

REPORT OF PROCEEDINGS BEFORE

**JOINT STANDING COMMITTEE ON THE OFFICE OF THE
VALUER-GENERAL**

NINTH GENERAL MEETING WITH THE VALUER GENERAL

At Sydney on Monday 7 April 2014

The Committee met at 2.30 p.m.

PRESENT

Mr M. J. Kean (Chair)

Legislative Council
Mr S. MacDonald

Legislative Assembly
Mr C. G. Barr
Mrs L. G. Williams

PHILIP WESTERN, Valuer General, Office of the Valuer General, and

MICHAEL PARKER, Chief Valuer, Office of the Valuer General, and

SIMON GILKES, Deputy General Manager and Director, Valuation Services, Land and Property Information, affirmed and examined:

CHAIR: Good afternoon, Valuer General, Mr Gilkes and Mr Parker, and thank you for attending. We appreciate you giving your time today. I declare open the Committee's Ninth Meeting with the Valuer General. For the benefit of the gallery, I note that the Committee has resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. Copies of the guidelines covering the coverage of proceedings are available. Valuer General, I should let you know that although I am not aware of any media representatives being present in the gallery, we have some students from the University of Technology, Sydney, observing. I note for the record it is an excellent university and has some great alumni. Valuer General, before we proceed, do you have any questions concerning the procedural information sent to you in relation to witnesses and the hearing process?

Mr WESTERN: No, I do not.

CHAIR: Mr Gilkes?

Mr GILKES: No.

CHAIR: Mr Parker?

Mr PARKER: No.

CHAIR: To begin proceedings, Valuer General, do you or any of the gentlemen accompanying you wish to make an opening statement?

Mr WESTERN: I will make an opening statement, thank you very much. I would like to thank the Committee for the opportunity to make this opening statement and importantly outline the progress that we have made and the initiatives that either are being implemented or will be implemented to ensure that the New South Wales valuation system provides consistent outcomes in a transparent, efficient and equitable manner for all stakeholders, including landholders. Following the Committee's last general meeting we commenced a number of initiatives to begin planning for the implementation of several of the Committee's recommendations. Work in earnest has commenced following the Government's response provided to Parliament in November of last year. In summary, the following projects have been or are being undertaken in response to the Committee's recommendations. More details on these projects have been provided in the response to the Committee's questions on notice.

The projects include the development and implementation of a standalone Office of the Valuer General website, which will further support the independence of the Valuer General from Land and Property Information valuation services and their operational activity; the initiation of a capital program to improve the valuation system, which will allow Land and Property Information to better capture and report on valuation and customer satisfaction data and enable the use of information for quality assurance purposes as well as better decision-making. The program also will provide improved services to landholders. This will be a significant investment in improving the valuation system and will have benefits for rating and taxing valuations and compulsory acquisition valuations in line with this Committee's recommendations. In summary, the projects include improved services to customers through enhanced customer engagement; increasing the availability of valuation data and property information; improving the access to and delivery of valuation information; reporting and monitoring customer satisfaction; improved recording and reporting on quality assurance activities; the development of improved systems to record, monitor and report on performance; the development of a reascertainment register; and the integration of risk and audit registers.

A key major project already has commenced to improve customer engagement and issues management. This important project focuses on the associated recommendations from this Committee and is supported by Government. The current objection process is undergoing a major review to incorporate changes to the processes recommended by this Committee, including procedural fairness requirements, incorporating the

dispute resolution process, improved data and reporting as well as improving timeliness and efficiency of the process. In essence, we want to improve the customer experience. There are six key projects associated with this and we have provided the detail within question on notice 6. In summary, though, the projects are focusing on a broadening of the objection acceptance criteria, additional conferences with landholders, a coordinator being appointed for each objection received, improved customer experience through more direct and frequent communication with landholders who have requested a review of their land value, implementation of a pilot project to provide objectors with a preliminary objection valuation report, initiation of a pilot project to implement the Committee's recommendation in regard to a dispute resolution process, an improved and more frequent liaison with our local government stakeholders and, finally, the developments and piloting of an improved rural sales report, which will provide more detailed information to rural landowners who have a query in relation to their land value.

In the area of special research we currently are nearing completion of a project on ensuring that specialist property uses are made on a clearly, well-researched and documented basis to provide a more accurate and consistent basis for the preparation of rating and taxing valuations. The latest study involved examination of coal seam gas activity and whether it is having an impact on land values in New South Wales. In regard to the valuations made under the Land Acquisition (Just Terms Compensation) Act, we have commenced some important initiatives following the Committee's recommendations including the development of updated valuation guidelines for the preparation of determinations under the provisions of the Land Acquisition (Just Terms Compensation) Act, ensuring that the valuer undertaking the determination of compensation communicates regularly with both the affected landholder and the acquiring authority to ensure that all the information the parties wish to put forward for consideration in the determination is available, providing full speaking valuation reports, providing the public with updated and clear information on the just terms process and in particular the role of the Valuer General in this process. This will include a brochure that will be provided to affected landholders early on in the just terms process so that they are informed of the compulsory acquisition process and, in particular, emphasising that if they are unable to agree on a compensation amount with the acquiring authority, there is another key step in the just terms acquisition process and that this allows for the Valuer General, independent of both the acquiring authority and the affected landholder, to make a determination of compensation. The Valuer General's website also will be enhanced to provide clearer documentation on the just terms process.

Over the coming weeks the Valuer General will be communicating directly with acquiring authorities to ensure that the role of the Valuer General is transparent to all stakeholders from the initial notification of the agency's interest in the land. When the certificate of determination is provided to the affected landholder by the acquiring authority, a copy of the supporting valuation report also will be provided. The instigation of a project to create a just terms register will provide ease of tracking and recording of data. In 2014 an independent market researcher will be engaged to conduct face-to-face interviews with a sample of landholders who have received a determination of compensation under just terms. The aim of the research is to evaluate the quality of the service provided by Land and Property Information during the process.

As noted in the Government's response to the recommendations provided by the Committee there are several recommendations where the Government has advised that further consultation needs to be undertaken. I am currently undertaking consultation with key stakeholders on these recommendations, with discussions already commenced or planned with the Division of Local Government, Local Government NSW which was formerly the Local Government and Shires Associations, the NSW Revenue Professionals Association, the Office of State Revenue, the Property Council of Australia, the Shopping Centre Council of Australia, the Australian Property Institute, the Real Estate Institute of New South Wales, several major acquiring authorities and several councils. I am also endeavouring to arrange to meet at least one rate a representative group. I expect to have this consultation completed by early May.

We continue to regularly monitor customer satisfaction levels. Our most recent survey, which has just been completed, surveyed local government councils in regard to the information and publications that we provide on land values and the land valuation system. A good response was received. The interim survey results revealed that 94.7 per cent of the councils who responded were either satisfied or very satisfied that the Valuer General keeps them informed about the land valuation process. The Independent Pricing and Regulatory Tribunal on request of the Premier is currently completing a new price determination for rating valuation services provided to local government councils. As part of this process, the Independent Pricing and Regulatory Tribunal sought input from councils into the valuation services provided by the Valuer General. Of note is that the majority of responses said that the council was satisfied with the standard of service provided by the Valuer General.

We released the latest land values as at 1 July 2013 to councils, the Office of State Revenue and landholders in late 2013 and January 2014. Approximately 774,000 notices of valuation were issued to landholders. To date approximately 141,000 land tax assessments have been issued by the Office of State Revenue. Of note is that for the first time the total land value of New South Wales exceeded the trillion dollar mark. As at last Friday, 4 April, 1,148 objections had been received to 1 July 2013 land values, or 0.01 per cent of the total notices of valuation and land values used for land tax assessment purposes. This compares with 1,144 processed at a similar stage last year.¹ Of note, however, is that the number of objections received to date for all valuing years, which includes those valuing years used by the Offers of State Revenue for the average value calculation for land tax purposes, totals 1,950 compared to 2,631 received at a similar stage last year.

Associate Professor John MacFarlane from the University of Western Sydney has independently analysed the outcomes of the 1 July 2013 land values against established benchmark comparisons made by many valuation jurisdictions. For residential property, the following outcomes were achieved: For the coefficient of dispersion, which measures the uniformity of land values relative to sale prices, the target is to have a coefficient of dispersion [COD] of less than 10. For the 1 July 2013 land values, 100 per cent of local government council areas met this requirement. The mean value to price ratio, or the MVP, is the relationship between the land values and the analysed sales. It gives an overall figure showing how close the land values are to the sales used. The target is between 90 per cent and 100 per cent. For the 1 July 2013 land values, 99.3 per cent of local government and council areas complied with this requirement. The price related differential, or PRD, measures the vertical equity of valuations, which means the extent to which high and low value properties are assessed uniformly relative to the sales data. The target is 0.98 to 1.03. For the 1 July 2013 land values, 97.8 per cent of local government councils met this requirement.

I remain absolutely committed to continuous improvement and providing an enhanced customer service experience within the valuation system whether in respect of rating and taxing valuations or just terms determinations. We have commenced on a pathway that will provide stakeholders, including landholders and this Committee, with improved confidence in the valuation system. A reflection of our efforts to date has been recognised through the Valuer General being invited to be part of the Department of Finance and Services steering committee along with six other senior executives to oversee the implementation of a building of our culture of customer service program across the Department of Finance and Services. In its corporate plan for 2012-15 one of the objectives of the Department of Finance and Services is to become a more agile and cohesive agency that leads reform. Its strategies to pursue this objective are to engage staff in strengthening and building a culture of performance, innovation and customer service. This project targets the customer service part of that strategy.

