

**REPORT ON PROCEEDINGS BEFORE**

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

**THIRTEENTH GENERAL MEETING WITH THE VALUER GENERAL**

**At Macquarie Room, Parliament House, Sydney on Monday 15 June 2020**

**The Committee met at 1:30**

**PRESENT**

Mr Nathaniel Smith (Chair)

**Legislative Council**

The Hon. Scott Farlow (Deputy Chair)

The Hon. Shaoquett Moselmane

**Legislative Assembly**

Mr Stephen Kamper



**The CHAIR:** Good afternoon. Thank you for attending the public hearing of the Joint Committee on the Office of the Valuer General. The public hearing today will take evidence in its examination of the Valuer General's annual reports of 2017-18 and 2018-19, as well as other developments which have occurred since the Committee's previous examination. The intervening period since the last general meeting has seen major changes in the agency's administration and leadership, including the recent appointment of Dr David Parker as the New South Wales Valuer General.

The hearing today will enable the Committee to remain apprised of the valuable work done by the Valuer General and his office, to ensure that the New South Wales valuation system provides consistent outcomes in a transparent, efficient and equitable manner for all stakeholders, including landholders. One of our Committee members, Mr Geoff Provest, the member for Tweed, is unable to be here and has sent his apologies. I ask everyone to switch off their mobile phones as they interfere with the Hansard recording equipment. I now declare the hearing open and welcome the New South Wales Valuer General Dr David Parker and his team.

**DAVID PARKER**, Valuer General, Valuer General NSW, sworn and examined

**PAUL CHUDLEIGH**, Acting Deputy Valuer General, Valuer General NSW, sworn and examined

**ANDREW COFFEY**, Acting Executive Director, Valuer General NSW, affirmed and examined

**PAUL GOLDSMITH**, Director Compensation and Special Valuations, Valuer General NSW, sworn and examined

**MICHAEL DAVIDSON**, Principal Valuer, Objections and Appeals, Valuer General NSW, sworn and examined

**The CHAIR:** Thank you for appearing before the Committee today to give evidence. Before we proceed, do you have any questions concerning the procedural information sent in relation to witnesses appearing before this Committee?

**Dr PARKER:** No.

**The CHAIR:** Would you like to give a brief opening statement before we proceed to questions?

**Dr PARKER:** Thank you. Good afternoon and thank you for the opportunity to address the Joint Standing Committee this afternoon. I am joined by the Deputy Valuer General, Paul Chudleigh; our Director Compensations, Paul Goldsmith; our Principal Valuer Objections and Appeals, Michael Davidson; and our Executive Director, Andrew Coffey, together with our Executive Officer, Louise Robinson. In the past most of the questions arising from the Committee have dealt with matters for the Valuer General, the Deputy Valuer General, compensation or raising objections. Hopefully we are adequately equipped to deal with issues this afternoon.

I understand I am here to address questions from Committee arising out of the 2017-18 and 2018-19 annual reports, though we are happy to deal with or assist with any other matters the Committee would like to ask questions on. As I outlined at the informal briefing, the new entity Valuer General NSW [VG NSW] was established in January 2020 to bring together the former Office of the Valuer General and the valuation services team from Property NSW. While the Valuer General is an independent statutory officer I am not able to directly employ staff, so staffing is facilitated through an administrative arrangement with the Department of Planning, Industry and Environment [DPIE]. Effectively, Valuer General NSW is a part of, but apart from, DPIE.

Under previous arrangements, staffing and budgets were managed by Property NSW. I am in the process of reviewing these arrangements for the future. At our previous meeting I outlined my vision and strategy for VG NSW, the key elements of which were to have a much closer focus on the administration of the governing statutes such as the Valuation of Land Act going forward. The second element was the intention for more of our valuers to spend their time valuing. The third key limb of the vision and strategy was the aim of balancing the pendulum to ensure our service is focused on the requirements of the Act, transparency, the New South Wales Government customer service commitments and the independence of the Valuer General.

As an example of moving the pendulum to achieve a balance between those outcomes, I have recently made some minor changes to the objection process. A landholder who now objects to their valuation is required to state what they consider the land value to be and why, supported by relevant sales. In order to help landholders do this we have amended our published information materials, which are available on the web and also in hard copy. The changes I have made are designed to decrease the cost of the objection process whilst also providing fairness to landholders. The aim is to assist in improving timeliness and delivery of the outcome of the objection decision to landholders and, where a land value is amended, delivery of the new value to councils and Revenue NSW. As I mentioned, at the last informal meeting the 2019 revaluation was undertaken last year and announced in January of this year, led by my predecessor Valuer General, who also commenced the Valuer General's response to the bushfires.

Since being appointed I have initiated a research project into the impact of bushfires on land value and I have offered all councils the opportunity for a 2020 revaluation to include the impact of bushfires on land values in their area. To date, four councils have asked for a revaluation. Since I became Valuer General we have also become subject to COVID-19. I have initiated a research project into the impact of COVID-19 on land values, firstly to determine whether there is sufficient market evidence to undertake the 2020 revaluation—we have established that there is—and secondarily to provide some material for a public information campaign to run in July, to build public understanding of the impact of COVID-19 on land value movements. Whilst there may be a general expectation in the community that all land values will fall as a result of COVID-19, our research to date suggests that that is not the case. Indeed, some will fall to a small degree. Quite a lot will probably stay the same. Some will go up.

The values that we come out with in July 2020 will be used by Revenue NSW for managing land tax, and for rating will only be used by those bushfire-affected councils who accepted the offer of a 2020 revaluation. To make the findings of my COVID-19 study helpful to the public we are going to include some maps on our website where a landholder can go on, click on their local government area, and a series of arrows will show if land values went up, sideways or down for residential, business, industrial and rural land. If we look forward to the medium term, we have sought funding from Treasury for a new information technology [IT] system, which we call Valnet III, to transform the way we manage data in the future. Looking forward beyond the medium term to a little bit longer, I have continued the initiative started by my predecessors to work with the University of New South Wales on an automated valuation model, or AVM, which basically is a computer black box that values land. That may take at least five years to come to fruition. We are very conscious that the challenge of developing the computer model to do the valuation is relatively small compared to the challenge of convincing the community that the black box works.

Following the twelfth meeting the Committee made six recommendations, which we have actioned and we reported briefly on at the previous meeting. With the exception of customer service surveys, all six of the Committee's previous recommendations have been completed. As I look forward to 2021 I am intending to focus on six main areas. The first is to continue the work on customer service surveys that came up from the twelfth meeting. We will undertake a holistic review of methods to assess the customer service experience. Essentially, this means which customers do we ask, what do we ask them and at what point in the process do we ask them.

