

**REPORT ON PROCEEDINGS BEFORE**

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

**FIFTEENTH GENERAL MEETING WITH THE VALUER GENERAL**

**At Jubilee Room, Parliament House, Sydney, on Wednesday 28 September 2022**

**The Committee met at 10:05.**

**PRESENT**

The Hon. Scott Farlow (Chair)

**Legislative Council**

The Hon. Adam Searle

**Legislative Assembly**

Mr Stephen Kamper

**PRESENT VIA VIDEOCONFERENCE**

**Legislative Assembly**

Mr Geoff Provest  
Ms Felicity Wilson

**The CHAIR:** I open the public hearing and start the broadcast this morning. Before we start I acknowledge the Gadigal people, who are the traditional custodians of the land. I pay my respect to Elders of the Eora nation past, present and emerging, and extend that respect to other Aboriginal and Torres Strait Islander people who are present here today. Today is a public hearing of the Joint Standing Committee on the Office of the Valuer General. The public hearing today is examining, and will take evidence based on, the Valuer General's annual report of 2020-21 as well as other developments which have occurred since the Committee's previous examination.

I am the Committee Chair, and with me today are my fellow Committee members: soon hopefully joining us is Felicity Wilson, the member for North Shore and the Parliamentary Secretary to the Treasurer and for COVID Recovery, and also the Deputy Chair of this Committee; Mr Geoff Provest, the member for Tweed and the Parliamentary Secretary for Police and Emergency Services; the Hon. Adam Searle, MLC; Mr Stephen Kamper, the member for Rockdale and the shadow Minister for Small Business, shadow Minister for Property and shadow Minister for Multiculturalism. The hearing is being broadcast to the public via the Parliament's website. All witnesses will be attending here today in person and I thank everyone who is appearing before the Committee today.

**Dr DAVID PARKER**, Valuer General, Valuer General NSW, affirmed and examined

**Mr JOSH ETHERINGTON**, Director, Valuer General NSW, sworn and examined

**Ms SHARNA SALT**, Executive Officer, Valuer General NSW, affirmed and examined

**The CHAIR:** Before we proceed, do you have any questions about the hearing process here today?

**DAVID PARKER:** No.

**The CHAIR:** We will now proceed directly to questions from members. Each member has an opportunity to ask questions. We will have a free-flowing style of questions. I notice that Ms Wilson did join us and I think she is potentially coming back on screen now. We will be concluding the hearing at 12.00 p.m. today. I will be taking the Chair's prerogative by starting the questioning and asking the Valuer General to outline what happened last year when it comes to property valuations across New South Wales in general, and what are you seeing emerging as we go into the 2022-23 financial year?

**DAVID PARKER:** Thank you, Chairman. Is it appropriate for me to make an opening statement?

**The CHAIR:** Yes, indeed. I should have provided you the opportunity to make an opening statement. You are entitled, of course, to make an opening statement before we proceed to questions.

**DAVID PARKER:** I might come to that question after.

**The CHAIR:** Okay.

**DAVID PARKER:** Good morning everybody. I thank the Committee for the opportunity to provide an opening statement. I am joined today by the Director, Office of the Valuer General, Josh Etherington. I have been suffering from anxiety attacks and anticipate that this presentation will be stressful, so I apologise in advance if I need to take a break during my statement due to the onset of an anxiety attack, and if it is particularly bad then, with the Committee's concurrence, I will pass over to Josh Etherington to read the balance of the statement. This morning I will provide you with a brief review of the year to date, being 2021-22, and outline some future initiatives I am considering for 2022-23. I will then draw the Committee's attention to significant threats to the valuation system and to my independence. These threats arise from what I consider to be interference by the department and the impact of that interference on my ability to fulfil my role under the Valuation of Land Act.

Over the last year there have been several significant events. I am pleased to advise the Committee that in March 2022 I issued my policy on compensation for cultural loss arising from compulsory acquisition. The Committee may remember that this compensation applies to Indigenous claimants and the policy follows extensive stakeholder consultation, including meetings on country with Indigenous groups. No Valuer General has had to determine compensation for cultural loss before, so my policy represents world-leading thinking on property valuation with major international groups, such as UN-Habitat and the Royal Institution of Chartered Surveyors, taking a close interest. I am also pleased to advise the Committee that the land-use classification system project, also known as the LUCS project, has been completed. This massively improves our electronic spatial data and mapping resources, which is of major benefit for the valuation of rural property. It allows valuations to reflect diverse soil types and conditions on remote landholdings without the need for an inspection.

In May 2022 I am pleased to advise the department confirmed that a separate budget envelope will be provided for VG NSW. This effectively confirms that the Valuer General, and not the department, holds the budget for VG NSW. This was a very significant breakthrough, as the Valuer General cannot act independently without having a budget that is within the control of the Valuer General. As the Committee may recollect, I removed all delegated authority to the department for compulsory purchase compensation determinations in August 2021. Since then I have reviewed every preliminary and final compulsory acquisition compensation report, with the exception of those Mr Etherington reviewed when I was on annual leave. I am pleased to advise the Committee that my review has saved the taxpayers of New South Wales over \$250 million. This is \$250 million that would have been incorrectly paid in compensation on the recommendation of the department but can now alternatively reduce government borrowing or pay for schools, police stations, hospitals and so forth. Whilst a quarter of a billion dollars is a very significant saving to the taxpayer, the amount of my time taken to deal with these issues has severely impacted my ability to fulfil my wider independent statutory role.

Finally, following my intervention, the valuation of lands around Western Sydney Aerotropolis and Kingsford Smith Airport were reviewed by an external independent valuer. As a result of these reviews, the register was changed upwards by \$1.59 billion—that is "billion" with a "b"—for lands surrounding Western Sydney Aerotropolis and upwards by \$0.73 billion for Kingsford Smith Airport. These uplifts address the unfairness arising for over 200,000 mum-and-dad ratepayers in Liverpool, Penrith, Bayside and Inner West who

may have paid more than their fair share in rates while landowners surrounding Western Sydney Aerotropolis and Kingsford Smith Airport were paying less than their fair share. Similarly, land tax payers for lands around Western Sydney Aerotropolis have paid far less than they should for several years in land tax, which represents a significant historic loss of revenue to the Government. The time taken to investigate and then correct these issues, which were caused by the department, has been extensive. This has taken my focus away from and has interfered with my ability to undertake my other duties as Valuer General.

A year ago I outlined six initiatives that would be undertaken in 2021-22. I am pleased to report that one initiative within my control has been completed, one has been completed with the assistance of this Committee and four have been only partially completed where I require department support. The first initiative concerned overhauling the content of our website and investigating greater use of social media. Whilst there has been a progressive update of website pages, together with discussions with Service NSW and the department, I underestimated the level of red tape required to make a tweet, with this initiative incomplete and to be continued this year.