Through continuing to work closely with this Committee and gaining your input, thoughts and ideas, I know that we can continue to improve what is currently generally acknowledged as being one of the world's leading and innovative rating and taxation systems. I look forward to continuing to work closely with the Committee for the ongoing benefit of all stakeholders and the New South Wales valuation system.

CHAIR: Mr Parker or Mr Gilkes, would you like to add anything to those comments?

Mr GILKES: No, thank you.

CHAIR: I note the significant efforts of the Valuer General and the team at Land and Property Information in working with the Committee. The performance of the Office of the Valuer General in responding to the Committee's requests for information and in responding with a list of reforms as well as undertaking the list of reforms that were identified in our previous report have been outstanding. I note that this would have taken a lot of time, a lot of resources and a significant amount of effort and I thank you for your leadership and the excellent way in which you have discharged your duties since the Committee handed down its findings. I do not think there would be anyone in this room or anyone in the public who could fault your considerable efforts to ensure that the valuation system is working in the interests of New South Wales property owners whether for the purposes of rating and taxation or just terms. We look forward to continuing to work with you to implement

¹ In correspondence to the Committee (dated 17 April 2014) Mr Western corrected these two sentences to read:
As at last Friday, 4 April, 1,148 objections had been received to 1 July 2013 land values, or just over 0.01 per cent of the total notices of valuation and land values used for land tax assessment purposes. This compares with 1,144 received at a similar stage last year.

the remainder of those recommendations to make sure this is the best valuation system not just in the country but across the globe. We thank you for your efforts.

Mr WESTERN: Thank you, Chair.

CHAIR: Today is the annual review we are required to undertake as part of our charter. I shall start proceedings by going through your testimony, the annual report you provided through the Department of Finance and Services and just an overview of your role for the past 12 months. I then will follow up some issues from previous hearings and recommendations we have made and get an update as to where we are at. I will begin with questions around the annual report and where you are up to with the reforms. Then I will open it to other Committee members to jump in. Finally, I will do some detailed follow-up on some things we have covered already since this Committee started meeting, if that is all right.

Mr WESTERN: That is fine.

CHAIR: In your opening remarks you mentioned that the land valuations went out for 1 July. When did they actually go out?

Mr WESTERN: We released the new land values as at 1 July 2013 to local government councils in late November early December 2013. Then we released the 774,000 notices of valuation to landholders in January 2014.

CHAIR: Is there a date the Office of State Revenue gives you by which you are to provide it with the valuations?

Mr WESTERN: Yes, there is.

Mr GILKES: Yes. We have an agreement with OSR that we will provide it with the full set of valuations by 15 November each year I think it is.

CHAIR: Did you meet that date?

Mr GILKES: I believe so, yes.

CHAIR: How many proceedings have been commenced as a result of disputed land valuations based on the most recent valuations that have been sent out?

Mr WESTERN: When you say "proceedings" do you mean just in terms of objections or going beyond that?

CHAIR: Legal proceedings; going beyond that.

Mr GILKES: None at this stage, to my knowledge. The stage of the process is that we have just recently passed the last dates on which landholders were able to object. So we are at the process of working through the objections that came out of that. Any further action, naturally enough, would follow on from that.

Mr WESTERN: If I might add, while that is the official last date to object, we do accept objections beyond that date. We obviously look at the circumstances in terms of what they presented and whether we need to look at it.

CHAIR: Is that for the valuations that went out for the year starting 1 July 2013?

Mr GILKES: The valuations that are issued—

CHAIR: As at 30 June 2013?

Mr WESTERN: As at 1 July 2013, that is right.

CHAIR: They go out in January 2014?

Mr WESTERN: January.

CHAIR: Okay. I understand. For the prior year valuations, that is, 30 June 2012—

Mr WESTERN: 1 July 2012.

CHAIR: Yes, 1 July 2012?

Mr WESTERN: Yes.

CHAIR: Are you aware of how many legal proceedings commenced as a result of disputed land valuations?

Mr WESTERN: We do not have those figures available here but, obviously, we can take that question on notice and obtain those.

CHAIR: Could we get that on notice?

Mr WESTERN: Yes.

CHAIR: I suspect you will need to take this question also on notice: Do you know how many rulings have been made against your office in the past 12 months?

Mr WESTERN: Could I ask for a definition? What is considered a "ruling against the office"?

CHAIR: I am more interested in legal proceedings: where someone has gone to court and the court has found against the position of the Valuer General?

Mr WESTERN: So if the valuation had altered by a dollar, that would be a finding against the Valuer General? Is that what you mean?

CHAIR: Yes. Could we get those details?

Mr GILKES: Yes.

CHAIR: Could you provide a list of the valuations where a finding was made against the position of the Valuer General, and could you quantify the difference?

Mr GILKES: Yes.

CHAIR: Do you know how much money in legal fees was incurred as a result of lost cases in the past 12 months?

Mr WESTERN: No. I would have to take that question on notice as well.

CHAIR: Okay. We will get those questions minuted and sent to you on notice.

Mr GILKES: You said the legal costs relating to cases where the value was changed, is that correct?

CHAIR: Yes. We will resolve to send them to you.

Mr GILKES: Okay.

CHAIR: They are all my questions regarding the overview. The report you provided, the answers to questions taken on notice and the reforms document were excellent and very comprehensive. That covered most of my questions.

Mr SCOT MacDONALD: I have only one question on the Valuer General's opening statement and then I have a question about our old inquiry.

CHAIR: We will get to the old inquiry later.

Mr SCOT MacDONALD: You mentioned the coal seam gas valuation study you were doing. Can you tell me where that is up to?

Mr WESTERN: We have finalised the report. It is currently with the Minister.

Mr SCOT MacDONALD: You will release that shortly? Who knows?

CHAIR: Depends what is in it.

Mr WESTERN: Obviously, we are hoping to, yes.

Mr CLAYTON BARR: Has your annual report always sat inside the Finance and Services annual report?

Mr WESTERN: Since the time Finance and Services was put into place. We have always been considered part of Land and Property Information. The Office of Valuer General obviously is separate to that. We provide a separate report within that component, yes.

CHAIR: You will note also in the reforms, Mr Barr, that one of the recommendations was in relation to the annual report, which the Valuer General has addressed. I understand that you are looking to provide a more comprehensive report in future?

Mr WESTERN: We are, yes.

CHAIR: Are you able to give the Committee some insight as to the time frame when that report will be available?

Mr WESTERN: We are hoping to have, obviously, the first one in place for this financial year—the 2013-2014 year. I am not expecting that it will be as comprehensive as getting right to the end because we want to put some more benchmarking material in.² I am currently involved in instigating a benchmarking study throughout Australasia and other overseas jurisdictions, particularly looking at trying to benchmark Australasian activity as to where it is at. At the moment we have some broad information, but it is not specific.

CHAIR: Before we refer to previous hearings I have a few questions. Just before this meeting we met with some consultants, Hollier and Hart, who, I understand, are undertaking some community consultation. Can you outline to the Committee what they are doing specifically for the Valuer General?

Mr WESTERN: I can probably give you the broad overview and Simon might be able to give a bit more detail. In implementing the Committee's recommendations in regard to dispute resolution and particularly as far as engaging the customer more, we could have simply just implemented the Committee's recommendation. We have not got the expertise within either Land and Property Information or the Office of the Valuer General in respect of having that independent view of how you broaden the customer experience, if you want to call it that. I did not want to have a situation where we have tunnel vision on this. It is really important, from my point of view, that we are serious about implementing those recommendations. So we need to do it once and we need to do it right, recognising that over time that will continue to evolve. So we decided that we would start initially with the objection process relating to the rating and taxing valuations, mainly because that would for us act as a really good guide in terms of how we might be able to translate some of those things across into just terms as well. We wanted to get it, as I said, right from the start.

The important thing was, as I said, to look at the whole process and be able to break it up into various components. You will see in the reforms that we have gone into six key projects associated with that. We are already well down the track. In fact, today Hollier and Hart are conducting an internal workshop in Land and Property Information starting to look at the whole process. One of the things I spoke to them about this morning

² In correspondence to the Committee (dated 17 April 2014) Mr Western corrected this sentence to read:

I am not expecting that it will be as comprehensive as we would like initially as we want to put some more benchmarking material in, which may not be available at the time.

for 25 minutes opening that was about what my expectations of this whole process are, whether it is for rating and taxing or for just terms compensation.

CHAIR: What are your expectations?

Mr WESTERN: My expectations are that this solely will not be about a dispute resolution process. This will be about engaging the customer right from the first time that they provide us with correspondence, right from the first time that they call us on the telephone. We want to be able to assist them in terms of understanding the valuation system but, more importantly, us being able to understand their concerns. What I emphasised to everyone this morning was that you can get a letter and read the letter and believe that you understand the issues. My experience throughout my career has been that quite often, in fact, in the majority of circumstances, that letter does not necessarily convey their concerns. It might convey some of them, but it will not convey the definitive detail. So by talking to them you can actually obtain more information to make a reasoned and considered decision in relation to their concerns.

CHAIR: Have you given the consultants terms of reference?

Mr GILKES: Yes.

CHAIR: Are we able to get a copy of the terms of reference?

Mr GILKES: Yes, I will take that on notice.

CHAIR: Given that the majority of concerns regarding the customer experience related to just terms compensation work and given that the majority of concerns around the objection and dispute resolution process related to just terms compensation work—we have some residents from Leppington in the gallery today who were very adversely affected, which we looked at—why is the just terms compensation component excluded from the terms of reference or scope of Hollier and Hart's inquiry?

