited in the published guidelines? When did the increase to the maximum amount of solatium begin to be implemented? Was it backdated? Was there any impact on it? Is the amount assessed on a case by case basis? Have there been any objections and how many disputes have been resolved?

Mr GILKES: We will take that on notice. The amount for, previously solatium, compensation for disadvantage associated with relocation has been reviewed every year over a long period of time. The new rate is published each year in the Government Gazette and from the time it takes effect it is reflected in determinations of compensation. In that particular case the change in the amount to \$75,000, which was a significant change, was back dated but that did not involve my office. That was essentially dealt with through a process whereby the Office of State Revenue found those people who had previously been compensated for that and their compensation was updated. One of your other questions was, is it considered on a case by case basis.

Response

Why was not that new maximum specifically cited in the published guidelines?

The *Land Acquisition (Just Terms Compensation) Act 1991* (the Act) details the requirements for the calculation of compensation for *Disadvantage resulting from relocation* in section 60. The maximum amount of \$75,000 is cited in the Act and was published in the NSW Government Gazette No 83 of 18 October 2016.

Schedule 1A of the Act provides for the amendment of section 60 to enable the maximum amount to be increased by regulation for the automatic indexation of the maximum amount in line with inflation. The Secretary of the Department of Finance, Services and Innovation is responsible for the annual publication of a notice of each adjusted maximum compensation amount under this clause on the NSW legislation website.

The current maximum amount is published on the Property Acquisition website.

When did the increase to the maximum amount of solatium begin to be implemented?

The increase to the maximum payment for *Disadvantage resulting from relocation* was implemented by the Valuer General from 18 October 2016, following the notification of the revised amount in the NSW Government Gazette No 83 of 18 October 2016.

Was it backdated?

Yes, the increase to the maximum payment for *Disadvantage resulting from relocation* was backdated. Former land owners were eligible for a backdated payment if the property they owned or lived in was acquired by a NSW government authority between 26 February 2014 and 17 October 2016. Revenue NSW managed this process.

Was there any impact on it?

The Valuer General was not involved in the process to back date the new maximum payment for *Disadvantage resulting from relocation*. As such we are not aware of any impacts that may have resulted from the process adopted.

Following the implementation of the new maximum amount, the Valuer General has been determining compensation for *Disadvantage resulting from relocation* having regard to the NSW Government Guidelines – *Determination of compensation for disadvantage resulting from relocation*.

Is the amount assessed on a case by case basis?

Backdated compensation amounts were assessed by Revenue NSW on a case by case basis.

The Valuer General determines the amount of compensation for *Disadvantage resulting from relocation* having regard to the [NSW Government Guidelines](#). The Guidelines provide for the assessment to be determined on a case by case basis having regard to:

- the interest in the land of the person entitled to compensation
- the inconvenience likely to be suffered by the person because of his or her removal from the land
- the period after the acquisition of the land during which the person has been (or will be) allowed to remain in possession of the land, and
- in the case of tenancy, the length of time the person has resided on the land (and in particular whether the person is residing on the land temporarily or indefinitely).

Have there been any objections and how many disputes have been resolved?

The Valuer General was not involved in the process to back date the new maximum payment for *Disadvantage resulting from relocation*. As such we are not aware if there have been any objections or disputes in relation to the offers that were made.

The Valuer General's approach to the determination of compensation is underpinned by ensuring procedural fairness is delivered to all former land owners and any benefits of doubt are resolved in the favour of the land owner.

Amounts determined for disadvantage resulting from relocation are generally at the maximum gazetted amount. As such, this component of compensation has not been subject to objection or dispute.

Yours sincerely



Simon Gilkes
Valuer General

7 November 2017