The second initiative concerned a responsive valuation practice. This comprised the investigation of the creation of a flexible workforce to accommodate fluctuating work volumes in objections and compulsory acquisition. With the Just Terms Act requiring a determination within 45 days and the June year-end average delivery period estimated to be 189 days, which is four times longer than it should take under the Act, significant improvements were required. I designed a new structure for valuation practice in early 2021 and am pleased to advise the Committee that the department commenced implementation in September 2022, some 18 months later.

The third initiative concerned quality assurance reviews, looking closely at how we do quality assurance of land valuation in high-risk and high-value areas. My proposal to outsource rating and taxing quality assurance for the areas surrounding Western Sydney Aerotropolis and Kingsford Smith Airport was not supported by the department and remains to be implemented.

The fourth initiative concerned a risk-based performance management system as referred to in the Committee's thirteenth report. The former executive director advised the Committee that the department's MyTalent plan process had been implemented in VG NSW and would be "a crucial tool to enable effective performance management of VG NSW staff". I sought a briefing note from the current executive director on the high-level outcomes of recently completed staff reviews, but was advised that confirmation would be provided once all the 2022-23 talent plans are in place. Therefore, it is not yet clear how effective the performance management system has been. The fifth initiative concerned funding for Valnet III. I am pleased to advise that, following the Committee's recommendation, funding was confirmed by letter dated 1 April 2022. The sixth and final initiative concerned automated valuation modelling with the University of New South Wales in a project that ended on 30 June 2022. UNSW developed three automated valuation models, but their usefulness was constrained by being reliant on previous VG land values.

Looking forward to 2022-23, I have identified six future initiatives for implementation. The first future initiative concerns "strategy refresh". Consistent with recommendation 1 of the Committee's report on the fourteenth general meeting, the department will revisit the strategy in consultation with staff. The second future initiative concerns risk-targeted contract area consistency reviews—sorry, that's quite a mouthful. The Western Sydney Aerotropolis review indicated inconsistencies in valuations within the contract area. Adopting a risk-based sampling approach, contract areas will now be targeted to ensure consistency across a range of landholdings. The third future initiative concerns a review of the effectiveness of the current just terms process given the current incompatibility between the 45-day delivery requirement under the Act and the department's inability to provide or to consistently provide delivery within that time frame.

The fourth future initiative concerns the implementation of Valnet III by the department. I am advised that over the next year, this will include a business specification finalisation and preparation of procurement documents, vendor evaluation and negotiation, followed by development with a focus on foundation and portal development. The fifth future initiative concerns the website and social media, where the department is to provide an integrated communications strategy. The sixth and final future initiative concerns automated valuation modelling development. I will now work with private sector providers, building on the work that we did with the University of New South Wales, to investigate the possibility of developing an automated valuation model that is not based on that Valuer General's previous land values.

Finally, I draw the Committee's attention to significant threats to the valuation system and to my independence. Those threats arise from interference by the department in my ability to fulfil my role under the Valuation of Land Act. Such interference by the department has taken six principal forms. Firstly, in December 2021 the Deputy Valuer General was terminated by the department after a 36-year career with VG's without consulting me and without a clear plan for the replacement of his function. I consider that this interference by the

department has left me without high-level technical advice and support for almost a year. This has adversely impacted my ability to undertake my independent statutory role, with the effect being very evident in the outcome of the AMP case.

Secondly, I have concerns over probity issues in the special valuations function, and so I commissioned an internal audit. Unknown to me, the scope of the internal audit was changed so that those aspects of probity that were of concern to me were not investigated. As a result, I required the special valuations function to be moved out of VG NSW to elsewhere in the department, which occurred in March 2022. Thirdly, the department has failed over 13 months to recruit valuers to work with me in the Office of the Valuer General. Accordingly, all the quality management of compulsory acquisition compensation determinations has fallen on me to do, which has distracted significantly from my other work. Fourthly, I consider that the department has failed to provide me with sufficient valuation staff in VG NSW who have appropriate skills and capabilities. Issues such as Western Sydney Aerotropolis and Kingsford Smith Airport have consumed significant amounts of my time and have interfered with my ability to undertake my other duties as Valuer General.

Fifthly, I consider the department's delay in restructuring has significantly compounded their ability to develop a valuation team with skills and capabilities required. A structure that I suggested in early 2021 was finally operationalised by the department in September 2022—a delay of some 18 months. Finally, I have been subjected to two previous investigations by the department, which did not result, in my view, in any substantial findings against me. A third investigation is currently underway. Dealing with these investigations is very time consuming and detracts from my responsibilities under the Act as well as taking a significant toll on my psychological wellbeing. In summary, following the failure of the merger of the Office of the Valuer General and Valuation Services, and the effective interference by the department, the department is swinging back towards a position that existed when I was appointed.

As members will remember, back when I was appointed the department's lack of focus on performance led to a lack of attention on the requirements of legislation, significant backlogs in rating and taxing objections and significant backlogs in just terms matters, together with a level of customer centricity that was not supported by the legislation. I draw the Committee's attention to the position that existed when I was appointed, which is now likely to emerge again and represents a threat to the integrity of the valuation system. Members may remember the pendulum I spoke of a couple of years ago, which had swung in customer centricity to the far extreme, and my intention to bring it back to the centre to reflect the legislation. The pendulum, I warn the Committee, is now swinging away from the midpoint, back towards a point, in my opinion, that it should not be in.

As the Minister regularly states in correspondence, the Valuer General is an independent statutory officer appointed by the Governor. The Minister usually notes in correspondence that that independence is important because it provides a clear separation between the determination of land values and their use by the State Government and council for taxes and rates. This separation is under threat, and I draw the Committee's attention to my independence being undermined by the difficulties that I've experienced in obtaining the services required to be provided to me by the department. Finally, I draw to the Committee's attention that, whilst I have over four years of my statutory role remaining, I am concerned I may be unable to fulfil my statutory responsibilities due to these ongoing difficulties. Thank you for your time. I am happy to answer questions. However, it may be necessary to take more questions on notice this year to avoid any risk of further allegations that I have misled the Committee.

**The CHAIR:** Thank you, Dr Parker. Apologies for not giving you that opportunity to make an opening statement.

**DAVID PARKER:** That is quite alright.

**The CHAIR:** It wasn't in my loq., unfortunately, to start off, but you do have a tendency to be able to set the scene when it comes to your opening statements before this Committee.

**DAVID PARKER:** You are understandably excited about the state of valuations.

**The CHAIR:** Yes, indeed. I will return to my first question, but I'm sure we will address many of the issues you've raised in your opening statement as part of the inquiry today. In terms of the last financial year, what has happened with land valuations in New South Wales? And what do you see happening for—I believe it is December, isn't it, that you finalise the valuations—the next financial year?