Mr GILKES: Strictly speaking, they are not. We are doing this as a two-stage process. As Mr Western said, we started with the objection process to work the model up and then we propose to roll that out through the just terms process as well. There are a couple of reasons for that. Firstly, it is partly to do with the timing. We are at the stage in the objection cycle where, through focussing on that first, we are likely to have a process that will be reasonably designed and regulated in time to apply during the course of this year's resolution of objections and the like, and that will provide us with a good test ground to see how effective those processes are and how well they work. The other point, though, is that there is a question of comparative volumes here. The just terms matters are substantially smaller in volume and so give us a greater opportunity anyway to treat those on a more individual basis rather than the more kind of systematic approach that we have to adopt for rating and taxing valuations where there is a far greater bulk.

CHAIR: The Government is about to undertake an enormous number of compulsory acquisitions as a result of WestConnex, NorthConnex and North West Rail Link projects.

Mr GILKES: Yes.

CHAIR: We have identified a number of systemic issues regarding compulsory acquisitions where landholders have been very adversely affected. What are we doing to put systems and processes in place to make sure that people affected by these compulsory acquisitions do not go through the same process that the people from Leppington went through?

Mr WESTERN: Can I begin to answer that?

CHAIR: Certainly.

Mr WESTERN: The first thing we implemented regarding that was looking at the full-speaking report. You recall some of the discussion we had at the Committee was around the way in which the report was constructed. What we have endeavoured to do now is provide a report that will assist the affected landholder in being able to better understand how we have come to the conclusions but, more importantly—

CHAIR: That is in place?

Mr WESTERN: That is in place. That will also include the situation where that affected landholder has raised issues, either in writing or verbally—those matters will be addressed in the report as well. That is the first thing. Secondly, all valuers with a Land and Property Information contract—Mr Gilkes will confirm this—will deliver more communication directly with the affected landholder. In terms of the customer experience that will occur right from the start. That is being implemented now as well. That did not happen, from my point of view and the Committee's point of view, to the degree it should have happened in the past. That is on the go. I am pleased to announce we have completed today a draft of a just terms brochure. One of the things we discovered early on is that we do not make the initial contact with the affected landholder. The negotiations go on before the compulsory acquisition between the acquiring authority and the affected landholder as they try to reach settlement, which we are not involved in or a party to.

The acquiring authority does provide quite a bit of literature to assist the landholder in that but what we found out is that much of the literature makes very little reference to the process beyond that initial negotiation phase. It mentions the Valuer General but from my point of view it does not clearly articulate to the land owner that there is another avenue to do down if they cannot reach a settlement and that is to have an independent valuation undertaken for just terms compensation by the Valuer General. We have completed a draft of that and there are more graphics to go in that. What I would like to do is provide, if that is okay, a draft of that brochure to the Committee to have a look at. I would be keen to see if it covers off all the aspects you think are necessary in terms of the initial information.

CHAIR: We appreciate that.

Mr WESTERN: We want to get that to the affected landholder as early as possible. I have meetings with a couple of acquiring authorities in the next few weeks to work through when is the best time to give it to them. I am keen for the acquiring authority to give it to them because they make the initial contact but that leaves me with the dilemma, what happens if they do not. I want to make sure they do get it. We are working through various processes as to how that might work. That is a major step forward. We had input into the review of the just terms legislation, which I understand is now with the Minister. We made a number of recommendations in there prior to the Committee's report coming out, but I am not aware at this stage what is in the draft to the Minister. I do understand that there are some components of what we have suggested and components of what this Committee has talked about in there. Other than that I do not know.

CHAIR: We will come back to compulsory acquisitions later on. Mr Gilkes, I cut you off earlier. What is the timeframe for Hollier and Hart coming back with their report and when will it be implemented?

Mr GILKES: The first stage is to do with rating and taxing valuations. There are workshops going on today to work through an actual consultation model. There is an executive level workshop in the middle of this week at which Phillip Hart of Hollier and Hart will present his proposed model for consideration and based on that will then proceed to finalising his report. That will include a proposed implementation timeframe and the steps that need to be taken to do that. We expect that the implementation will take place by about the middle of the year.

CHAIR: What do you expect Hollier and Hart to tell you that our report did not tell you?

Mr GILKES: It is not about the definition of the problem so much as about designing a system that we can embed operationally and practically in the organisation. We are not simply looking at this as an add-on or tacking it on to existing processes, we are doing this as part of a complete end-to-end review of the objection process. Part of the rationale for that, and indeed the objective, is so that the dispute resolution mechanisms are embedded deeply within the whole process.

Part of the objective is to identify the need for some sort of alternative treatment at the earliest possible stage so that we can identify that a landowner needs some further assistance to understand or to express their concerns better at the earliest point and put that into place. Rather than simply developing a dispute resolution process which we add on to the existing objection process we are trying to embed it in the chain.

Mr WESTERN: That goes back to what I talked about in terms of the total customer experience. We would hope that it will result in potentially a fewer number of situations where you have to go to the formal dispute resolution process. That is still a key part of the process but we hope what we do up until there will lead the customer to not have to go there. If they need to, it will definitely still be available.

Mrs LESLIE WILLIAMS: Can I clarify; the timeframe you are talking about for implementation mid-year is for rating and taxing?

Mr GILKES: That is correct.

Mrs LESLIE WILLIAMS: What about the just terms part, which I assume is the second stage that you referred to?

Mr GILKES: We will be following on with that immediately thereafter. As to how big that task is I do not know that yet. The other thing I would like to make clear is that in the meanwhile we are not doing nothing with acquisition matters. We are making clear to the valuers who work for us that they need to make sure they are giving landowners an opportunity to express whatever concerns there are and to address those concerns and, as Mr Western pointed to, there are a range of initiatives going on in that space. It is not necessarily part of the more formal dispute resolution mechanism but about addressing the concerns of landowners in that they may not understand the way the process is going or feel that not all of their concerns are being heard. We are trying to address that as we go now.

Mrs LESLIE WILLIAMS: What you would expect is that Hollier and Hart would go back after the first part and resurvey concerning just terms, is that how the process is likely to go?

Mr GILKES: That is a reasonably likely scenario. I do not know because part of what we are doing is testing how the process is working and from that we will design the second stage of the process based on what we find out.

CHAIR: Will that be a separate engagement?

Mr GILKES: Yes, it is not included as part of the initial engagement, it is flagged as something we are likely to go to, but that will depend on what we find in the first stage?

Mr WESTERN: We need to evaluate what they come up with first and it may be that we do not need any further work. What comes out of that may suggest we can do it ourselves. We do not know the extent of that, which is why we have deliberately limited the first part of the consultation.

Mr GILKES: Another matter I should point out is that part of what they are doing is looking at the skills we have within the organisation to manage these processes and what sort of additional training may be required there. Whether just terms requires a separate engagement to deal with it or not we will work out as we go through the process.

CHAIR: I want to close off on this. I note from the meeting that we had with the consultants that they are doing a survey of stakeholders. The survey asks questions such as: Landowners can easily get information they need about the land value objection review system? And then asks people to indicate whether they disagree strongly through to agree strongly. What is the purpose of that survey when there has already been a three-year survey of people adversely affected by the system?

Mr GILKES: There are potentially two issues. First, yes, we are aware there are a series of people who have particularly been affected by the system in a certain way. The second part of the objective is to work out how generalised that is as a problem. That is done through a more random selection of people who have engaged with the system to try and understand how broadly those concerns are held.

CHAIR: I want to cover-off on some issues from previous Committee hearings. I note a paragraph in the Minister's report concerning the reforms.

Mr WESTERN: Is that the Minister's response to the parliamentary committee, chair?

CHAIR: No. I refer you to page 68. I will read the relevant portion. You have a note under "Land and Property Information": "A review of the service level agreement in 2012 resulted in six recommendations. All agreed action items associated with these recommendations have now been addressed." You stated you have made six changes to the service level agreement with Land and Property Information. Can you tell the Committee what those six changes are?

Mr WESTERN: That is 2012-13?

CHAIR: Yes. I refer you to the "Department of Finance and Services Annual Report 2012-13," under the heading "Land and Property Information"?

Mr WESTERN: Could you provide me with a copy of that?

CHAIR: Yes. It is the last paragraph under "Land and Property Information." It states, "A review of the service level agreement resulted in six recommendations".

Mr WESTERN: Okay. The recommendations that were made were in regard to making sure that the structure of both Land and Property Information and the Office of the Valuer General were quite clear in terms of what the various responsibilities and accountabilities were. I particularly refer to the Allen report, which went into this in some detail. It was not clear what the various levels of responsibility or accountabilities were of various things. We developed out of that a role and responsibility profile and you will have seen it is similar to what we provided to the Committee in the question on notice in that table. It is very similar to that. It gets down to an individual level in terms of who is responsible for what and what are the various levels of escalation. There are the roles and responsibilities and the communication protocol. That once again is endeavouring to ensure that where situations arise within Land and Property Information that depending on the level of risk associated with that it is elevated to the right levels to ensure that appropriate action can be taken and it can be monitored.

CHAIR: I will ask the Committee staff to send this as a question on notice. Can you give the Committee a list of the six changes that were made to the service level agreement? Have there been any other changes to the service level agreement since we last met?

Mr WESTERN: There would have been amendment of definitions within the service level agreement and from memory a couple of other changes as well.

CHAIR: Could you provide them to the Committee?

Mr WESTERN: Most definitely. We can do that.

CHAIR: One more thing I wanted to cover-off concerning Hollier and Hart. They are not going to reinvent the wheel, they are not going to do their own thing, and they are going to implement the Committee's recommendations?

Mr GILKES: Absolutely not.

CHAIR: They are committed to implementing this Committee's recommendations?

Mr GILKES: Indeed, that is why we have engaged them to assist us with this work. As Mr Western pointed out, we felt the need to bring more specialised skills into that particular area and Phillip Hart, a principal of that company, is a mediator. That is his business. We felt that having someone with that background would be useful in helping us to implement a system which genuinely addresses the needs of landholder and the recommendations of the Committee?