If you think about something like objecting to your land value, if you lodge an objection and it is successful, if we ask you at the end of the exercise you will probably feel pretty good and give us a good score. If we do not allow your valuation and we ask you at the end of the exercise, you will probably give us a bad score. Equally with compulsory acquisition, if you think you had a very good settlement at the end, you will give us a good score. If you think you did not, you will give us a bad score. What that does not measure are all the steps that lead up to that around the provision of information, dealing with landholders fairly, helping them with their questions, respecting their positions and things like that. We tend to look at this much more holistically and try to come up with some better measures to assess customer service experiences.

As you would notice in the 2018-19 annual report we have some issues in the objection process around timeliness and the key performance indicators. So my second focus this year is on key performance indicators [KPIs] around timeliness for the objection process. My third focus is on KPIs around timeliness for compulsory acquisition, which, as you will notice from the 2018-19 annual report, it takes quite a long time to issue a compulsory purchase determination because of all the steps we go through, so we are looking to see if we can make that a little bit quicker. The fourth thing I will be focusing on this year is on any previous committee recommendations that may be inconsistent with law or court precedent. I assume at the time they were made they were considered not necessarily inconsistent, but as time has passed, as the court has made a range of decisions, some of them have ceased to be aligned with what would now be acceptable in the court. We want to have a look at them and maybe come back to the Committee and discuss how we might deal with them.

My fifth focus going forward is to seek funding for Valnet III because that will transform the way that we manage the New South Wales valuation system, which will be particularly important if we move to a new taxation basis replacing stamp duty with a broader-based land tax. The final sixth thing that we are focusing on will be to continue our work with the University of New South Wales on the automated valuation model. Looking down the track, we see that as being the future of valuation for rating and taxing in New South Wales but we need to make sure it is right before we adopt it. Those are my six focuses going forward. Thank you for the opportunity to provide an outline and we are happy to take any questions that you may have on the 2017-18 and 2018-19 annual reports.

**The CHAIR:** Thank you, Dr Parker. Would any other witnesses like to give an opening statement? We will move straight into questions and I will begin with questions about the valuation system. Previous annual reports focused on the two principal Acts that authorise the Valuer General's functions, the Valuation of Land Act 1916 and Land Acquisition (Just Terms Compensation) Act 1991. The Committee has also been looking at the Land Tax Management Act 1956, the Local Government Act 1993, the Heritage Act 1977 and the Crown Land Management Act 2016. Were there any significant issues arising in relation to any of these additional Acts cited during the two reporting periods 2017-2018 and 2018-2019 under review?

**Dr PARKER:** Thank you for the question. There are two things that come to mind. The first is, as we found out during COVID, there is no mechanism under the Act to not do a valuation. As the Committee will be aware we suggested the inclusion of a power for the Valuer General to not do a valuation if there was insufficient evidence due to COVID, but that provision did not pass through the Parliament. Some provision dealing with what happens in a national emergency has proved to be an issue in the last two years. The other, which covers the Valuation of Land Act and the compensation statutes, is around the timing, the time period specified in Acts and

how they might be aligned or managed with the level of public information and transparency that the people of New South Wales have now come to expect.

Whilst we have no problem with higher levels of transparency, it takes time. When the Acts were written those timetables were not considered. For example, if we provide a draft report, say to one of Mr Davidson's objections or one of Mr Goldsmith's compulsory acquisition reports, we allow the landholder or the dispossessed party 28 days to consider the report and come back to us. That is not something that is necessarily covered in legislation, so it adds to the overall time period, the results in the key performance indicators being adversely affected. Somewhere in the middle there is a balance of process between providing sufficient time for landholders or dispossessed parties to consider the reports, versus the statutory timeframes that are provided.

**The CHAIR:** My second question concerns rating and taxing valuation overview. As detailed in the two annual reports under review and by the Valuer General in his briefing, new values are determined each year for all land on the Register Of Land Values. The new values are then provided to Revenue NSW annually for levying and land tax, and every three years to local councils for levying and council rates. What is the rationale for issuing new land values to local government on a three-year cycle?

**Mr CHUDLEIGH:** The rationale has been based around council rate pegging legislation, I think would be the easiest way to answer this. Each year the total revenue that is generated from the valuations is pegged. New valuations that are made each year would require councils to submit a new rating plan each year. The Act for some time has required for a valuation only to be received for councils at least every three years. There are provisions under the Act under section 51 for councils to seek a valuation earlier than that if councils request to do so.

**The Hon. SCOTT FARLOW:** Do any councils actually request that?

**Mr CHUDLEIGH:** We currently have a council that is interested in seeing what happens with the COVID strategy as far as whether they would seek a new valuation for 2020 as well.

**The CHAIR:** How does that compare to other jurisdictions in relation to its arrangements for issuing new land valuations for rating or taxing?

**Mr CHUDLEIGH:** They vary considerably. A number of them are on annual and others are on a various year proposal. I do not have the exact figures in front of me but I can advise you on notice.

**The Hon. SHAOQUETT MOSELMANE:** Dr Parker, you mentioned earlier that four councils took up the revaluation, which councils and why have the other councils not requested revaluation?

**Dr PARKER:** The four that have requested valuations are—

**Mr CHUDLEIGH:** Lithgow, Coffs Harbour, Tenterfield and Oberon. The councils that have formally declined are Inverell, Lake Macquarie, Upper Lachlan, Central Coast and Shoalhaven. Other councils have not responded as yet. We have asked for a reminder to those councils as to whether they would seek a valuation because it will take some time, obviously, for us to issue notices under that process.

**The Hon. SHAOQUETT MOSELMANE:** That is my second question. When you say "some time", what is the time period?

**Mr CHUDLEIGH:** Normally our valuations issue to councils at the end of November each year, then notices would issue to owners from January onwards. We have asked councils if they could respond as soon as possible in that regard because it takes some time to organise printing of notices, etcetera, through the January period.

**The Hon. SHAOQUETT MOSELMANE:** Who bears the cost of this process, is it the councils?

**Mr CHUDLEIGH:** The Valuer General bears the cost.

**The Hon. SHAOQUETT MOSELMANE:** Not the councils?

**Mr CHUDLEIGH:** No.

**The Hon. SHAOQUETT MOSELMANE:** Why have the other councils not taken up the offer?

**Dr PARKER:** We do not know, but there are a variety of potential reasons. The first might be that they were not affected by bushfires. The second is that the impact of revaluing to allow for the bushfires means that the rates coming from bushfire-affected blocks goes down, so the rates coming from other blocks need to go up. That can be a sensitive issue in some council areas.