**DAVID PARKER:** Yes, the year 2020-21—that's the report that we are looking at—was a very strong year for land value increases, remarkably strong. The increase in the total land value of the State was massive. The year 2021 to June 2022 has been equally massive. In fact, it has been surprisingly massive. We are probably looking at, in very general terms—and this will differ for particular areas—around about an average of a

25 per cent increase in land values in the year to June 2022. This will move the value of land in the State up towards the \$3 trillion mark. I am very conscious that we have currently a declining property market. We need to follow the dates here. The June 2022 valuations will be mailed to the community, to landholders, in January, February, March, April 2023. In January, February, March, April 2023 there is a strong chance that landowners will have seen their property values decrease. They may be facing mortgage stress; they may be thinking the property market is going south. They then receive a notice from me giving them a value six or eight months earlier and say, "That can't be right."

In anticipation of that and building on the experience of previous Valuer Generals, in particular that of the recently departed Deputy Valuer General, I've already started a media campaign to explain this to the community and to encourage people to collect evidence of sales in July, August and September—around about now—so that when they get their valuation notice, they have the information with which to work out, "Is it reasonable or should I object?" If they object, they will need some sales evidence to support their objection. So we've encouraged them to keep an eye on sales around their house and in their community so that they have the information with which to prepare their objection. One thing we have found over the years is that the community is very good at keeping track of what's happening with house prices around their house. We're hoping that with follow-up media and then probably the usual media blitz in January/February, we can explain to the community that the market has moved since the valuation date and thereby avoid a huge deluge of objections.

**The CHAIR:** But you are anticipating an increase in objections when it comes to the notices coming out this year?

**DAVID PARKER:** I would, yes. It's a general valuation year. This is the three-yearly anniversary when the valuations go to councils for rating, so we would expect an increase in objections. The process changes that I put in place for objections 18 months ago have worked remarkably effectively. The objections team and the customer service team are doing a great job on getting objections in, getting them processed and getting the decision out all within, from memory, around 21 to 28 days. This has been a great practice run for an increase in objections in January, February and March. Obviously if there's a much greater volume, the processing may slow, but the team has developed a very well-oiled machine for objections coming in, objections getting processed and objections going out.

**Mr STEPHEN KAMPER:** Dr Parker, would you say most of those objections are from investors who are concerned about the land tax impact? Is that what you would say would be the greatest percentile of those objectors?

**DAVID PARKER:** Last year there were probably more objections from land tax payers because they have an annual land tax notice and annual valuations. General rates payers were in year three of a three-year cycle. The objections were very, very low in the year to June 2023, the lowest I think we've probably seen for many, many years. The majority were probably land tax. The interesting feature was that they have now become what I would call serious objections—landowners who say, "Hang on, this doesn't look right. I have this evidence. How can this valuation be?" Rather than in the past there was more of a culture of, "Well, I have a right to object so I'll have a go. Maybe I'll get something and maybe I won't." The objections that have come in have, generally speaking, been more successful and have had a higher success rate than previous years because there are fewer of them and they appear to be better supported now under the new process by the objectors, so they're more likely to get a successful outcome.

**The CHAIR:** What's changed that culture in the objections that are coming through, where you are getting those serious objectors? Is there the acceptance that people are not necessarily going to be successful on those "just have a go" objections?

**DAVID PARKER:** It's a very important question because it goes back to the pendulum. When I first started, pretty much, as an objector or a landowner, if you rang the helpline, they would probably help complete the objection form for you. There was a very, very lax approach to allowing people to object. There was a very, very lax approach to people objecting out of time—"Well, you're way beyond the time but, okay, we'll take it." Pretty much all you had to say was, "I think the value is too high." The changes I made 18 months ago, as we talked about to the Committee a couple of meetings back, are that the landowner now has to say, "I think that the value is too high because here are three sales that I have got from the VG website that support my view of the land value and I think the land value should be this much." The changes that I implemented were that the objector had to provide evidence and had to provide a number. That seems to have had a very powerful effect on reducing the number of objections.

**The CHAIR:** What is the rating for those objections being upheld now?

**DAVID PARKER:** I would have to take that question on notice and come back to you.

**The CHAIR:** I am happy for that to be the case. One of those significant objections which has led to a court case, which I know you updated us about in our private briefing with you, was AMP and the Valuer General. With respect to that case, has that progressed to any determination at this stage?

**DAVID PARKER:** Yes. Justice Moore issued a decision last week.

**The CHAIR:** What was the outcome of that decision?

**DAVID PARKER:** He found in favour of AMP.

**The CHAIR:** What has that done with regard to the Valuer General's approach to such valuations?

**DAVID PARKER:** The decision by Justice Moore was very helpful in that it clearly established, for a B4 mixed use zoning, there was the ability on that site to include residential as well as shopping centre. That was a major sticking point between us and AMP. In terms of what we've learnt from it, we have learnt a lot about the problems that arise when I don't have a Deputy Valuer General with 35 years' experience to assist me in such a major court action, we've learnt a lot about the choice of Counsel, we've learnt a lot about the choice of valuers and we've learnt a lot about how we might do the process differently the next time we do a major litigation.

**The CHAIR:** But what about the initial assessment of property values? What has been derived in the approach of the Valuer General in such cases? Are you changing your methodology at all?

**DAVID PARKER:** No, we don't. The court accepted a static hypothetical development method, which was a positive step forward for us. As it went in favour of AMP we wanted a dynamic hypothetical development method, but the court didn't find in our favour so we got a static. That is a step forward in precedent for us. In value terms, the value remains approximately where it was on the register. Then it increases over the next two or three years—is it, Mr Etherington—

**JOSH ETHERINGTON:** Yes.

**DAVID PARKER:** —up to a higher number, and it will be what it will be for the June 2022 valuation.

**The CHAIR:** I understand from the information that you provided us with respect to the 2016 year that the contention of the Valuer General was \$438 million. AMP's was \$184 million. What did the court find that valuation to settle at for the 2016 year?

**DAVID PARKER:** From memory it was somewhere around the \$180 million mark, but we can take that on notice and come back to you.

**The CHAIR:** And similarly for 2017 as well, was it closer to AMP's contention?

**DAVID PARKER:** Yes. We can take that on notice and come back to you with the exact number.

**The CHAIR:** Thank you very much.

**The Hon. ADAM SEARLE:** Valuer General, you mentioned a number of things that you phrased as interfering with the independence of your functions. One of them was the loss of the Deputy Valuer General. There have been two recruitment processes to recruit a new Deputy Valuer General, haven't there? And you have sat on that process. Is that correct?