Mr WESTERN: Can I add that I have been impressed with what they have had to offer so far. It is the usual thing with consultants that there is a little uncertainty about what they will do. Hollier and Hart have a very good understanding of the current valuation system, where the issues are, but more importantly you can be assured that they are taking on the Committee's recommendations and that is forming the basis of what we are doing going forward.

CHAIR: Could I just keep working my way through your annual report? I draw your attention to page 69. You talk about quality assurance; you said that the recommendations of the Auditor-General would be implemented by the end of last year. Is this referring to the Ernst and Young report?

Mr WESTERN: Yes, it is, where the Auditor-General approved of Ernst and Young assisting us with that.

CHAIR: Have all those recommendations been implemented now?

Mr WESTERN: The recommendations included, for example, bringing the chief valuer role—I am sorry, it was associated; I do not think it was a direct recommendation—out of Land Property Information and up into the office of the Valuer General. Mr Parker has taken on that role. There has been the development of a number—

CHAIR: Can I just stop you there for a second? So you can follow this and I can follow this, could I refer you to your folder? If you go to tab 23, these are the recommendations out of the report. Can you have a quick look at that letter to Greg Pearce with regard to the recommendations? That was from the committee which looked at the Ernst and Young report. Then if you look at document 24 again, I have highlighted a passage there, all the 11 recommendations made by Ernst and Young. Are there any recommendations that you are yet to implement? You can take this on notice if you want.

Mr WESTERN: Would you mind, Chair, just to confirm?

CHAIR: What I specifically want to know is which recommendations you are yet to implement. You can take this on notice as well if you cannot answer it now: Are there any recommendations that you are not going to implement or not implement in full?

Mr GILKES: If we could take that on notice?

CHAIR: Yes, and if you could explain to me on notice why you will not be implementing them or implementing them in full?

Mr GILKES: I understand that.

CHAIR: With the recommendations that you have implemented or the systems and processes you have implemented, are you able to give the Committee an understanding about how they have been performing?

Mr GILKES: Probably the biggest area of work has been around the implementation or the management of a revised management insurance framework, which built on previous risk assessment management processes that were in existence in Land and Property Information. The way that was done, the Valuer General engaged a project manager to run that project from within his office to help develop the system, which then was to be handed over to Land and Property Information's valuation services to run operationally into the future. Unfortunately, the project manager found other employment before that was completed, so we did that handover earlier than we might have liked to in the process. So that management insurance framework is now being run by a senior committee that oversees that—what is called our management insurance committee. That committee meets quarterly to review the implementation of the framework.

As of the last committee meeting there were some steps still outstanding to get to the full implementation. The framework involves, as well as the high-level management committee, a series of work stream committees that look at the risks within a series of seven work streams, and from that they undertake risk assessments within those work streams and develop risk management plans from that. The first round of those risk assessments when they came to the committee we considered that they seemed to be, for want of a better term, somewhat overblown in that almost all the risks wound up in the highest band, which, I would suggest, as a management tool is not of much assistance. If everything is catastrophic then there is nothing you can really solve. So that prompted a review of the risk consequence matrix, which is how the risks are assessed, and we concluded that there were some classifications within that which drove things which would certainly not be considered to be catastrophic up into that highest band.

In terms of the way that particular part of the framework had been designed the assessment was correct, but in terms of any practical sort of risk management approach it was not of much assistance. So we reviewed that risk consequence matrix, and I would stress here that it was not simply to try and lower the perceived level of risk; it was to try and get to something that would be a useful management tool in managing the genuine risks in the system. We replaced that risk consequence matrix with the risk consequence matrix that has been in use across the rest of Land and Property Information for some years and we asked those committees to go back and review their risk assessments based on that and to develop their risk treatment plans for the risks that came out rated either high or extreme in that process, and they are due to come back to the management insurance committee later this week.

Mr CLAYTON BARR: Can I clarify two things? Was the dollar figure value impact one of the conditions of the risk matrix which allowed things to shift up or down?

Mr GILKES: I am sorry; it is a little bit too much detail for me off the top of my head. There were certainly times at which there were—

Mr CLAYTON BARR: In broad brushstrokes.

Mr GILKES: —some classifications that had to do with financial impact. From my memory, though, they tended not to be the ones that gave us what I would consider to be unrealistic estimates.

Mr CLAYTON BARR: So mum and dad in a \$250,000 house versus a multinational that owns a \$10 million or \$20 million property, if you make an error of 5 per cent in those two instances—

Mr GILKES: Certainly one of the assessment criteria is the scale of the impact, and that is measured in a whole raft of ways, not just financially but also in terms of the impact on reputation and a range of things.

Mr CLAYTON BARR: Because 5 per cent to a mum and dad can be just as catastrophic as 5 per cent to—

Mr WESTERN: Absolutely. From my perspective the Committee can be assured that the mum and dad or whoever and the business corporation or whatever are treated equally to the extent that they are both taken seriously. Often you have to devote more resource to the business situation because that involves experts and that sort of thing, but that does not in any way diminish the mum and dad who own a home and had the 5 per cent variation. From my point of view they should still be receiving the same amount of service that the—

Mr CLAYTON BARR: My question is, in a risk matrix, the risk matrices that I have been exposed to, the dollar value certainly moves something up or moves it down. I am trying to understand whether or not yours does—that was the point of my question. When you had a project person working on the process and they left for other employment and they handed it over a little bit earlier, what was the time line for that?

Mr GILKES: I think, from memory, they left in June or July.

Mr WESTERN: The middle of last year.

Mr CLAYTON BARR: 2013?

Mr WESTERN: Yes.

CHAIR: In your responses to questions on notice, in question No. 6 you talk about the just terms project board. Valuer General, you said that you do not sit on that board, that you have a representative. Who is that?

Mr WESTERN: Mr Parker.

Mr PARKER: I am not on the just terms board; that is Louise.

Mr WESTERN: Sorry, yes, Louise Robinson from my office is on that. My apologies.

CHAIR: Who is Louise Robinson?

Mr WESTERN: She is the executive manager, one of the two executive managers within our office.

CHAIR: Is she a qualified valuer?

Mr WESTERN: No, she is not.

CHAIR: What are her qualifications to sit on the board?

Mr WESTERN: Recognising that the vast majority of the people who are on that board are valuers, it is very important from my point of view to bring the other side of the story to it, and Louise, not having that valuation expertise, can bring the reality check to share it with the whole project from a public perspective in terms of what they are actually coming out with.

CHAIR: Does that board exercise your delegated powers?

Mr WESTERN: I am not providing the delegated powers to the board; I provide the delegated powers to the general manager of Land and Property Information.

CHAIR: Does your delegate have a vote or a veto power on the board?

Mr GILKES: I am actually the chair of that board. Yes, the Valuer General's delegate on the board certainly has a vote on that board. The decision-making of the board tends to be by consensus rather than necessarily coming down to a vote. The purpose of it—it is a project board to oversee a process improvement project, so we certainly do not want to leave issues on the table unresolved. That is the very purpose of it.

CHAIR: What are the terms of reference of the board?

Mr GILKES: It is a standard project board kind of terms of reference: to oversee the operations of a program of works in improving just terms processes and the like. So the purpose of the board is to be satisfied that that project is delivering on its objectives of improving the process.

Mr WESTERN: If I might just add to that? Through having a representative who is a non-valuer on that, this allows me to have some certainty or confidence in terms of the recommendations that have been put forward by this committee and agreed by government that they are, in fact, being implemented, and that is important.

CHAIR: Does the board report to you, Valuer General?

Mr WESTERN: The board does not report to me because that is within Land and Property Information, so Mr Gilkes as the chair of that board. In terms of understanding what is going on, I get feedback through Mrs Robinson in terms of her being on there, but also there are minutes produced as well.

CHAIR: Who is on the board?

Mr GILKES: There is me as chair, my two assistant directors and Mrs Robinson and the manager of the project is our valuation manager for just terms.

CHAIR: Is he a Land and Property Information employee?

Mr GILKES: He is, yes.

CHAIR: Mr Gilkes, just to confirm my understanding, a board responsible for implementing the recommendations of our report with regard to just terms compensation, is that correct?

Mr GILKES: The board is about making operational improvements to address those issues.

CHAIR: Around just terms compensation?

Mr GILKES: Absolutely.

CHAIR: And the board is making recommendations to address operational issues around just terms compensation. Does that include things like how it interacts with landowners who have their houses compulsorily acquired?

Mr GILKES: Yes, there are elements where that would be some of the steps.

CHAIR: Would it make recommendations about how just terms compensation acquisitions are valued and how compensation is paid to landowners who have had their houses compulsorily acquired?

Mr GILKES: No, it is not about how the process works at that level. This is about dealing with a series of operational issues to do with our management of the just terms process on behalf of the Valuer General.

CHAIR: Would it make recommendations around dispute resolution and inter-action with landowners?

Mr GILKES: About communication with landowners, yes, that is correct. The dispute resolution process though is separate to the work of the just terms project at this point because, as I have talked about before, the staging of that dispute resolution mechanism—it may well come under the ambit of this Committee later on.

CHAIR: Is this the main advisory committee which makes recommendations about how to improve the just terms compensation process?

Mr GILKES: There was a series of potential improvements in the operations of our management of just terms that were identified. Those improvements were given to the valuation manager for compensation to implement and this is really about overseeing that implementation occurring.

CHAIR: It makes recommendations which are then implemented and then you oversee the implementation. Is that correct?