**The Hon. SHAOQUETT MOSELMANE:** They are sensitive issues.

**Dr PARKER:** It can be a sensitive issue.

**The Hon. SHAOQUETT MOSELMANE:** Yes, you are dealing with the value of people's properties.

**Mr CHUDLEIGH:** I may add to that, while we have made the offer to all of the bushfire-affected councils, some of those have large numbers of properties that are affected and some only have a very small number of properties that are affected. It is up to those councils to consider that in light of the total number of properties that they may see have been impacted.

**The Hon. SHAOQUETT MOSELMANE:** Do we have statistics as to the number of properties that have been impacted?

**Mr CHUDLEIGH:** We do.

**Dr PARKER:** We do. It was in the bushfire report. I do not think we brought a copy with us. No.

**The Hon. SHAOQUETT MOSELMANE:** Are they mainly in those four council areas that requested?

**Dr PARKER:** No. They are spread more widely. As the Deputy Valuer General said, you can get significant impact in some council areas. In other council areas there might just be half a dozen properties affected. It can be quite varied. We can take that on notice if you need. It is in the bushfire report.

**The Hon. SHAOQUETT MOSELMANE:** It would be good if we can get that information. If you can take it on notice that would be appreciated.

**Dr PARKER:** Certainly.

**The Hon. SHAOQUETT MOSELMANE:** In your introductory comments, Dr Parker, you mentioned the customer surveys and you get responses depending whether people are happy with the process or unhappy with the process. Do we have statistics that tell us how happy people are or how unhappy people are when dealing with different areas of surveys?

**Dr PARKER:** We do indeed.

**The CHAIR:** We prepared one for you earlier.

**Dr PARKER:** There are quite a lot of these, so we will just highlight them for you.

**The Hon. SCOTT FARLOW:** What is the correlation whether an appeal is successful or not? I imagine it is pretty strong.

**Dr PARKER:** Generally it is. From my time on the NSW Land and Environment Court there are a substantial portion of people who will accept the outcome. There are some who will never accept the outcome or wish to litigate it on a point of principle. Generally speaking I am of the view that if the process has been fairly implemented and the Valuer General has gone through all the steps that the Valuer General said he would go through and everybody has been given a fair opportunity to provide their input to their objection or their input to their view of compulsory purchase compensation, the Valuer General has been seen to take those comments on board and respond to them, then that is about the best we can do. Unfortunately, if you do not get the answer you wanted you are probably going to be a little bit grumpy. So I can work through this and try to find you one that is useful, for customer service experience, say if we look at the initial telephone contacts, 99 per cent agreed or completely agreed the customer service officer was knowledgeable; 91 per cent agreed the calls were answered in a timely fashion.

**The Hon. SHAOQUETT MOSELMANE:** That is significant, in the nineties.

**Dr PARKER:** That is good, yes.

**The Hon. SHAOQUETT MOSELMANE:** You would be pretty happy people.

**Dr PARKER:** Yes, 82 two per cent agreed or strongly agreed the information they received was provided in a timely manner; 82 per cent agreed it was useful; 82 per cent also said—probably the same 82—that the information they received was easy to understand; 74 per cent said it was easy or extremely easy to have their inquiry resolved. When I look down the table, there are very few low scores, in fact very little goes below 50 per cent. As I mentioned earlier, we are very cognisant that who you ask and at what point in the process you ask them will impact the scores.

We are looking whether, for example, we ask people before they get their determination what their views were of the process—was it fair, was it equitable, were they heard, were they responded to—rather than asking them after they got their determination. Whilst we can ask, whether or not they answer is another matter again. There is also an element of fatigue with customer surveys. At the moment government is surveying people a lot.

It is an area that I have certainly identified as something that has not gone as well as it might over the last couple of years and we need to try harder. Which was why it was on my list of focuses for the upcoming year.

**The Hon. SHAOQUETT MOSELMANE:** On customer service, over the years I have been working with various multicultural communities and I have learnt that a lot of them invest their money in bricks and mortar, as opposed to shares and other investments, so they have a lot of interest in land and properties. To what extent do they interact with you? In particular the newer communities that are coming through, buying properties and land, to what extent are they interacting with your various departments and responding to those surveys?

**Dr PARKER:** In terms of responding to the surveys, we would not know because we do not ask the multicultural or ethnic origins of the people who respond.

**The Hon. SHAOQUETT MOSELMANE:** Is that an area that you could improve on?

**Dr PARKER:** It is. We could, yes. We could certainly put—

**The Hon. SHAOQUETT MOSELMANE:** I note in your work you advertise and promote the work of the Valuer General in 56 languages, or whatever number. That is a critical area in terms of making that first contact with those property owners to understand their rights and what opportunities are open for them to ask questions about.

**Dr PARKER:** Yes, certainly. Most of our publications are translated into the 10 principal languages. If there is a member of those ethnic groups that speaks the 10 principal languages, then that is certainly a question we could ask. In terms of the involvement of different multicultural communities with the compulsory purchase and land value objection, I remember we had a Vietnamese baker who was very engaged with a compulsory acquisition process. He had just bought a new \$400,000 oven and he was going to get two-thirds of nothing for it in the compulsory acquisition. He spoke very little English. He came with a translator and he was very engaged in the compulsory acquisition process. Another one we had was a Greek lady who lived in her house for 50 years. She was aged 93 and she was dispossessed. She was very, very involved in the process. Certainly, members of multicultural communities are as heavily involved as any other community in the process.

**The Hon. SHAOQUETT MOSELMANE:** In your departments do you have different language speakers?

**Dr PARKER:** We do.

**The Hon. SHAOQUETT MOSELMANE:** Are they authorised to speak in the second language?

**Dr PARKER:** They are.

**The Hon. SHAOQUETT MOSELMANE:** So that they can communicate with these people, rather than go through an interpreter?

**Dr PARKER:** We do. We have Dimitri, who deals very regularly with a couple of Greek families who are regularly ringing us up about things.

**Mr STEPHEN KAMPER:** I dare say some of the Greek language would not have been that complimentary, a 93-year-old.

**Dr PARKER:** I am sure Dimitri gives me a carefully translated view. You are quite right, because we find, as with many parts of government, the level of engagement between a Greek-speaking staff member and a member of the Greek community in Australia is much closer.