**DAVID PARKER:** I believe there has been one, but I can take that on notice and check.

**The Hon. ADAM SEARLE:** That's okay. But there has certainly been one, and that hasn't produced a candidate who you were happy with. Is that correct?

**DAVID PARKER:** The process didn't produce a candidate that the department was willing to appoint.

**The Hon. ADAM SEARLE:** Can you unpack that for us? Was there someone you approved of but the department didn't? Is that what you're saying?

**DAVID PARKER:** The department and I had different views, and so the decision was not to appoint.

**The Hon. ADAM SEARLE:** I think you were also indicating that you were concerned that there were a number of other recruitment processes that hadn't produced successful candidates. Might that indicate that people are reluctant to come and work in the Valuer General's office at the present time?

**DAVID PARKER:** No, I wouldn't interpret it that way. There were several applicants for the Deputy Valuer General's role. I would contend that the recruitment process for roles in the Office of the Valuer General was suboptimally executed.

**The Hon. ADAM SEARLE:** What do you mean by that?

**DAVID PARKER:** That perhaps the recruitment agents used weren't ideal for the specialist nature of the role.

**The Hon. ADAM SEARLE:** Government agencies have to use recruiters on the approved government panel. While I don't have a list of everybody, it's a pretty extensive and varied panel, isn't it?

**DAVID PARKER:** It is. But the just terms and Valuation of Land Act quality assurance roles in the Office of the Valuer General are very specialist, niche expert roles. Within the valuation industry, people doing just terms and objections work are a fairly small proportion, so we're looking for somebody out of a fairly small proportion of the whole industry.

**The Hon. ADAM SEARLE:** Sure, but in that case people would know that there are vacancies in these roles in that industry. So it's not like you necessarily have to advertise far and wide. It would be generally known that these vacancies are there.

**DAVID PARKER:** Yes, you do have to search in order to get somebody out of the job they're currently in.

**The Hon. ADAM SEARLE:** You also mentioned a number of inquiries into your conduct, I think it was. I think you said there'd been two previous ones. Is that correct?

**DAVID PARKER:** That's correct.

**The Hon. ADAM SEARLE:** Would that be the 1 July 2020 one, the initial assessment report?

**DAVID PARKER:** I'll take that on notice so that I don't mislead the Committee.

**The Hon. ADAM SEARLE:** Would the second one be the Kingston Reid report of November 2021?

**DAVID PARKER:** I'll take that on notice so I don't mislead the Committee.

**The Hon. ADAM SEARLE:** I think it was your evidence here this morning that in your view the conclusions of these inquiries were not serious. Is that the sort of language you used?

**DAVID PARKER:** I believe I said "did not in my view result in any substantial findings against me".

**The Hon. ADAM SEARLE:** One of them found that you had an inappropriate approach of interrogation and accusation towards your team, and that was substantiated. That's a pretty serious matter, isn't it, Mr Valuer General?

**DAVID PARKER:** I would disagree. I think asking difficult questions is part of the job of being an independent statutory officer.

**The Hon. ADAM SEARLE:** Yes, but you might term it as "asking difficult questions", but if an inquirer has found it was an inappropriate approach of interrogation and accusation, that puts it into a very different category, doesn't it?

**DAVID PARKER:** No, I disagree. It probably just prompts me to ask the questions in a different way.

**The Hon. ADAM SEARLE:** I'm not going to go through all the matters that were found to be substantiated in that first report. I think you and I have unpacked them in previous hearings. But individually and collectively, in my view, particularly as an industrial relations practitioner, a person found to have been subject to those findings would, in the usual course, have been dismissed from their employment, in my view—not your view but in my view. But you still maintain that in your view that first report doesn't make serious findings against you. Is that your position?

**DAVID PARKER:** As I've said, in my view there aren't any substantial findings against me.

**The Hon. ADAM SEARLE:** So, for example, a finding that you intimidated your staff—you don't see that as a serious finding? Do you think it's okay to intimidate your staff?

**DAVID PARKER:** I don't necessarily agree with the finding.

**The Hon. ADAM SEARLE:** I understand that, but I'm saying this is a finding. You don't think that intimidating staff is a serious matter?

**DAVID PARKER:** I don't necessarily agree with the finding.

**The Hon. ADAM SEARLE:** No, but that's not my question, Mr Valuer General, and you know well it's not my question. I'm trying to get to your understanding because I think some of the findings against you are that you lack empathy and you lack insight into what's going on with you and your staff. If that's the case, I'm just

trying to understand your perspective here. You may disagree with these findings, but you would agree with me, wouldn't you, that a finding that a person in your role has intimidated staff is a serious matter?

**DAVID PARKER:** I haven't spoken to staff, with the exception of the 12 or so that I'm allowed to speak to, for—I think it's 102 weeks.

**The Hon. ADAM SEARLE:** Again, Mr Valuer General, you're fencing with me because you know this first report refers to a period of time in which you had untrammelled access to your staff. You know that. This was before those restrictions were put in place.

**DAVID PARKER:** Some two years ago.

**The Hon. ADAM SEARLE:** Yes, but we're unpacking the first report. I can go through the other findings—for example, that you shouted—but I won't go through all the matters. But the point is the matters that were found against you in that first report were serious, but you say they're not serious? You simply say that you disagree with the findings.

**DAVID PARKER:** Yes.

**The Hon. ADAM SEARLE:** Which is it?

**DAVID PARKER:** I disagree with the findings.

**The Hon. ADAM SEARLE:** But you agree with me that a person subject to findings of that nature—that those findings are serious or that they relate to serious matters?

**DAVID PARKER:** No, I think they would probably need to be taken in context: events that occurred some two years ago, and I haven't spoken to the majority of staff for 102 weeks.

**The Hon. ADAM SEARLE:** The second inquiry, I think, found that your conduct presented a significant and ongoing risk to the psychological wellbeing of the staff at the Valuer General's office. Is that a correct understanding on my part?

**DAVID PARKER:** From recollection, it found that there was also a threat to my psychological wellbeing from the staff.

**The Hon. ADAM SEARLE:** Yes, I accept that. But, given that situation, that's a correct assessment, is it not?

**DAVID PARKER:** I'd have to take that on notice and go back and look at the report.

**The Hon. ADAM SEARLE:** Again, I think you're fencing with me, Mr Valuer General, because these matters are very important to your operation. You would have a pretty clear recollection of evaluations of your conduct that have been made against you.

**DAVID PARKER:** To me, what is important for an independent statutory officer is the integrity of the valuation system—

**The Hon. ADAM SEARLE:** Yes.

**DAVID PARKER:** —and the provision of fair and correct valuations to the landowners of New South Wales.

**The Hon. ADAM SEARLE:** I understand—

**DAVID PARKER:** Not valuations that have to be changed by many, many millions of dollars in the event of objection. They should be correct initially before they issued.