Mr GILKES: The recommendations actually came about before the board was created. The board was only created as a project oversight board that is the extent of it. It is not designed to be the primary advisory board to the Valuer General on matters to do with just terms.

CHAIR: This Committee took a lot of testimony about problems around the just terms compensation process and about the lack of independence whereby Land and Property Information was doing valuations. Land and Property Information, or an arm of government, which is the acquiring authority is the same body which does the valuations which determines compensation. We talked about that independence. The project oversight committee responsible for making sure that these issues that have been raised is comprised of members of the Land and Property Information. Is that correct—all members of Land and Property Information?

Mr GILKES: That is correct. However, I should make clear that the purpose of this project committee is not about implementing the recommendations of this joint standing committee as such, it is about, as I said, implementing a set of procedural improvements that were identified in terms of the operations of the system. It is not about, if you like, the big picture management or operation of the system in that sense. It is a relatively small body of work. It is the same as with any of the multitude of projects we run within Land and Property Information, we have a project board to oversee to check that milestones are being met and so on and so forth. It is a board that operates at that level, not at that higher more strategic level that I think you seem to be suggesting.

Mr WESTERN: It would have representatives on those various project boards.

CHAIR: Given the very sensitive nature of the just terms compensation Act and the impact it has on landowners why is not the responsibility for the implementation of policy and troubleshooting in your hands solely rather than in the hands of Land and Property Information another arm of government?

Mr WESTERN: In terms of policy, that is the responsibility of the Office of the Valuer General. We do oversee that.

CHAIR: What about in terms of implementation?

Mr WESTERN: Actual implementation?

CHAIR: Yes.

Mr WESTERN: What would happen out of some of these things is there would be recommendations made and we would be aware of what they are. They would come up by a briefing note or back through our member who is on that committee. Then we would effectively have to ensure that they are the right processes;

that they do fit in with what the committee was talking about, and importantly, as I said before, that they do enhance the customer experience for the affected landholder.

CHAIR: What if you disagree with the direction of the project committee?

Mr WESTERN: I would be telling them.

CHAIR: Do you have a right of veto? There are four other people on the committee.

Mr GILKES: If I could take that one. The Valuer General absolutely has a right of veto over anything that Land and Property Information does in this space, as Land and Property Information's authority to act only comes from delegation from the Valuer General. We understand that absolutely simply as the delegate of the Valuer General, the Valuer General always has the right to override on the processes and systems that we put in place.

CHAIR: I refer you, Valuer General, to document No. 1 in your folder and ask you to familiarise yourself with the highlighted parts of the transcript from the hearing on 5 April.

Mr WESTERN: For my benefit, is the first one on the first page the objection process?

CHAIR: Yes, we are looking at objection processes, in particular, the discussion we had around the original valuer being the same person who reviews the objection. We talked about inefficiencies around that. In the testimony on 5 April it referred to the review process being outsourced to the original valuer. You said that it resulted in greater efficiencies in the system. The Committee expressed some disapproval which it noted in its report. Putting aside any procedural fairness implications are you able to tell the Committee what were cost efficiencies gains? You undertook to provide the Committee with some analysis.

Mr PARKER: Currently none of the objections are outsourced specifically to the contractor who undertook the valuation. We are still using independent contractors in that process. That might be the Land and Property Information valuer or it could be an independent contractor. But at the moment we are not using the rating and taxing contractor who did the original valuation.

CHAIR: So there are no instances for rating and taxing, for just terms compensation or for any valuations where the original valuer also did the assessment of the objection?

Mr PARKER: There are one-off situations. We have used the rating and taxing contractor on occasion where the complexity of the matter meant that it would be preferable to use the valuer who had already extended a lot of research and effort into determining the valuation.

CHAIR: How many times has that occurred? Has it occurred in the past 12 months?

Mr PARKER: It is rare.

CHAIR: How many times would it have occurred?

Mr WESTERN: Chair, if I might just add on to that. In each case where that occurs Land and Property Information has to come to me to seek my approval to undertake that. So we have a close look at what it is. I would say—this is purely just from memory—in the past 12 months I have probably approved three, maybe four. It is definitely not more than 10 but I would imagine it is probably closer to three or four, as I said.

CHAIR: Will you take on notice to provide the Committee with a list of the occasions where the original valuer also reviewed the objection?

Mr WESTERN: Yes, we will do that. It will have a paper trail.

CHAIR: I want to turn my attention to the discussion we had about guidelines. I refer to your questions on notice. You said that you would provide public guidelines which would be different from the technical guidelines that you give to contractors. Is that correct?

Mr WESTERN: That is correct, yes.

CHAIR: What is the difference between public guidelines and technical guidelines given to contractors?

Mr WESTERN: I might provide my overview for a start. The procedures manual that we talked about is exactly what it says: it is an operational manual more specifically set up to assist and ensure that the contract valuer undertaking the work for the Valuer General is aware of what they have to take into account in terms of preparing the valuation. A huge component of what is actually in there is more in a technical-type speak, if you want to call it that. What I initially said to the Committee, from memory, when it asked me if I had any problems in terms of issuing it, I would not have any problems in terms of issuing it but that would obviously involve having a look at how we needed to change that. The document is extremely huge. The way that it is presented in my view would not assist with the customer experience, if you want to call it that, because it is not broken down into specific sections as such.

In order to make it easier for people to be able to access that information and to understand it we decided to develop separate guidelines for a number of different valuation-types that we do. Mr Parker has been working on that, I might say, for the past four months. How many guidelines?

Mr PARKER: It is close to 30 documents.

Mr WESTERN: We are at the stage now where we are through to the final drafts. We are just getting a non-valuer now to go through it, one, to say "I don't understand what this is" and, second, to get consistency right throughout the guidelines. We are looking to be in a position by the middle of this year to have those available directly to our customers either via the website or via the customer service centre. There is no question in my mind that will assist hugely in terms of individuals.³

CHAIR: I agree. At the moment what is stopping you putting the technical guidelines on the website? They are not there at the moment.

Mr WESTERN: No they are not.

CHAIR: What is stopping you from doing that so that everyone is on the same page?

Mr WESTERN: Certainly you could put them up there. My strong view is that a lot of people would just wonder what it is all about. While it is set out in various sections, a huge amount of material is technical in nature. We need to be able to break down that material, ensure that we get it in a plain English approach so that it can be understood. I think, Chair, with due respect, putting it on there as a document as it is now would create more confusion and complexity for landholders trying to look at it.

CHAIR: Do these simplified guidelines which you are talking about omit anything that your valuers would use themselves?

Mr PARKER: They are designed to be an instruction to the valuers who undertake valuations under delegation by the Valuer General. The aim of the document is to try to be accessible by the public. There is a bit of tension there between providing a direction to technical experts and making that accessible to the public. That is one of the things we are working through now, that is, try to make it as readable for the general view as we can.

CHAIR: If the plain speaking guidelines or the guidelines available for public consumption do not omit anything that the technical guidelines have in them, why not just make the general guidelines available to everyone, including your valuers?

Mr PARKER: It is not a matter of omission. It is just a matter of the fact that the document as it stands is very difficult for laypeople to read. We do not think it will contribute to public confidence in the system if they are picking up a document and they cannot understand what the process is.

³ In correspondence to the Committee (dated 17 April 2014) Mr Western corrected this sentence to read:

There is no question in my mind that will assist hugely in terms of individuals understanding the valuation system

Mr GILKES: Chair, if I understand what you are getting at here it is that when these guidelines are published why do they not just become the instruction for the contractors? That is the intent. The intent is to replace the procedures manuals we have at the moment with these guidelines. There may be some areas where we need to provide additional information beyond them. Some of the sorts of matters that need to be dealt with are things to do with data formats and those kinds of things that are not of assistance in any way to the public to understand how valuations are made, but in terms of setting out the policies and standards and requirements for the valuations these will become the standards

CHAIR: In our recommendations in the eighth report we talked about making the guidelines binding. What will be binding: the general guidelines or the technical guidelines?

Mr GILKES: They will not cut across, is the first point. The guidelines published by the Valuer General will be binding on valuers who are contracted by Land and Property Information. That will make that one of the terms of the contract.

Mr WESTERN: To the extent that I have spoken with the Chief Judge of the Land and Environment Court, he has indicated to me that he is very keen for people to have access to these guidelines through the Land and Environment Court website. He is happy to assist us in terms of making them available through there as well.

CHAIR: But which guidelines will be binding? Will the simplified ones that you are working on at the moment become the guidelines used for all valuers and residents or will there be a separate set of guidelines that are technical and which the public cannot understand?

Mr PARKER: The opening page says to all valuers who use them that they are bound to follow them when they provide a valuation under delegation from the Valuer General.

CHAIR: The technical guidelines, which are currently not on the website, will be discarded and the new guidelines will supersede them. Is that correct?

Mr PARKER: They will have to be reconsidered. As Mr Gilkes was saying, there are certain aspects within those to do with data supply and the activities of the contractor that may still require that sort of document but for the valuation process they will be required to follow the guidelines that are being developed.

Mr WESTERN: The methodology that is used for that.

CHAIR: You are obviously developing these new guidelines with the intention that they will be binding. Is that correct?

Mr GILKES: Yes, Mr Parker is developing the guidelines.

CHAIR: With the window that we have between now and when the new guidelines are developed why can you not just put the technical ones online so that everyone can see how it is done? The Valuer General said it is very technical and will cause more confusion. Laws are very technical and cause a lot of confusion but the courts still publish them.

Mr WESTERN: As I said, I remain of the strong view that it is just going to add too much complexity and people are going to really struggle to understand what it actually means. I would prefer, for the confidence and the trust in the valuation system, to await these new guidelines that will be available in late June or early July of this year to be, I guess, the catalyst for that involvement of the public.