**The Hon. SHAOQUETT MOSELMANE:** Following on from the Chair's question regarding rating and tax valuation overview, have any benchmarking studies been conducted into the efficiency and effectiveness of different practices in the valuation system of other compatible jurisdictions in other States, or perhaps overseas?

**Dr PARKER:** We do. We engage with the International Property Tax Institute [IPTI], which provides measurement and benchmarking services between rating and taxing jurisdictions around the Commonwealth. In the 2019 study we came out as a B-plus, which is about the best there is. The other B-pluses were: British Columbia, which is pretty much a world-leading jurisdiction; Hong Kong, which had previously been the only A and has now come down to a B-plus with us; Georgia in the United States; and Kansas in the United States. We are one of the top five ranked by IPTI worldwide.

**The Hon. SHAOQUETT MOSELMANE:** What is it that makes New South Wales stand out from those top five that is unique to get that top ranking?



**Dr PARKER:** It is around the centralisation of information; the centralisation of oversight; ease of access to and standardised forms; consistent due dates; the right of appeal process to an independent body; the time frame for an appeal; and the way that the appeal process is administered.

**The Hon. SHAOQUETT MOSELMANE:** So with the amalgamation of your two departments now, would that quality continue?

**Dr PARKER:** I would hope it would improve. If we can get to an A—we are very fortunate that we tend to be a jurisdiction that IPTI comes to, to ask things. So, if New South Wales is doing it that way, it is probably a good way to do it. I would hope that bringing the two groups together—we have already found that we are getting greater crossover between the valuing and customer service areas. We would hope, if anything, to be able to improve our B-plus. Whether they will give us an A remains to be seen.

**The Hon. SHAOQUETT MOSELMANE:** And when do you find out? When is the next re-evaluation process following the amalgamation? When will you conduct a process of understanding how effective the amalgamation has been?

**Dr PARKER:** Do we commission IPTI or do they do it annually?

**Mr CHUDLEIGH:** IPTI does a—

**The Hon. SHAOQUETT MOSELMANE:** Who is that, sorry?

**Mr CHUDLEIGH:** The International Property Tax Institute. The previous study was 2014. So, if I take it from that, I believe it would be about every five years that they would commence that overall international study. We have commissioned IPTI to review our quality assurance processes and benchmark that against other Australian jurisdictions and international jurisdictions at the moment, and part one of that study is now complete. That is in relation to the quality assurance services we provide. The second part of that will be the cost effectiveness of the quality assurance services, which is yet to be completed.

**The CHAIR:** I might now go to the Deputy Chair, the Hon. Scott Farlow, MLC.

**The Hon. SCOTT FARLOW:** Thanks very much. I just wanted to return to your opening statement with respect to the COVID-19 emergency legislation and those measures, and to note your comments, as well, that you sought that provision because there was not enough information potentially to be able to make accurate valuations for this year. During that debate there was a lot of conjecture about the mechanism being a mechanism to ensure higher land valuations for this year. That was the reason offered by many members in not supporting the provision. I am just wanting to go through your reasoning behind those changes and why it is that you say that potentially we could see land valuations that will be either the same or higher based on this 30 June than what it would have been if it had have been delayed potentially until next financial year.

**Dr PARKER:** Yes, certainly. The valuations at July 2019 were, if anything, a little bit low in the cycle. So they were not high valuations we were starting from; they were valuations on the ascendant. From July 2019 through to February 2020 the market continued generally to strengthen. By the time we got to February 2020 values were above the levels they were at in July 2019. Since February we have had March, April, May and June where values have gone—generally speaking.

**The Hon. SCOTT FARLOW:** Just for the benefit of Hansard, that was a “U”. Effectively that was shown by the Valuer General.

**Dr PARKER:** A U-shaped trajectory, yes. A downward followed by an upward trajectory. As a generalisation we think they are roughly back to where they were in February 2020, which is above where they were in July 2019. Now, we are conscious that some, particularly television commentators, have been talking about falls of 30 per cent in values across the board. Everything has gone down by 30 per cent, which appears to have got some traction with the public. We suspect there is an expectation by the public of a significant decrease in values, which we are not seeing.

**The Hon. SCOTT FARLOW:** The public has an expectation, but those who are actually out buying in the market are not buying with that sort of expectation at the moment.

**Dr PARKER:** Indeed. When I put forward the amendment to legislation my advice to the Minister was that I did not think that we would need it unless there was a second COVID-19 wave, because the impact of COVID-19 has been that our ability to analyse properties that have previously sold has been curtailed. Normally, in a normal year like last year, we would do about 57,000 inspections of properties that had sold in the State.

**The Hon. SCOTT FARLOW:** And that is physical inspections; going out on site?

**Dr PARKER:** Physical inspections. Going out, looking around the outside and the inside of the property, and engaging with the landowner.

**The Hon. SCOTT FARLOW:** This property might have sold for 30 per cent higher than its previous sale, but it might have had significant improvements made to the physical property when what you are valuing is the land, effectively.

**Dr PARKER:** Certainly. Or it could be that it has a sewer vent in the backyard that did not otherwise come up on records. It might have a large electricity pylon just outside the backyard. It might now be much closer to a new roadway, highway or railway. So the physical inspection allows us to actually see what is on the land, the condition it is in and whether it has been improved. Is there a new kitchen? Is there a new bathroom? Do we need to make a greater deduction for improvements? In February, March and April, we were unable to inspect sales at the rate we would normally do. Our contractors were advised to inspect those sales which they felt safe to do. Contractors interpreted that in different ways, depending on their views on the safety of their staff.

Obviously some landholders were less keen to allow inspections than others, so the total number of inspections fell. We have done a very detailed study by each local government area, and by each property sector in each local government area, to determine how many inspections of properties we need to do between now and September in order to have an adequate database to do the valuation. As the second wave of COVID-19 fortunately has not eventuated, we should get to 30 June and then be able to pretty much wrap up our inspections. So as it turned out we did not need the statutory amendment—but it would have been helpful, had we had it.

**The Hon. SCOTT FARLOW:** With respect to prices and the community expectation on prices I suspect that—and I will declare somewhat of a conflict under the Parliamentary Secretary to the Treasurer. I sign correspondence on behalf of both the Treasurer and the Minister for Finance, so a lot of that is the last resort appeal, so to speak, to valuation. The community expectation is that the market in recent years has been falling, but they will often see when it comes to their valuation that that sort of fall has not been demonstrated on their land values. Do you keep a median price in markets that you track?