**The Hon. ADAM SEARLE:** Yes, but I'm not talking about the technical execution of your role; I'm talking about inquiries into your personal behaviours in relation to the staff who have worked with you. That's a separate matter. You understand that, don't you? You don't conflate the two.

**DAVID PARKER:** Yes, but you're dealing with a scenario that's over 102 weeks ago, because I've had no contact with staff for 102 weeks.

**The Hon. ADAM SEARLE:** Let's go to the most recent inquiry. I think you describe that investigation as "ongoing".

**DAVID PARKER:** Indeed. "Currently underway", I believe, was my phrase.

**The Hon. ADAM SEARLE:** Has it not concluded?

**DAVID PARKER:** I understand that I was provided, through my solicitor and barrister, with a copy of the draft report a matter of minutes before this meeting commenced this morning.

**The Hon. ADAM SEARLE:** Was it not the case that you were provided with a draft report some time ago and invited to respond to the matters raised in it?

**DAVID PARKER:** No.

**The Hon. ADAM SEARLE:** I think that was your evidence to a previous committee.

**DAVID PARKER:** Let's make sure we're all talking about the same investigation. As I understand, you're talking of the Kingston Reid investigation that is currently underway. That investigation—

**The Hon. ADAM SEARLE:** I think I've asked you on previous occasions how many investigations are underway in relation to you?

**DAVID PARKER:** As far as I'm aware, just one at the moment. As far as I'm aware, that report was provided to my solicitor and barrister a matter of minutes before this meeting commenced this morning.

**The Hon. ADAM SEARLE:** I could be wrong about this, but my understanding was that you had—

**The CHAIR:** I might just clarify this. You claim there is one investigation that is underway. How many reports have there been that you've been provided with?

**DAVID PARKER:** It is my understanding—I'll take it on notice—that up until a matter of minutes before this meeting we had not been provided with a draft report of the current investigation. But that was provided a matter of minutes before this meeting.

**The CHAIR:** But you say the "current investigation", which leads me to believe that there is a former investigation as well, so that there are two—

**DAVID PARKER:** There are two previous ones that Mr Searle has alluded to.

**The CHAIR:** So there are three investigations?

**The Hon. ADAM SEARLE:** It's one investigation.

**The CHAIR:** Sorry, I'll allow Mr Searle to continue.

**Mr STEPHEN KAMPER:** Dr Parker, I understand the settings were that you had your Deputy Valuer General and a director who was working with you and communicating to the department. That was essentially your—

**DAVID PARKER:** No, the communication to the department is through the department's executive director, who is different to the Deputy Valuer General.

**Mr STEPHEN KAMPER:** What was your relationship with the former deputy?

**DAVID PARKER:** Very close. He was an exceptionally competent Deputy Valuer General. He had previously been an acting Valuer General.

**Mr STEPHEN KAMPER:** There was also a former director who you worked with?

**DAVID PARKER:** A former executive director, yes.

**Mr STEPHEN KAMPER:** What was the relationship like there?

**DAVID PARKER:** Very positive. It was very respectful of the independence of the Valuer General.

**Mr STEPHEN KAMPER:** Why were they removed overnight?

**DAVID PARKER:** From recollection, the only reason I was given was that there would be a restructure. This was a conversation 15 minutes before the two of them were terminated. The conversation was extremely brief, but from memory—and I'm not seeking to mislead the Committee here—I was told that there would be a restructure.

**Mr STEPHEN KAMPER:** Given the experience that both of them had, isn't that odd that the two that you were able to deal with effectively to deliver the duties of the Valuer General—

**DAVID PARKER:** I would say it's extremely odd because the Deputy Valuer General had an encyclopedic knowledge of the Valuation of Land Act, which—as the Committee would appreciate, by the time things come up to me they're of a level of complexity that require a detailed understanding of the law and a detailed

understanding of valuation. So to summarily and callously terminate somebody with 35 years' experience and not have a replacement I found literally incredible.

**Mr STEPHEN KAMPER:** And given the initiatives that he was involved in, with regard to the bushfire—

**DAVID PARKER:** Yes.

**Mr STEPHEN KAMPER:** I just find it extremely strange that those two were taken out in one go.

**DAVID PARKER:** I would agree entirely, but I wasn't consulted on the process. It was simply a decision by the department, and I accept that the department has the right to make those decisions because my realm is technical valuation issues; the department's realm is employment of people.

**Mr STEPHEN KAMPER:** But you have to accept that it seriously disadvantaged you in performing your duties.

**DAVID PARKER:** Massively disadvantaged me, particularly as we were building up to the AMP litigation. As you would appreciate, in a litigation that runs for, I think it was, six days, there are an enormous volume of expert witness reports to read. You need somebody with deep experience to read those reports, who knows what they are looking for and, on reflection, that was what we lacked. Obviously, I can't deal with every just terms acquisition report that comes through the State as well as reading all of these litigation reports in detail, so I will accept the advice of colleagues on some things. That would have been where an experienced Deputy Valuer General would have been enormously valuable.

**The Hon. ADAM SEARLE:** I think I have worked out what the inquiries were. I think there was an issue of a work health and safety investigation. I think that has been finalised. Is that your understanding?

**DAVID PARKER:** I will take that on notice so I don't mislead the Committee.

**The Hon. ADAM SEARLE:** Okay, and now there is this second inquiry, which is I think the one being done by Kingston Reid. Is that the draft report you say you received through your lawyers this morning?

**DAVID PARKER:** I will take that on notice so I don't mislead the Committee.

**The Hon. ADAM SEARLE:** Okay. So is this draft report you received this morning through your lawyers the first communication you've had in relation to this inquiry, or have issues been raised with you beforehand?

**DAVID PARKER:** No, I received a letter from Kingsford Smith—

**The Hon. ADAM SEARLE:** Kingston Reid, I think.

**DAVID PARKER:** Kingston Reid, several minutes after 5.00 p.m. on Friday afternoon on the weekend when the Monday was a public holiday. There were four days in the following week and then I went on a month's leave.

**The Hon. ADAM SEARLE:** So that was some time ago?

**DAVID PARKER:** That was in June, so I was provided after close of business on a Friday afternoon with a letter that sought a response before I went on holiday, which was only four business days.

**The Hon. ADAM SEARLE:** Did you provide a response, either within that time frame or subsequently?

**DAVID PARKER:** I subsequently provided a response.

**The Hon. ADAM SEARLE:** When did you provide a response?

**DAVID PARKER:** I'll take that on notice.

**The Hon. ADAM SEARLE:** Okay. What matters did that letter or that inquiry of you canvass?

**DAVID PARKER:** Subject to your views, Chairman, I would have thought it was inappropriate to perhaps discuss an investigation that is currently underway in a public forum.