CHAIR: That is fair enough. Please turn to document 11 and familiarise yourself with the highlighted section on that page. It says that the Committee, the Minister and your testimony agrees with making them public. Once these guidelines are finalised I think the Committee should follow up when they are made public. That was a central recommendation of our report.

Mr WESTERN: Yes, certainly.

CHAIR: Mr Parker, can you talk us through your review of the guidelines?

Mr PARKER: I have basically started from scratch. There were no guidelines in the sense of the documents we are preparing at the current time. Obviously, there was the rating and taxing procedure manual, which addressed a lot of the aspects that I will be developing guidelines for, but there were no documents that were written in plain English or in a way that could be accessible by the general public. I basically started from scratch.

CHAIR: As a result of your review have there been any changes to the guidelines and how they would impact on valuations?

Mr PARKER: That is not a question I can answer directly; it is a little greyer than that. Some of the guidelines may change valuers' interpretation of how to address a particular valuation but some of those are the more technical ones that we are still working through as well. As you would appreciate, I am one technical expert. These guidelines have to go past a number of technical experts and then they would obviously have to be reviewed by the contractors that are going to be working with them. That is all part of this review process.

Mr WESTERN: Just thinking ahead I wonder if it might be useful if we were to provide you with a draft of one of the guidelines, particularly in respect to residential property. Would it assist the Committee to look at that once we have got it through to the final draft stage?

CHAIR: I think what would assist is once the guidelines have been reviewed, you are satisfied with them and they are online we will look as a Committee at how they are working, any changes as a result of the guidelines and what impact they will have on, in particular, the case studies that we looked at as a result of the Committee's last inquiry. But I will leave the review of the guidelines to you. I will now turn to just terms compensation. As the member for Hornsby, I am excited about the Government announcing the new tunnel between the F3 and the M2. Some landowners will be impacted by it, so this is an issue of great interest to me.

I refer you to tab 12. Please take a moment to familiarise yourself with the highlighted section. I also refer to question 6 on notice, which points to the reform document. In your answer you say that the Valuer General is currently liaising with acquiring authorities to ensure that they provide a copy of the valuation report to the landowner at the same time as the determination of compensation is issued. In your response in the reform section you said you cannot give this out due to legal advice. What is that legal advice?

Mr WESTERN: Basically what has happened is we have been trying to look at the best way to get a copy of the valuation report associated with the certificate of determination to the affected landholder. We sought some legal advice as to whether we could provide that report directly to the affected landholder. That legal advice said that we could do so as long as we got the permission of the acquiring authority. It is through that process that we need to be able to liaise with the acquiring authority. However, my view is that the affected landholder is still not necessarily guaranteed of getting the report simply because the acquiring authority might say that we are not going to bother giving it to you; therefore, I cannot give it to the affected landholder.

We are currently looking at a number of possibilities in terms of how we might be able to overcome that. One of the ways we are looking at is to consider whether on the certificate of determination for compensation we would make a note on there that if the landholder has not received a copy of the report then they can contact us directly. That would assist in terms of at least alerting them to the fact that there is a valuation report involved and therefore they would be able to come back to us quicker than the acquiring authority. That is one possible step but it is still messy and not quite where we want to be.

The other way I want to consider—and we actually just talked about this last week—is that instead of issuing a certificate of determination for compensation we would issue the valuation report as being that determination because you will appreciate at the moment the valuation report is where all the information is and now they are simply getting a one-page certificate outlining what the various components of the determination are. That would be potentially a far better way to ensure that the affected landholder is getting a copy of the report so they can actually see how it has been arrived at.

CHAIR: It seems unfairly weighted in favour of the acquiring authority, which in most cases is the government. What chance do mums, dads and landowners have to get a fair hearing to have those procedural fairness elements realised if they cannot even get even a copy of the "independent valuation" report upfront?

Mr WESTERN: I think you are right. To some extent it is weighted, in my view, with the acquiring authority. However, I mentioned before that we have developed this just terms brochure. I sincerely believe that

when we can get that into the hands of the affected landholder as early as possible while the initial negotiations are going on that will assist their understanding. Importantly also, while they are dealing directly with the acquiring authority and we are not involved, if they have got any questions in relation to the process they can either ask them directly to the acquiring authority or they can call us and we can assist them in terms of better understanding it. I think that is far more transparency than has ever been there before.

CHAIR: Can we get a copy of your legal advice?

Mr WESTERN: On notice you could ask for it. I do not know whether I can release it or not at this stage. I would have to check.

CHAIR: Why is that?

Mr WESTERN: I would just have to check from a legal point of view whether I am able to release it or not. I am not trying to be unfair. I just want to take the question on notice and ensure that I am not breaching anything in terms of releasing it.

CHAIR: But it would be your privilege, so you could waive that privilege.

Mr WESTERN: That is correct, but I will take that on notice just to check that.

CHAIR: The reason I want to see the legal advice is because I am wondering if you are restricted from giving landowners the ability to see the independent valuation you have done because of the Act. If so, would it not just require a simple change of the just terms compensation Act?

Mr PARKER: The Act does not provide legal authority for the Valuer General to issue the report. The acquiring authority is the one responsible for the acquisition process. The Act is silent on that.

CHAIR: That would just remedy the Act then?

Mr PARKER: You could remedy the legislation. Yes, it would be open to the government to do that.

CHAIR: Has anyone made a recommendation to the Minister that that change be made?

Mr WESTERN: Not directly to the Minister, no, but I would certainly be very supportive of that occurring.

Mr PARKER: I will just point out that we believe that the acquiring authorities provide these reports. The process that the Valuer General wants to put in place ensures that that happens 100 per cent of the time. We would be surprised if these reports are not provided on nearly all occasions.

CHAIR: The case study we saw in Leppington was a situation whereby landowners had no opportunity to see the report that determined the compensation they received for their castle, their home, and they were adversely affected by that.

Mr WESTERN: Absolutely.

CHAIR: It is a recommendation that we have made that I will be strident in fighting for to ensure it is made.

Mr WESTERN: As Mr Parker pointed out, the major acquiring authority is Roads and Maritime Services. Certainly we are aware that they—as we understand it— provide a copy of the report to the affected landholder.

CHAIR: Mr Parker, it may happen in the majority of cases but I will not be satisfied until it happens in 100 per cent of cases and I do not think we should accept anything less.

Mr PARKER: Yes, and that is why we are happy to work through to get that to 100 per cent.

CHAIR: Valuer General, can you turn to number 13. It is a just terms compensation review for Leppington. Take a moment to familiarise yourself with the highlighted sections. I want to talk about speaking valuations.

Mr WESTERN: Yes, Chair.

CHAIR: In your review or the Land and Property Information's review of the situation that occurred at Leppington one of the issues identified was the fact that the valuations were complex and it was not easily understood by a person reading the report without doing further research. One of the ways it was suggested you could improve transparency and accountability was by having speaking valuations. I was wondering when they are going to be implemented.

Mr WESTERN: They have been implemented.

CHAIR: Excellent. When were they implemented?

Mr WESTERN: Almost immediately after we had the hearing with the joint committee.

CHAIR: Thank you. Turn to tab 22. I refer you to your question on notice. It is page 5 of your response to question 6. Again, look at the yellow highlight in document 22 where we talk about landowners being accorded the full opportunity to put their case. A full opportunity to put their case will require: 1. Notice of the applicable procedures and substantive criteria; 2. The opportunity to put their case; 3. Disclosure; and 4. The opportunity to refute any such information. These are issues relating to procedural fairness. I want to know if are you currently seeking to adopt or have you adopted this recommendation in relation to providing adverse information to affected landholders?

Mr WESTERN: Certainly in respect of number 2, the opportunity to put their case, my understanding is that that has commenced. I might take the others on notice. I will need to check up on that.

CHAIR: That is fine. I refer you to document 29. I suspect this relates to the Ernst and Young stuff with regard to data capture and whatnot. Familiarise yourself with the yellow highlighting in recommendation number 29.

Mr WESTERN: I have, Chair.

CHAIR: I want to know have you or are you planning to implement this?

Mr WESTERN: We are planning to implement that and the project to implement or develop it and then implement it has started.

CHAIR: What is the time frame around that project?

Mr GILKES: The project is at the first stages of planning at the moment. We do not have the final time frame. We have, however, secured capital funding in the budget for the 2014-15 financial year to carry out these works and, as I said, we are at the initial stages of planning the way to actually implement it.

CHAIR: I refer you to document 30, recommendation 21. Familiarise yourself with the yellow highlighted section. This refers to your powers to quash valuations where there has been an error of substance or procedure and to order new valuations. I want to know if you have exercised that power since the report.

Mr WESTERN: Chair, the advice that I received was that that power already exists under section 14A (6) of the Act, which allows the Valuer General to ascertain or re-ascertain any value.

CHAIR: Have you exercised that power since the Committee last met?

Mr WESTERN: Not directly, no.

CHAIR: Do you want to take that on notice?

Mr WESTERN: We can check as to how many have been, if there have been any.

CHAIR: Could I ask you to take on notice how many times you have exercised that power and the instances where you have exercised the power. With regard to using your powers in instances where there are errors of substances or procedures, can you inform the Committee what systems and processes are in place to report problems of that nature?

Mr WESTERN: Directly to me?

CHAIR: Yes, what brings those errors to your attention to warrant the use of your powers.