**Dr PARKER:** We do.

**The Hon. SCOTT FARLOW:** Have you got any information that you could share with the Committee with respect to how that is tracked in the Sydney metropolitan market in recent years?

**Dr PARKER:** Certainly. We were looking at this only last week because median prices on small data samples are very, very volatile. I think we had a 300 per cent shift in one median, simply because there had been so few transactions that had been analysed at that point that the difference between the midpoint last time and the midpoint this time was three times. We are looking at the moment at statistically stabilising the samples so the median is less volatile. Now, the median works reasonably well for metro residential and for regional residential and regional rural. It does not work very well at the moment for metro high rise office, large shopping centres, serviced apartments, hotels, pubs, car parks and childcare. Any type of property that has a strong revenue element impacted by COVID-19 has generally not transacted over the last three months.

For example, if we take serviced apartments, a hypothetical purchaser standing outside a serviced apartment on 30 June will see a building with all the lights switched off and the front doors closed. The community would say no prudent hypothetical purchaser would pay as much for that block of land as they would have done a year before, because it is closed. It cannot trade. How much less is a very difficult question. For each of those sectors—shopping centres, car parks, childcare centres, serviced apartments and hotels—we are engaging with the industry bodies that represent the owners and the operators in those sectors to understand how badly revenue has been affected, how much longer they are expecting the revenue effect to last, and when they expect things to return back to the December 2019 level, because that will have some impact on value.

The impact will be variable. For example, with high-rise office towers there is a strong chance if a local buyer says, "I am not going to pay as much money because there was less revenue", an international buyer may say, "Forget that. This is my one chance to buy something in the Sydney CBD. I'm buying it." With shopping centres there is an overlap between COVID and shops closing, being unable to trade, and the structural shift in the sector away from traditional retailing to more experience-based activities—dining, cinemas, things like that.

The experiential shopping shift is having an impact on values. COVID might have a little bit of an impact around the edges. Some sectors tell us that there has been practically no effect. Childcare, for example, seems to assume it will return within a couple of months to pretty much where it was in December 2019. Car parking operators say they will never return to where they were in 2019. For them, the whole dynamic of people driving into cities, parking their cars, going to the office has changed irrevocably. If they get back to 80 per cent of what they were in December 2019, in revenue terms, they will be doing well.

What we are doing is to take all the feedback we get from the industry bodies. If there are no comparable sales, the best thing we can do is a discounted cash-flow valuation of the underlying land. We will be doing that. We will be looking at the percentage difference in value and we will give some serious thought to just reducing different blocks by bands of percentages in the same way that we did with the bushfire study. That will provide some equity to landholders. It will recognise the adverse impact of COVID on land values. It will not be uniform, but we are hoping that with the support of the various industry bodies there will be an acceptance on both sides that that is a reasonable approach to be adopted.

**The Hon. SCOTT FARLOW:** With respect to pre-COVID and with respect to these annual report periods as well, in terms of that median price for the Sydney residential and the regional residential how had that tracked per annum, let us say, over the last three years?

**Mr CHUDLEIGH:** At the 2019 values for residential, for argument's sake, it has shown around a number of years of continued growth in the Sydney market. As Dr Parker said the 2019 values were—at a low point it was really at the bottom of that Sydney residential market fall, so to speak. The values of 1 July 2019 were reflecting the bottom of that market before the market started to increase. They showed around a 5 per cent overall drop from the previous year for the residential. For the whole of New South Wales it was about a 5.4 per cent decrease in total land value. The 2018 values, for argument's sake, were around about the 5 per cent increase. The 2019 values basically had taken back the increase from the previous 2017 year, so to speak.

**The Hon. SCOTT FARLOW:** In terms of some of the figures across the total value of the land that you value in New South Wales, noting that that figure has constantly gone up, I take it that that figure going up in terms of the value of land is due to rezonings that then add additional value to lands? Is that the reason when you have got a drop that has occurred in those years? I guess that is only to the 2018 year in terms of the annual reports, is it not?

**Mr CHUDLEIGH:** Not necessarily. As I said, the 2019 values had shown that drop in value, and there has been—

**The Hon. SCOTT FARLOW:** Sorry, and that drop is on the total land value or on the median—

**Mr CHUDLEIGH:** Total land value, yes. For residential it was minus 7.8 per cent, to be correct, at 1 July 2019. For commercial there was actually a 2 per cent increase at 1 July 2019. Industrial had a 7.2 per cent increase and rural had a 5.4 per cent increase. The big reduction was in those residential values, particularly across that Sydney metropolitan area. That was supply and demand driven at the time with the 2019 values. As I said, they felt the bottom of that Sydney market due to the issues from bank financing et cetera on values at that time.

**Mr STEPHEN KAMPER:** But essentially what we got after June was that the residential market started really peaking again.

**Mr CHUDLEIGH:** Correct. Yes.

**Mr STEPHEN KAMPER:** Once we got to February we have pretty much eaten up all of that loss.

**Mr CHUDLEIGH:** We had.

**Mr STEPHEN KAMPER:** Even during this COVID period, from what I understand, we have pretty much retained the February prices, in terms of residential prices.

**Dr PARKER:** Yes, in broad terms.

**Mr STEPHEN KAMPER:** This is amazing.

**The Hon. SCOTT FARLOW:** I will just go back to the 2017-18 period. I know this is not gospel, but just looking at the Domain figures when it comes to property prices, according to Domain in Sydney metropolitan residential property values there was a drop from June 2017 to June 2018 of 6.4 per cent. On your period for metropolitan land values you were saying about a 5 per cent increase for the 2018 financial year. Can you just explain why there is that discrepancy that occurs?

**Mr CHUDLEIGH:** Our analysis of the sales has shown that the market fall was around that period from around July 2018. What we saw in terms of the analysis was that the market started to fall off between that period and the 1 July 2019 values, which was at the bottom of the market. We did some studies on the differences in the way that the likes of CoreLogic et cetera express their percentage changes, as opposed to what we were seeing in the market. A fair amount of that detail relates to how they are factoring in things like market sentiment, auction clearance rates and a whole lot of other information that is impacting their percentage change, rather than just the raw sales that we had been relying on at that point.