**The CHAIR:** I think this is a difficult decision to make for the Committee because there are certain allegations that you have ventilated in your opening statement as well, so I think that it is in order for Mr Searle to ask those questions. Of course, it is your prerogative as to how you answer them.

**The Hon. ADAM SEARLE:** Yes, I guess I can ask the questions I like, but you can give me the answers you like. Does that seem fair?

**The CHAIR:** So long as they're truthful.

**The Hon. ADAM SEARLE:** Yes, within that parameter, so again I'll ask my question: What matters did that correspondence from Kingston Reid canvass with you and ask you to respond to?

**DAVID PARKER:** And I take that question on notice so that I don't mislead the Committee.

**The Hon. ADAM SEARLE:** What allegations were raised against you?

**DAVID PARKER:** I'll take that on notice so I don't mislead the Committee.

**The Hon. ADAM SEARLE:** Did it raise allegations that you engaged in unreasonable behaviour directed towards people in Valuer General NSW and the department through setting unrealistic expectations in respect to work performed?

**DAVID PARKER:** I'll take that on notice so I don't mislead the Committee.

**The Hon. ADAM SEARLE:** Did it raise matters that you engaged in unreasonable behaviour directed towards people within Valuer General NSW and the department through providing unclear directions or altering directions?

**DAVID PARKER:** I'll take that on notice so I don't mislead the Committee.

**The Hon. ADAM SEARLE:** Did it raise suggestions or allegations that you provided false or misleading information in the execution of the role of Valuer General?

**DAVID PARKER:** I'll take that on notice so I don't mislead the Committee.

**The Hon. ADAM SEARLE:** Did it raise concerns or issues or allegations that you issued unreasonable directions and acted unreasonably towards staff at Valuer General NSW and the department which may impact adversely their ability to perform their roles effectively?

**DAVID PARKER:** I'll take that on notice so I don't mislead the Committee.

**The Hon. ADAM SEARLE:** Is any of this sounding familiar to you, Mr Valuer General?

**DAVID PARKER:** I understood that the investigation was a confidential process.

**The Hon. ADAM SEARLE:** I'm just asking what matters have been raised against you.

**DAVID PARKER:** And, as I said, I'll take that on notice.

**The Hon. ADAM SEARLE:** Okay. Did it raise concerns that you have engaged in repeated unreasonable behaviour towards staff which demeans or belittles those people; that you are combative, aggressive or hostile towards those people?

**DAVID PARKER:** Is that a question or a statement?

**The Hon. ADAM SEARLE:** It's a question. Does it raise those issues or issues like that?

**DAVID PARKER:** I'll take that on notice.

**The Hon. ADAM SEARLE:** So you say this investigation is underway, you've responded to the matters raised with you and you have now received—is it a draft report or a final report?

**DAVID PARKER:** I understand my solicitor and barrister received—or certainly, sorry, I understand my solicitor received a draft several minutes before this meeting.

**The Hon. ADAM SEARLE:** Okay, and do you understand that you get a further opportunity to respond to this report?

**DAVID PARKER:** I'm unable to answer that question.

**The Hon. ADAM SEARLE:** They didn't tell you? I mean, if it is a draft, presumably you get an opportunity to respond further.

**DAVID PARKER:** I haven't seen the material that came from the department.

**The Hon. ADAM SEARLE:** All right. Do you know whether any of these matters, or have you been told what matters are contained in this report? I know it was very shortly before this meeting.

**DAVID PARKER:** No.

**The Hon. ADAM SEARLE:** Okay. I might just pause in my questioning there and give way to other Committee members.

**The CHAIR:** Ms Wilson has indicated that she has a question.

**Ms FELICITY WILSON:** Thank you very much, Chair. Dr Parker, I appreciate your level of recollection, you want to be cautious about that and not mislead the Committee, and I am sure we all appreciate that, but I would like to ask: What do you recollect about the correspondence that you have received about this inquiry and the issues that you recollect it is looking to in regard to its queries or allegations?

**DAVID PARKER:** I'm afraid I will take that on notice so that I don't mislead the Committee.

**Ms FELICITY WILSON:** Can I ask, Dr Parker: Is there anything about this correspondence or this inquiry that you do recollect?

**DAVID PARKER:** I have a clear recollection but, in order not to mislead the Committee, I would prefer to take the questions on notice so that I can answer them with reference to the source documents.

**Ms FELICITY WILSON:** Okay. If you do have a clear recollection, I wouldn't imagine that you therefore would be able to mislead the Committee because your recollection is clear. Is there anything from your clear recollection that you could convey to us today and then, if you are comfortable to do so, follow-up in writing with us if you believe that you have unintentionally misled us?

**DAVID PARKER:** There probably is if there were precise questions. I'm unwilling—

**The CHAIR:** Mr Searle has outlined—

**Ms FELICITY WILSON:** We have a series of very precise questions, Dr Parker—I am sorry to speak over you, I think it is because I am virtual.

**The CHAIR:** No, go ahead.

**Ms FELICITY WILSON:** Sorry, Dr Parker. We have had a series of very specific questions. I am asking a very general question to ensure that you can convey to us what you do recollect. You indicated to us that you have very clear recollections. I would like you to convey to us what you are clearly recollecting about this process and I would also put the caveat on that that we are very happy for you to then follow-up to us after the fact, once you have been able to refer to those source materials, if you don't have them with you.

**DAVID PARKER:** I think the only thing that would be wise to say is that I'm aware there are a number of allegations. I cannot recollect the exact terminology used in the allegations, so it would be inappropriate of me to respond to Mr Searle's questions and then find that I inadvertently recollect a word that wasn't in the investigation or used a word that wasn't in the investigation and therefore prompted further allegations against me for misleading the Committee.

**Ms FELICITY WILSON:** Thank you, Dr Parker. One other question, Chair: Do you have those source documents you refer to with you today?

**DAVID PARKER:** No, I don't.

**Ms FELICITY WILSON:** Would you be in a position where you could access those source documents today to firm up your recollection so that you can then respond to some of the Committee's questions?

**DAVID PARKER:** I will certainly take them as questions on notice, but given that the investigation is underway, I would need to seek my solicitor and barrister's advice prior to responding.

**Ms FELICITY WILSON:** Understood. Thank you, Dr Parker, and thank you, Chair.

**Mr GEOFF PROVEST:** In your recent *Review of the impact of bushfires on land values*, which was detailed—the response from the Valuer General to the 2019-20 valuations—how does the work of the Valuer General in relation to bushfires, including the report, assist with proper responses in regards to floods, which, Mr Parker, you would be aware is of deep concern to me? And how does the Valuer General engage with the flood-affected communities? Is it expected that these flood events will have an ongoing impact on land values associated with activities such as we are discussing now, about government buybacks of those affected areas?