Mr WESTERN: Generally if there had been some minor alterations occurring for which Land and Property Information had not received an objection but it was picked up through a landholder who has not got an objection contacting them, or Land and Property Information or a contractor has picked up that there is an error with a valuation then the Land and Property Information have the ability to re-ascertain that value. My instruction to Land and Property Information is that I need to know about those areas where there is a significant change which indicates a fundamental issue with the way the valuations have been undertaken in that area, so on that basis, for example, if there was a residential property—and this is not diminishing where a residential property sits, but if there was in fact a change to a value on a residential land value and it was re-ascertained, I generally would not hear about that because that is ongoing all the time. What I would hear about is where there is a substantive change to valuations in an area. For example, where a number of re-ascertainments have had to be undertaken, not just one, which would indicate potentially an issue with the way the valuations have been undertaken by the contractor, or if there are any other issues in respect of what audit or quality assurance has been undertaken on that. Land and Property Information are required to notify me immediately if any of those instances are going to occur.

CHAIR: Have any such problems been reported to you within the last 12 months?

Mr WESTERN: We have had several where that has occurred, yes.

CHAIR: Can you outline what they were?

Mr WESTERN: Not off the top of my head.

CHAIR: Can you take that on notice?

Mr WESTERN: Absolutely.

CHAIR: Can we get a list of instances where problems have been reported to you where you have used your powers to quash the valuations and how you responded when receiving those.

Mr SCOT MacDONALD: I want to ask you about 15 and 16, the Court of Appeal case. The case was run by your office, I presume, with the cooperation of the Minister. The Minister must be consulted, but what level of consultation do you have with the Minister to run a case such as that? The reason I am asking, by my calculations there was a difference of \$194,000 between the valuations of the Court of Appeal and the Land and Environment Court. I am assuming, and I am happy to be corrected, that the legal fees would have been far in excess of that because the cost went with the courts, so the cost to the Government would have been the Appellant and the Respondent. I am guessing there was half a million dollars of legal fees. Valuer General I take you back to the informal briefing we had more than 2½ years ago. I asked you at that time if was there anything coming down the pike, so to speak, in respect of cost impact to the Government—standards or anything that we should be concerned about. Can you talk to those matters?

Mr WESTERN: Absolutely. The Court of Appeal case is not a case against the Valuer General. It is actually against the acquiring authority. We were not involved in that case.

Mr SCOT MacDONALD: You do not give advice. This is a just terms matter so the Minister has decided off his own bat to contest that?

Mr WESTERN: I do not know who has decided to do it. I presume it may have been the acquiring authority, but you would have to ask them to ascertain that.

Mr SCOT MacDONALD: There was about \$194,000 worth of costs. Can you give any insight as to why that would have been a problem? From the scale of things and the cost of the legal action, can you give any insight at all?

Mr WESTERN: As I said, we were not involved in that case.

Mr SCOT MacDONALD: The Chair might touch on this later, but can you give an update on 24 and 25? Number 24 was how you responded to ministerials and parliamentary requests. That was an issue earlier on. My last question is how the enhancement of the SAP system is going?

CHAIR: Has 24 already been addressed?

Mr WESTERN: The components in terms of the recommendations, the one that we took on notice—

CHAIR: Yes, so these are the reports and we are taking that on notice.

Mr SCOT MacDONALD: From May a year ago?

CHAIR: Yes. The question we asked was what of the recommendations had been implemented, what is yet to be implemented, and why not.

Mr WESTERN: Yes.

Mr SCOT MacDONALD: Is there anything that you want to give now?

Mr WESTERN: As I have said, will have to take it on notice. I need to confirm exactly what has happened. I would not want to mislead the Committee.

Mr SCOT MacDONALD: And the same applies to the systems, applications and products [SAP] system?

Mr WESTERN: The Allen report, yes.

CHAIR: There are 11 recommendations in response to that and the Valuer General will come back to us and give an update as to where we are at with them.

Mr SCOT MacDONALD: Thank you.

CHAIR: Valuer General, can I get you to turn to tab 32, please? Can you just familiarise yourself with the highlighted section of that? Again we are talking about improvements can be made to the system following the Leppington case.

Mr WESTERN: Yes. I have read that, Chair.

CHAIR: You talked about implementing an information pack, similar to what is supplied to contractors doing objection reports, being supplied to contractors who are undertaking just terms compensation reports and outlining the requirements of Land and Property Information and the Valuer General in relation to reporting standards, particularly rationale. I just want to know if you have implemented such an information pack.

Mr WESTERN: I will have to take that on notice, Chair. I have just been informed that part of that in terms of the information pack coming out will actually include the guidelines that go to the contractor as well. That is being developed in concert with that, but it has not been fully implemented yet.

CHAIR: Okay. This is a recommendation from Land and Property Information. Have you consulted with Land and Property Information as to why that has not been implemented?

Mr WESTERN: I have not consulted directly, no, Chair.

CHAIR: Valuer General, can I refer you to document 34? I think we need our staff to give us those documents. The documents I am about to refer you to were brought before the Committee on 12 November 2012 and they related to the tender evaluation process, which we went through. We received redacted documents and then we received the unredacted documents. I have some questioning around that process. I will ask that the documents circulated to everyone so that we will have copies. I understand we have just one copy.

Mr WESTERN: Have you got one, Chair?

CHAIR: I do, I hope. I might not have them in the same format so we will get a copy of them. We will take a break for five minutes and come back into this line of questioning. Valuer General, could you give us five minutes? This was a late inclusion.

Mr WESTERN: Thank you.

(Short adjournment)

CHAIR: Valuer General, the next line of questioning follows up on the hearing from 2012, which we sort of left open. Just by way of background, in 2012 we had a discussion about your role with Quotable Value Australia. You provided the Committee with documentation where you declared your relationship with Quotable Value Australia to the public service procurement organisation. We have it on the record.

Mr WESTERN: That is right.

CHAIR: We received minutes of the tender evaluation committee which is in place.

Mr WESTERN: Yes.

CHAIR: A number of those minutes were redacted and then you provided us with unredacted information so we could test to make sure that any conflicts, perceived or otherwise, were appropriately addressed, and that the contracts were awarded appropriately. I just want to go through and round off that line of questioning, which we have not done since November 2012.

Mr WESTERN: Yes.

CHAIR: Could you turn to document 36 in your folder. This is the information you provided the Committee regarding the amounts of public moneys paid to external contractors?

Mr WESTERN: Yes.

CHAIR: The moneys paid between 2007 and 2012 to respective parties for mass valuation contracts, rating and taxing contracts, and for just terms compensations. Have we data for mass valuation contracts awarded between 2003 and 2007?

Mr WESTERN: I cannot answer that directly. I am not certain.

CHAIR: Could you take that on notice? I have been through all the material you have provided. We have everything from 2007 onwards. I was hoping for public moneys paid to external contractors from 2003 to 2007 just to complete that gap.

Mr WESTERN: Just to confirm, you would like that format the same?

CHAIR: Yes.

Mr WESTERN: By year by contractor?

CHAIR: Yes, that would be great. How much they got by contractor each financial year and use that table as the template. At the Committee hearing in 2012 you gave the names of each of your contractors and the amount your office or Land and Property Information spent hiring them—this document?

Mr WESTERN: Yes.

CHAIR: We discussed how those contractors were chosen. I understand that it is by a panel, is that correct?

Mr WESTERN: That is correct.

CHAIR: Who was on the panel, whether any of those people had conflicts of interest and how those panel members made their decisions is an important oversight function to ensure the tendering process is carried out properly, correct?

Mr WESTERN: Most certainly.

CHAIR: Are you and your delegates solely responsible for the oversight of your office and its functions?

Mr WESTERN: Yes.

CHAIR: You understand the Committee has oversight over the Office of the Valuer General. When we went through the tender evaluation process you gave us over 600 pages of redacted documents?

Mr WESTERN: Yes.

CHAIR: They were those tender evaluation meetings?

Mr WESTERN: Yes.

CHAIR: In a later in-camera hearing you provided the Committee with 288 pages of the documents unredacted. A number of documents originally provided to the Committee as part of those 600 pages did not come across in the unredacted form. My first question is: Why have we not got the remaining 300-odd documents?

Mr WESTERN: I am just trying to recall. It is a while ago. I am just actually wondering whether we supplied those to you or whether they came through Department of Finance and Services because that would have been previously with the Department of Commerce?

CHAIR: Yes.

Mr WESTERN: I am just not certain.

CHAIR: We appear to be missing documents from the tender evaluation committee minutes from 2003 to 2009 that are unredacted, but we have redacted minutes from 2003 to 2009. We have unredacted documents from 2009 onwards.

Mr WESTERN: Yes.

CHAIR: We have redacted minutes prior to that.

Mr WESTERN: Okay.

CHAIR: Could we get copies of the unredacted minutes between 2003 and 2009?

Mr GILKES: I think the problem there might be that that was the time at which the tender process was run by State Procurement and so it would hold those documents. You will have to source them from there.

CHAIR: Can you turn to document number 40 and take a moment to familiarise yourself with that document. Do you recognise the document?

Mr WESTERN: The general form of the document I do, yes.

CHAIR: Do you recognise that it has been redacted? I just want to point out that this is what I am referring to; it has all the names redacted.

Mr WESTERN: Yes.

CHAIR: I have another tender evaluation document. You do not have a copy of that because it is unredacted and so we cannot make it public at this stage.

Mr WESTERN: I understand.

CHAIR: You will have to take my word for it. I refer Committee members to page 7 of 17 of document 34. Valuer General, this document has a list of the names of people on the evaluation committee?

Mr WESTERN: Yes.

CHAIR: The first name is redacted and it says "Office of the Valuer General"?

Mr WESTERN: Yes.

CHAIR: Then it goes through all the people on the committee: Chief Valuer, Land and Property Information, deputy director, Client Services, Office of State Revenue, local government et cetera. Why are all those names hidden? Why are they still redacted in all the documents we have?

Mr WESTERN: I cannot answer that because that has come directly from the Department of Commerce rather than through either Land and Property Information or the Office of the Valuer General.