**The Hon. SCOTT FARLOW:** There is a lot of discussion at the moment about a transition to a broad-based land tax rather than stamp duty, necessarily. I guess one of the things with stamp duty is that people know it is a certain percentage of a price that they have paid. Effectively it is a representation of the market, whereas a move to land tax is a move to something that is then going to fall much more on the Valuer General to have accurate valuations as to what a property is worth each and every year. Have you done any work in terms of looking at what that would require the Valuer General to do as part of your operations if there was such a move, and whether that would require any extra staffing or resourcing if those 54,000 assessments you do annually had to increase if we were to move to a land tax in New South Wales?

**Dr PARKER:** We have.

**The Hon. SCOTT FARLOW:** There we go. "Here's something I prepared earlier".

**Dr PARKER:** I am glad you asked me the question! If I follow the media, my understanding is the Treasurer is currently favouring a broad-based land tax based on unimproved value, as opposed to a capital improved value or other forms. Our concerns regarding a move to a broad-based unimproved value and our ability to manage the system basically rest on the quality of our existing IT infrastructure, what we call Valnet II. If the State is going to move a bigger tax burden into unimproved land value we need a robust IT system that we can rely on to administer it. We made a proposal to Treasury for \$26 million in funding for Valnet III. Mr Coffey has all the details, but my simple understanding is it is a much more sophisticated, robust database system.

**Mr COFFEY:** Cloud-based.

**Dr PARKER:** A cloud-based system that will, in my simple understanding, hold a lot more information and allow us to slice and dice it much more easily. The ability to manage larger amounts of information and deal with it and analyse it quickly is, for us, the biggest risk in going to a broad-based land tax system. In terms of people, with Valnet III comes a restructuring of the resourcing within the Valuer General of New South Wales. The Valnet III introduction allowed for a decrease in employees. It may be prudent with a broader base land tax system to slow that decrease in employees, maybe keep a few more valuers to administer the system. But essentially the biggest challenge for us is the integrity of the IT system underpinning the Valuer General's work.

**The Hon. SHAOQUETT MOSELMANE:** If Mr Coffey is responsible for it, can he tell us a little bit more about the IT system?

**Mr COFFEY:** At the moment the Valnet Ii system is a hybrid of an old Oracle database that was designed in 1999 with an add-on for a web-based part of the system, so it is sort of bundled together. As two components it becomes Valnet Iii. What we are looking at, going forward, is a cloud-based system where it will run a database where we can actually capture data and hold a lot more data across the State. At the moment there is circa 2.6 million valuations done every year. At the moment our system does not allow us to really hold a lot of data to support a lot of that valuation work.

The new system will have a more robust database that can actually be easily—manipulated is a bad word, but modified to actually allow different reports to be changed and varied and better output, because at the moment what we have is a system that is very clunky. Being a 2000 model, that does not really deliver what we need for our information stores at the moment. It does not capture and hold enough information for our purposes and needs a programmer to adjust reports. You actually need a qualified Oracle forms programmer to come in and do the reporting restructuring in this system.

If we can get the new system, it will have the ability to capture the data but it will also have the ability to have tasks flowing through the system. You will be able to actually program it where it becomes a workflow—that currently does not happen—which will make us more efficient. It will be able to actually send off automated emails, checks et cetera through the system to give us a level of sophistication so we can actually hold the data better and actually have a proper basis for holding and keeping land valuation data together.

**The Hon. SHAOQUETT MOSELMANE:** Do you have the money ready for the system, or are you asking the Minister—

**Mr COFFEY:** We do not have the funding approved yet. We have certainly put a proposal to Treasury and our group deputy secretary has certainly flagged that to Treasury. It is on our risk register as a requirement and duly noted. In terms of the actual proof of capability, we have had two providers actually show us how this will work as a system. It has also been through gate 1 and gate 2 phases with the Department of Customer Service to make sure that it actually works (a) as a business case, but (b) that it is robust enough to stand scrutiny.

**The Hon. SHAOQUETT MOSELMANE:** You say some programmers showed you how it operates. Have you seen it in another jurisdiction elsewhere?

**Mr COFFEY:** These are two providers that already have other systems throughout the State Government. Planning already uses one of the providers. Actually, they use both of the providers in different guises. What both of the providers did was put a proof of capability together that was a working model to show how it would actually function. They took them away and then worked through models. But that is what we have seen at this stage. I do not believe it is an off-the-shelf package. You have to actually design these things and build them up.

**The Hon. SHAOQUETT MOSELMANE:** It would be tailored for your purpose?

**Mr COFFEY:** Exactly, make them bespoke for what you want.

**Mr STEPHEN KAMPER:** In the event of a broadly based tax, that would have to be a real concern for you. I appreciate what you have just said, but suddenly you have got a situation where inquiries, appeals, complaints—that 93-year-old Greek woman will be ringing you for sure. At the end of the day, we are going to have a much, much bigger tax base and people being taxed. We see how many complaints we get about land tax now. Can you imagine if everyone in New South Wales is getting a land tax bill and how that would impact on the Valuer General's ability to function in terms of coping with those inquiries, the additional amount of valuations you have got to be doing. I think you do it every three years. You would have to do it annually and you would have to—

**Mr COFFEY:** It is annual for a lot more people.

**Mr STEPHEN KAMPER:** —check that all the time. It is a game changer in terms of the way I think your office would be functioning. I think the Treasurer would have to be familiar with how much of a change it would make to the Valuer General and the requirements in terms of funding. You spoke about not reducing staff; it is about increasing staff, looking forward, if we had a broadly based approach. Am I correct?

**Dr PARKER:** You are, yes.

**Mr COFFEY:** Yes.

**Dr PARKER:** Essentially, it is taking several billion dollars more tax and placing it on a system that will only cost \$26 million. It is a relatively small investment in the integrity and security of the State's taxation system. We strongly encourage the Treasurer to make the investment.

**Mr STEPHEN KAMPER:** Good luck selling it.

**The Hon. SCOTT FARLOW:** Just following on from that question, have you done any examination of what the Australian Capital Territory—I do not know if they have got a Valuer General like you as an independent statutory position.

**Dr PARKER:** They do. It is Mr King.

**The Hon. SCOTT FARLOW:** There you are. Have you had a look at what they have done in terms of their transition to a broader-based land tax in the ACT and what sort of requirements that has taken?

**Dr PARKER:** We have not looked in detail at the IT system. Although having said that, the way in which these IT systems are set up in leading jurisdictions is generally the same framework for the major jurisdictions. There are not too many variations on a theme. We have been quite interested in the way that the ACT has progressively increased its land tax from being a fraction of the rates burden to now being equivalent to the rates burden and soon to be higher than the rates burden. It is interesting to observe that what can start in a tax of  $x$  can, within a few years, become a tax of  $2x$ . Looking forwards, the State's dependence on Valnet III will grow rather than diminish.