**DAVID PARKER:** The bushfire report proved very useful in terms of how to approach a report of this nature. We have done a similar exercise for flood-affected areas, particularly focusing on Lismore, Hawkesbury and some northern parts of the State. That report is currently in draft form. One of the differences with the flood report is that there are a greater number of sales available for valuers to consider than was the case in the bushfires. I suspect where we will end up is to say that if there are sales available, those should be considered first. If there

are no sales, we will then have a series of percentage reductions as we did for bushfires and COVID, and there will be some parameters around when those should be applied. I haven't had any involvement in the buyback process and, as far as I'm aware, the Office of the Valuer General hasn't been contacted on the buyback process. So my work on floods at the moment is completely separate to the Government's other work on floods.

**Mr GEOFF PROVEST:** According to the Premier in a statement he made publicly up here, any proposed buybacks would be done at pre-flood market values. He made that quite clear. I guess your department, your area, will come into play over that. The other thing—the impact. There is talk that once those buybacks occur, the house is demolished and it will be owned by the State, but also other houses that are flood affected will have to detail that on any future sales, which I would imagine is going to have a negative effect on the values of those properties.

**DAVID PARKER:** Unfortunately I'm not sure I can comment on that as we haven't been involved in the matters that you referred to the Premier commenting on.

**Mr GEOFF PROVEST:** Also, would this set a new precedent with your bushfire report? Now we've got the floods and we are all being told that we are going to get significant weather effects. In fact, I am here in Tweed and we are under severe thunderstorm warnings right as I speak. That will have to be factored into future valuations to those areas, would it not?

**DAVID PARKER:** It will, and the process will probably be that the property market will factor in such effects in the prices that people pay for property and then the valuation process will look at what the market has done, analyse it and then apply it in valuations.

**Mr GEOFF PROVEST:** Do you think in your professional expertise that the Valuer General's office should be included in these potential government buybacks and things of that nature?

**DAVID PARKER:** That's a matter for government.

**Mr GEOFF PROVEST:** But would I say it would assist the Government in making astute decisions.

**DAVID PARKER:** One would like to think that the advice of the Valuer General may be of assistance, yes.

**The Hon. ADAM SEARLE:** Mr Valuer General, in relation to the report that in your understanding was finalised—I think this is the work health and safety report—can you tell the Committee what matters did it find substantiated against you? Do you have any recollection of that or do you need to take that on notice?

**DAVID PARKER:** I will take that on notice so I don't mislead the Committee.

**The Hon. ADAM SEARLE:** In relation to the one that is currently underway, you were given a letter that raised matters, you were given an opportunity to respond, you did respond and now you've got the draft report that you say was received this morning. Correct?

**DAVID PARKER:** Yes.

**The Hon. ADAM SEARLE:** Is it correct—

**The CHAIR:** Sorry, just to clarify, is that the draft or the final report that you've received this morning?

**DAVID PARKER:** I understand it's a draft. I haven't seen it. I'm going on a brief message.

**The Hon. ADAM SEARLE:** Obviously not having seen it, you don't know what's in it or what it finds one way or another.

**DAVID PARKER:** No.

**The Hon. ADAM SEARLE:** And you don't know whether you've been given a further opportunity to the matters raised in that. Is that correct?

**DAVID PARKER:** I would have to take that on notice.

**The Hon. ADAM SEARLE:** Could I ask you to take on notice, because I think you don't have the letter with you, what matters were raised for you to respond to? Are you able to take that on notice and respond to us?

**DAVID PARKER:** I will take that on notice.

**The Hon. ADAM SEARLE:** Could you also take on notice whether or not, in the draft that you have now received, any of those matters were found to be substantiated—at least in the draft?

**DAVID PARKER:** I will take that on notice.

**The Hon. ADAM SEARLE:** In particular, can you tell us whether the report that you have to respond to has concluded whether there are grounds that could support a recommendation to the Governor to suspend or remove you from office for any reason?

**DAVID PARKER:** I will take that on notice.

**The CHAIR:** Just to pick up on that point then, in terms of the recommendation to the Governor, you outlined at the beginning of your testimony that you were concerned that you would not be able to perform your statutory term of four years. What are those concerns for you? Is it perhaps that recommendation that there be a recommendation to the Governor that your tenure be terminated?

**DAVID PARKER:** No, because of the interference by the department, I am unable to fulfil my statutory role.

**The CHAIR:** In those terms then, the interference of the department, what is your resolution for being able to continue as the Valuer General then?

**DAVID PARKER:** That the interference by the department needs to be addressed.

**The CHAIR:** To that point, what would you be seeking in terms of the department's behaviour or the department's activities on that recommendation from yourself?

**DAVID PARKER:** I think it would be helpful if the department adopted a collaborative approach of working with the Valuer General rather than against the Valuer General, if the department agreed to the appointment of a Deputy Valuer General with extensive technical experience to assist me and if the department appointed people with appropriate skills to the vacancies in the Office of the Valuer General. The change management process that is currently underway hopefully will lead to the requisite skill sets appearing in VG NSW.

**The CHAIR:** You outlined previously that it has been 102 weeks where you have only been able to communicate with 12 staff within the office.

**DAVID PARKER:** Rather than mislead the Committee, it is approximately 12 and I can take on notice to give you the exact number, rather than have an allegation that I misled the Committee and said that it was 12.

**The CHAIR:** I imagine that that is an untenable position in terms of that continuing on for the rest of your statutory appointment, from your perspective?

**DAVID PARKER:** It is inconvenient and suboptimal to the effective operation of the valuation system.

**The CHAIR:** With respect to that operation, in terms of those 12 staff—or whatever it may be in terms of that period—how does that work in practice within the Valuer General's office at the moment in terms of how things are managed throughout the system and throughout the office?

**DAVID PARKER:** I will speak to my staff in the Office of the Valuer General as and when is necessary. If I communicate with a director or a senior manager in VG NSW, it is now, as I understand it, preferable to do so through the executive director rather than directly or, in certain exceptions, directly whilst copying in the executive director.

**Mr STEPHEN KAMPER:** Dr Parker, obviously it has become increasingly more difficult since the loss of the deputy because, from what I can see, you were functioning okay—I know they were difficult settings, but you seemed to be functioning and performing your tasks and performing your role while you had the Deputy VG and the previous executive director in place. How much tougher has it become since then? Has it gotten to a stage now where it has become totally dysfunctional because you haven't replaced the Deputy Valuer General?