CHAIR: These people are all public figures; none of them works for ASIO or ASIS or anything like that. Why would they all be redacted?

Mr WESTERN: I cannot presume as to why they would have done that here.

CHAIR: Can we get copies of the unredacted tender evaluation committee documents between 2003 and 2009?

Mr GILKES: I will have to take that on notice, but we will try to source them from State Procurement or its subsequent organisation.

CHAIR: This is all very involved?

Mr WESTERN: I appreciate that.

CHAIR: The document that I am referring to is a submission under delegation, land valuation services, for the Office of the Valuer General, contract number 0277319.

Mr WESTERN: Right.

CHAIR: That is the only identifier on the document. Do you recognise that document?

Mr WESTERN: No, I do not.

Mr GILKES: Does it say what year it relates to?

CHAIR: Yes, it does.

Mr WESTERN: If you tell us that it would help.

CHAIR: 2003.

Mr WESTERN: Does it say when in 2003?

CHAIR: February 2003.

Mr WESTERN: I was not employed as Valuer General in February 2003.

CHAIR: I have another document. I cannot find the dates for these documents. Can you go to page 42?

Mr WESTERN: I only go to page 41.

Mr CLAYTON BARR: And I.

CHAIR: I have a document which I will refer to. I have copies of the document. This document is a tender for land valuation services for government taxing and rating for the Office of the Valuer General. It was for tenders between 13 September 2004 and 11 November 2004. Is that a document that has been sourced from your office?

Mr WESTERN: I would say that has come from the Department of Commerce as well. That was State Procurement.

CHAIR: The Department of Commerce is at the top of the document. All the names of public officials on the committee have been redacted. I ask the Committee members to turn to page 12. Have you got that?

Mr CLAYTON BARR: All over it.

CHAIR: We have no way of seeing who endorsed the recommendations of the committee. It is endorsed by committee members but redacted. Valuer General, your title is here, would you have been on the committee at that stage?

Mr WESTERN: That was in 2004?

CHAIR: Yes.

Mr WESTERN: I would have been on the committee in 2004, yes.

CHAIR: Was Quotable Value Australia awarded any contracts by this committee in 2004?

Mr WESTERN: I cannot recall, I will have to take that question on notice.

CHAIR: In the document I am looking at Quotable Value Australia did win one contract as a sole tenderer. We need to take something in camera to resolve the legal issues around this document, which is subject to commercial in confidence. The committee received that information on that basis. I would like you to note that we are not looking at any of the commercial issues regarding the tenderers or amounts of money paid to them, but how conflicts of interest were resolved.

(Short adjournment)

Mr SCOT MacDONALD: I think it was contained in Committee comments and was not a recommendation, but coming out of some of our hearings or meetings were service agreements with councils. Some seemed to have them, some did not. Are you looking at having service agreements with all of your councils?

Mr GILKES: There is a structure agreement around councils. There is a series of memorandums of understanding, which is signed by most councils. Sitting underneath that is what is called a products and service agreement, which goes into greater detail about the services. Then underneath that are particular specifications for the range of services which Land and Property Information provides to various councils. The majority of councils only have memorandum of understanding and that is really at their choice because they feel—

Mr SCOT MacDONALD: They have been doing it for years?

Mr GILKES: I would suggest that they are satisfied that the memorandum of understanding is really an agreement that we will work together. Much of the services that are provided are statutory services and so I

presume that the councils do not feel the need for that finer detail. There is though, actually, a specification for valuation services that was developed in consultation with local government. However, only one council has chosen to sign on to that particular element.

Mr SCOT MacDONALD: The reason I ask is when we were at Broken Hill and Mudgee there seemed to be some uncertainty about who did what and what they are entitled to and what that sort of service might deliver. I am not saying it was the fault of your office. I take the point that Broken Hill, for example, has probably been doing it for years and not too many issues have arisen. Suddenly, a Perilya comes on the scene and who does what and who is responsible for what comes into question. Has that been looked at? Do you think there will be more service agreements with councils?

Mr WESTERN: That is where we want to go. As Mr Gilkes said though, it is at the discretion of the council to decide whether they want to sign it. We are improving the communication protocols with council. The whole process that we are going through in terms of the customer experience is ensuring that we make more regular contact with the council, particularly in respect of understanding what the various parts of the process are so we can work together as a partnership, effectively, in respect of going forward.

Mr SCOT MacDONALD: I make the comment that it was my observation only that Maitland City Council or a larger council, or a fantastic council such as Cessnock, probably cope with it very well.

Mr CLAYTON BARR: Do you want to withdraw that?

Mr SCOT MacDONALD: Okay. But when you get down to the smaller end of the scale, staff might not be as skilled up or experienced. My concern is that those smaller councils are probably relying on your office to be more proactive. One of the things I would like to understand is if the smaller Government councils have the capacity, and are you looking after them as well as you can, understanding that bigger councils are quite capable of interacting with you. The feedback I hear and maybe others hear is that smaller councils probably struggle with it a little bit, especially when disputes arise.

Mr WESTERN: You are right. That is specifically where we are looking to beef up the communication process with all councils. I am speaking on behalf of the Land and Property Information but certainly in the majority of cases, so far as I am aware, it will make the offer to visit a council when a new revaluation is issued so that they can gain a better understanding of how it has been arrived at. It is particularly important for the councillors as well. Being the elected representatives, they make the contact with the ratepayers. What we are trying to do now is to beef that up so that we can get to more councils, build up the relationship so that when it comes to putting out the revaluation, we can make the appropriate call in respect of how much extra communication we need to have with them. Certainly in my visits to Broken Hill and Mid Western, they have indicated that they are very pleased now with how the relationship is developing and that they are being kept well informed of what is happening. That has to happen across all local government areas.

Mr SCOT MacDONALD: My point is that is good. It is a shame that it took a situation such as Perilya to be the catalyst, and in Mid Western it was the rural side of things.

Mr GILKES: If I could add something, offers have been made to councils for many, many years when new valuations are made to go and explain the valuations and the like. I guess one of the unfortunate things is that perhaps the need of it is not seen to be so great until something like that happens, and it is not uncommon that we get the response from councils that, "We are okay. We do this all the time", and that sort of thing. Then when something does go wrong you have to play catch-up, I guess.

CHAIR: Clayton, do you have any questions in closing?

Mr CLAYTON BARR: I have dozens. I will put them on notice.

CHAIR: I want to round off a couple of things. Firstly, we talked about the disclosure process and the Office of State Revenue or the Department of Commerce being responsible for the probity and procurement process. Is that correct?

Mr WESTERN: That was correct. In terms of the probity officer an independent is now appointed.

CHAIR: The Department of Commerce previously was responsible for making sure that conflicts of interest were disclosed and dealt with appropriately. What I need to understand, Valuer General, is why the responsibility is with the Department of Commerce when the tender evaluation committee is exercising your delegated authority to award tenders. Does not the responsibility to disclose conflicts of interest and discharge conflicts of interest rest solely with you?

Mr WESTERN: In the end?

CHAIR: Yes.

Mr WESTERN: It is up to the individuals to disclose that. The independent probity officer is there for exactly that reason. There needs to be someone independent of the process in respect of being part of the contract on one side and the tender on the other side to ensure that appropriate protocols are in place from the probity perspective for the tendering process. That is why that position is so important. That is why that position needs to ensure that conflicts of interest are brought to their attention and there is formal recognition of that through the conflict of interest.

CHAIR: Ultimately, the power to award tenders and appoint contract valuers rests with you under the Act?

Mr WESTERN: Correct.

CHAIR: You delegate that power to this committee, per se, which goes through a process.

Mr WESTERN: I delegate it to Land and Property Information, who is looking after the contracts, that is correct.

CHAIR: Back to my point, if there is a conflict of interest and if there is a failure to disclose it or discharge it, does the responsibility of that failure ultimately rest with you?

Mr WESTERN: I would have to take that question on notice.

CHAIR: Why would you have to take it on notice?

Mr WESTERN: Because I am not certain that it does.

Mr CLAYTON BARR: Following up on that in a slightly different way, my understanding of the Office of the Valuer General is that it is independent and it sits at arm's length.

Mr WESTERN: Correct.

Mr CLAYTON BARR: You are responsible for this process, so if probity is then done by an external body—in this case the Department of Commerce—do you contract out that work and pay them for their time and energy and effort, or is it just gifted to you?

Mr WESTERN: I would have to ask Land and Property Information. I do not look after the contracts in that regard.

Mr GILKES: At the time when the Department of Commerce was running them, the contracts were signed by the State.

Mr CLAYTON BARR: As with individual units, I guess, one unit is charged and another unit—

Mr GILKES: At that stage the Department of Commerce billed the Valuer General for the service.

Mr WESTERN: Pre Land and Property Information.

CHAIR: Valuer General, I am going to wrap this up because the power is about to go out, swipe cards will not work and Hansard staff will not be able to do their job. Thank you for giving up your time today. This is the annual review so hopefully this will be it for a while. Thank you for the significant efforts that you and your

team and the team at Land and Property Information have made to ensure that the valuation system is the best it can possibly be. From when I first started chairing this Committee to where we are now I appreciate that you have made an extraordinary effort. The professionalism of your team in responding to the Committee's demands and accommodating the needs of the public has been excellent. I will note it in my report and in my speech in Parliament. I think all the members of this Committee feel the same. There are some follow-up questions that we will put on notice and send through to you. That is about making sure that we have covered every outstanding item that this Committee has been through. From my perspective it has been a pleasure working with you and your team. I appreciate and thank you for all the effort you have undertaken at this point.

(The witnesses withdrew)

(The Committee adjourned at 5.53 p.m.)