**The Hon. SHAOQUETT MOSELMANE:** With regards to the broad-based system, what role will the Valuer General play in the policy development and implementation of that proposal? Will the Valuer General play an education role in informing people about the new processes, the new tax that has been put in place? What role will the Valuer General play?

**Dr PARKER:** Essentially we will play whatever role the Treasurer asks us to play, but having apparently leaned more in interest of an unimproved value system—whichever way you go, some people are not going to like it, but an unimproved land value system at least has the benefit of being the system that is currently in operation, so whilst people may quibble with the notion of taxing value with no buildings on it at least that is what people currently understand. We have a legislative system, we have an appeals framework that is set up at the moment to deal with unimproved land value.

Should the Treasurer wish us to assist in policy development we would be happy to do so. In terms of rolling it out and public information we already have, fortunately, a lot of public information on unimproved land

value. I understand from the media there is some complexity in the way in which the phasing out of stamp duty and the phasing in of broader-based land tax would operate. That would probably be something that we would be happy to assist Treasury in explaining to the public at large, but out of all the alternative ways of taxing, from our point of view unimproved value is possibly one of the easier ones to deal with. Had the Treasurer gone for another option it would have been considerably more difficult.

**Mr STEPHEN KAMPER:** Dr Parker, following the twelfth general meeting the Committee had recommended that the Valuer General introduce penalties and conflict of interest breaches by contracted valuers. At the recent briefing you advised that rating and taxing contracts commencing on 1 March 2019 had provided strong deterrence against breaches of conflict of interest and afforded protection of the Valuer General's independence. Deterrents include indemnity as well as rectification, recovery of losses and termination. In addition, contracts have been strengthened to include a specific requirement for the R and T contractor to maintain a current list of all land within the contract area owned by or in which an interest is held by personnel working on the contract. You advised that the two objection valuation contractors are no longer used by VG NSW due to the conflict of interest issues. Are any contractors employed before 1 March 2019 still operating? If so, how will those contractors be held to account?

**Dr PARKER:** So I understand the question, rating and taxing contractors employed before 1 July 2019 as opposed to objection contractors?

**Mr STEPHEN KAMPER:** Yes. Are they still operating? Are any contractors employed before 1 July still operating? If so, how will those contractors be held to account?

**Dr PARKER:** Well, in terms of whether they are still employed there is a rolling-over process at the moment underway for both rating and taxing contractors and objection contractors. They are held to account by the terms of their contracts of appointment. I probably take a somewhat more literal and black-and-white view of the contracts than my predecessors may have done. Hence, we have parted company with two contractors already and I have only been in the job three months. To me, conflict of interest is absolutely central to the independent functioning of the system and a contractor cannot have two masters. A contractor either works for us or he works against us. He cannot do both at the same time. It is different to a barrister. He is a contractor—or she is a contractor—and he is working for us.

I think the shockwaves that went through the valuation community when we parted company with two contract valuers were probably more powerful than a penalty system. Now, we looked at a penalty system and we are inclined to consider it would be relatively hard to implement. If the valuation system or the State loses significant money as a result of a conflict of interest, we can recover that through the indemnity provisions. We have also got a variety of other provisions that we can rely on if we need to. Actually being seen to no longer work with people and completely take them off the list of government valuers—they are no longer doing work for the Valuer General in any form—sends a very strong message.

**Mr STEPHEN KAMPER:** Has there been any changes to policies or any updates since the last general meeting? Or you are just saying that other than the fact that you have sent the message with the two—

**Dr PARKER:** We have implemented them.

**Mr STEPHEN KAMPER:** Yes, that is what you are saying.

**Dr PARKER:** Implemented them forcibly, with rigour.

**Mr STEPHEN KAMPER:** What are your plans for monitoring contractor training and enforcement regarding the conflict of interest provisions going forward? Again is it just, "We got rid of two" and that is going to send the message, or is there a plan moving forward?

**Dr PARKER:** No. What became very apparent was that there was a hazy understanding among some of the contractors as to what conflict of interest was and how it impacted their role. As part of the exit of the two contractors, we put in place a program for educating and training our contract valuers on conflict of interest; basically what it means and what you need to do not to engage in conflict of interest.

**The CHAIR:** Just going back to the bushfires in terms of valuation, I will declare my conflict of interest. As the member for Wollondilly, we got hit basically from December to the new year last year. You have got areas in the north that did not get hit as much because of excellent work from the RFS and things like that. Then you had other areas that got hit pretty badly in the centre of my electorate.

In terms of your evaluations you had four councils, you said earlier, that have asked for valuations of the whole local government area. Are things like land clearing and hazard reduction the things you take into account for valuations and mains water, especially if you are coming from a rural area like mine? I know that is a bit of a

complex question. When you do your valuations where an area has been hit by bushfires, or potentially will be in future, what factors do you take into account?

**Mr CHUDLEIGH:** Well, certainly we take into account the physical nature of that property and where it is located in relation to potential impacts from bushfires. We take into account bushfire zonings that are on properties. We are taking into account looking at things like the impact on insurance on properties, as to how that may impact in the market going forward. This is through the market, obviously, and through analysis of any sales of properties that occur as to how that impacts on purchase considerations—changes to building codes, et cetera, that have been in place. All of those things impact on the market. When we are looking at sales that have occurred in those bushfire-affected areas, they are factors we use to determine whether they are impacting on the underlying land value.

**The CHAIR:** I am just saying that if there were greater asset protection zones around those areas, obviously you would take those into account in your evaluation as well.

**Mr CHUDLEIGH:** Yes, we would.

**The CHAIR:** Excellent. Are there any further questions?

**The Hon. SHAOQUETT MOSELMANE:** Just one quick one. With regards to staffing that you mentioned in your opening statement, has there been a reduction since the merger? I am not sure whether I heard that before. Has there been a reduction in the number of staff as a result of the merger?

**Dr PARKER:** The bringing together of the two groups resulted in the transfer of some parliamentary coordination staff and correspondence staff going from my group to the office of the group deputy secretary. As far as I am aware there were no retrenchments or exits as a result of the merger. We were conscious that, if Valnet III is on the horizon subject to the requisite funding, that will have a bigger staffing impact down the track.

**The Hon. SHAOQUETT MOSELMANE:** What is the current staffing, may I ask?

**Dr PARKER:** It is 125.

**Mr COFFEY:** It is 125 or 127.

**The Hon. SHAOQUETT MOSELMANE:** And it still remains 125?

**Mr COFFEY:** Yes.

**The Hon. SHAOQUETT MOSELMANE:** In terms of when the merger took place, how are staff held accountable for performance and integrity under the new arrangements? Is it similar to the old structure? Or are there new accountability and performance assessments?

**Dr PARKER:** At the moment it remains under the old structure. Mr Coffey joined us a month ago. One of his roles is to develop a risk-based performance management system. So we will develop our risk plan and risk strategy for the whole of VG NSW and then for the individual businesses—valuation, customer services and land data. And then each staff member's performance plan will be linked to that risk strategy for their business. That will take us several months to put in place in consultation with the staff. But it is certainly, as I understand it, quite a move from the system that previously operated in Property NSW.

**The Hon. SCOTT FARLOW:** You mentioned at the beginning the automated valuation model. Is that linked to the new IT system coming in place or is that something separate to that?

**Dr PARKER:** The new IT system, Valnet III, will certainly facilitate the move to automated valuation models. Now, I always use the caution with automated valuation models that when I did my bachelor's degree 40 years ago, they were coming in. Forty years on, they are still coming in. They have not yet come in. Obviously computing power is vastly more sophisticated now than it was 40 years ago. And from a property valuation viewpoint the ability to overlay property sales data with finance data and behavioural data—how purchasers and vendors are behaving—is very, very helpful. Now, quite how you do that I am not entirely certain. That is why we have numerous PhDs at the University of New South Wales working on it. But we would certainly need Valnet III to introduce an automated valuation model, and if we do introduce an automated valuation model it would significantly simplify the new, broader base land tax system. But I caution that it is about five years, at least, down the track. I would envisage we would run it in parallel with the existing system for one or two years in order to build public confidence in the black box.

**The Hon. SCOTT FARLOW:** I imagine when you look at some of the things like Domain or CoreLogic, they give an estimation in terms of a property price. That is sort of how it would work, but I imagine you would have a whole other array of data that would go into it and more checks and balances in terms of coming up with that automated valuation?

**Dr PARKER:** Very much so, because if you flick on your telephone as you are walking down to an open for an inspection and go to the ANZ prices speculation guide, it gives you a little Domain model and it will give you an estimate of the sale price of the property.

**The Hon. SCOTT FARLOW:** Usually within about \$200,000 to \$300,000 discrepancy.

**Dr PARKER:** Give or take either side. We have a system that has to withstand the scrutiny of objections and subsequent appeal to the court. If there is an appeal to the court, unless the Government chooses to change its statute, the valuation will have to be supported by comparable sales. The automated valuation model must align with comparable sales. Obviously you cannot check 2.6 automated valuations to make sure they all do, so in the way that we currently have a sampling system and a quality assurance system, the same would probably apply for an automated valuation model. But, essentially, it has to be right, it has to get the number right, or public confidence in the system will not be maintained. Clearly we cannot afford any risks of somebody whose property was valued one year at \$100,000 getting an automated valuation model assessment at \$1 million. It has to be very, very carefully vetted and checked before we rely on it solely as the basis for rating and taxing.

**The Hon. SCOTT FARLOW:** Just on that point you raised in terms of that huge discrepancy, is there a percentage threshold at the moment that would encourage you to have a review in terms of the property valuation? Is there some red flagging if a property goes up? Let us say that you determine that the market goes up 5 per cent in one year, then a property as an outlier to that goes up by 15 per cent or 20 per cent, does that flag that property for further inspection by a valuer?

**Dr PARKER:** Yes. As a broad guide the previous court precedent, particularly from the United Kingdom, gives an indication of 15 per cent either side as being close enough. Whilst that is not close enough, as I understand it, our system has it built in that, if percentage differences exceed a certain level, then red flags come up. That is my simple understanding of the system.

**Mr CHUDLEIGH:** Yes, we certainly do. We have an in-system quality assurance tool, which all of our contractors also have to comply with. There are around 32 different outlier checks that run through that system, so as the contract of sales and as their values come into our existing Valnet system, this is what we call valuation analysis tools package interrogates those values and produces a whole range of exceptions. Those exceptions or those outliers go back to our contractor in an automated file process, which then delivers back into the system an explanation around every single one of those. We can instantly look in our system, review all of the outliers along with the explanation for those outliers provided by those contractors. Yes, we do review those exceptions.

**The Hon. SCOTT FARLOW:** How many properties would be flagged like that per annum?

**Mr CHUDLEIGH:** Well, the checks are at three levels. For each local government area they are assessed either at the zone level, so the highest level checks are at the zone level, looking at compliance of properties to a range of international statistical checks at that level. There is the component level, which is looking at our benchmarking process to ensure things like correct benchmark properties have been selected and valued and how that interacts across a group of properties. Then down to the individual property level, we have checks like a sales ratio, which will look at whether the land value adopted on the property is within the acceptable range of the actual analysed land value of the property.

Then land value ratios look at, as you suggested, those changes of individual land values that might be outside the norm. These look at if our benchmark valuation has changed by so much and then you have, being the most representative property in a component, but you have individual properties that are moving at a much greater or lesser rate than those. They get flagged. Significant value changes get flagged, looking at those significant outliers, this may be things like rezonings of property et cetera, which have caused those values to change. But in each case we have the ability to review those exceptions within the system to ensure that they make sense.

**The Hon. SHAOQUETT MOSELMANE:** With regard to the broad-based property tax, do we know when it is coming in, or do we await the Minister?

**Mr STEPHEN KAMPER:** It is just discussions.

**The Hon. SHAOQUETT MOSELMANE:** Maybe Dr Parker might know a bit more.

**Mr STEPHEN KAMPER:** It is probably a smokescreen.

**Dr PARKER:** I am afraid I cannot assist.

**The Hon. SHAOQUETT MOSELMANE:** He is afraid he cannot assist.

**The CHAIR:** We will take that as a comment. Dr Parker and your team, thank you for appearing in front of the Committee today. The Committee may wish to send you additional questions in writing, the replies



to which will form part of your evidence and be made public. Would you be happy to provide a written reply to any further questions within seven days of receipt?

**Dr PARKER:** Yes.

**The CHAIR:** Thank you. This now concludes the public hearing.

**(The witnesses withdrew.)**

**The Committee adjourned at 14:45.**