**DAVID PARKER:** I wouldn't say totally dysfunctional. It has been massively slowed down to the point where for the initiatives I wish to implement as Valuer General, the time isn't available because I'm spending so much time doing things that the department should be doing for me.

**The Hon. ADAM SEARLE:** On a related issue, Valuer General, going back to these inquiries, if it turns out ultimately that the conclusion is that the situation vis-a-vis yourself and staff provides ongoing risks to psychological health and wellbeing, whether for staff and/or yourself, that's also an untenable position to allow to continue for any additionally longer period of time, wouldn't you agree? Something has got to give here.

**DAVID PARKER:** I would agree that something has got to give to have a functioning valuation system, yes.

**The Hon. ADAM SEARLE:** Again, you keep coming back to the valuation system. I understand that's important.

**DAVID PARKER:** The State cannot afford to have—

**The Hon. ADAM SEARLE:** I'm talking about having a functional and healthy workplace. You would agree that, irrespective of what a workplace does, having a functional and healthy workplace is inherently important?

**DAVID PARKER:** That is a matter for the department. I have no contact with the vast majority of staff, and haven't had for 102 weeks.

**The Hon. ADAM SEARLE:** You would agree that if the situation provides an ongoing risk to people's psychological health and wellbeing, including your own, that is untenable and should not be continuing?

**DAVID PARKER:** I find it difficult to understand how having no contact can have an adverse psychological effect.

**The Hon. ADAM SEARLE:** You're communicating through other staff your expectations, setting your directions and possibly changing your directions.

**DAVID PARKER:** Yes, and it is their role to adapt that message for delivery to the department's staff. As I understand it, that was the whole intention of former Secretary Betts—that messages from me would be adapted by the executive director so that they met the department's requirements for communication with staff.

**The Hon. ADAM SEARLE:** But we still have the legacy issue of what happened before that, potentially.

**DAVID PARKER:** I'm not quite sure I understand, sorry.

**The Hon. ADAM SEARLE:** The investigations presumably must relate to interactions you did have with staff, otherwise there wouldn't be much to investigate.

**DAVID PARKER:** Yes, some two years ago.

**The Hon. ADAM SEARLE:** Sure.

**Mr STEPHEN KAMPER:** I think that goes to the point, Dr Parker, that over that 102-week period we've kicked an enormous amount of goals here. We've done some really good stuff.

**DAVID PARKER:** Absolutely world-leading things, yes.

**Mr STEPHEN KAMPER:** That's what concerns me. Given that setting that was there, we were functioning quite well. Like you talked about earlier in your opening statement, the \$250 million saving—one-quarter of a billion dollars. That's a net result, I would say, because there are probably some really horrible examples going the other way, where we would've been overpaying particular property owners. That's what I'm looking at and saying, "We've done some really good things. How do we move forward?" I think that we're all trying to work through that problem.

**DAVID PARKER:** I would agree. For me the best way to work forward is to have a department that supports the Valuer General and supports the independent nature of the Valuer General's role. I understand that this is an issue that's in common with other independent statutory officers. The independent statutory officer's role doesn't fit neatly into a department structure. The department structure depends on the particular hierarchy and a particular way of doing things. The key to me to making it work is we've got to somehow accommodate the requirements of the Valuer General within the way the department works. One of the fundamental requirements of the Valuer General is that the statutes, the Acquisition of Land Act and the Valuation of Land Act, are adhered to 100 per cent. It's non-negotiable. What we need to move to is a point where the department is able to do that so that material that comes to me from the department is compliant with statute, compliant with case law and compliant with policy. That should then just require me to read over it, sign on the bottom as approved and send it back to the department. That's the position that we need to get to.

**Mr STEPHEN KAMPER:** Surely you've got key people who are helping you deliver. Moving forward, there has got to be some form of arrangement or setting where that can't just happen to you overnight.

**DAVID PARKER:** Yes.

**Mr STEPHEN KAMPER:** I think that's what I'm most concerned about.

**DAVID PARKER:** I agree. There needs to be a clear route map to get to that position.

**Ms FELICITY WILSON:** Dr Parker, I think you have made your views clear about what you would like to see the department's steps be in order to ensure that we have a functioning valuation certificate of State. It is on all of us as individuals to make sure that we make our workplaces safe, including independent statutory

officers. What is it that you either believe you need to do or have already done to ensure that your behaviour and actions create a safe workplace?

**DAVID PARKER:** A significant amount of work has already been done between me and my advisers on better ways of approaching workplace issues.

**Ms FELICITY WILSON:** Could I ask you to expand on that?

**DAVID PARKER:** Yes. The department provided me with an adviser who they funded for a period of time and then refused to continue funding. I then funded that adviser out of my budget in the Office of the Valuer General. From memory the department then agreed that it would pick up the bill, and that adviser has been working with me on ways to manage relationships with the department.

**Ms FELICITY WILSON:** Dr Parker, are there behaviours that you have changed? And, if so, what are those behaviours?

**DAVID PARKER:** The behaviours that would have changed would be probably a greater level of tolerance and accepting that it's probably going to take two or three goes to get something right.

**Ms FELICITY WILSON:** Are there any other behaviours that you are still working on changing?

**DAVID PARKER:** Yes. The ones that are probably most challenging to change are tone of voice and facial expression, and the way in which other people—given that I only deal with 12 people, not the rest of the staff—may interpret that tone of voice or facial expression.

**The Hon. ADAM SEARLE:** But, Valuer General, you've said that you don't think that interacting only with that limited number of people is itself sustainable long term. I think your evidence to an earlier committee was that you thought that was going to be scrapped in the very near future, giving you unrestricted access to the staff as a whole. If that were to happen, some of these issues that are still under investigation, or may well be addressed in that report that was delivered to your solicitors this morning, may well become quite relevant in that circumstance. So it's not just how you interact with the 12; it might also be how you interact with the greater number, should you be permitted to.

**DAVID PARKER:** Yes. The department has provided no indication that there will be any contact with the wider staff.

**The CHAIR:** But, to your point previously, that is one of the key parts of what you classify as the department's interventions within your statutory independence, isn't it?

**DAVID PARKER:** Yes, because it significantly slows the process. It is much simpler to pick up the phone and ask a valuer a question than to put it in an email and send it to an executive director, who may or may not misinterpret it. It goes to the valuer, it comes back through the executive director and it comes to me. They may not have answered the question. It goes back through the executive director and it goes on.

**The Hon. ADAM SEARLE:** Whether it interferes with your independence or not, which I know is how you see it, it certainly creates a very difficult situation for the operation of the Valuer General. I think we can agree on that.

**DAVID PARKER:** Yes.

**The Hon. ADAM SEARLE:** And that in itself may not be taken to be tenable over the long term.

**DAVID PARKER:** It's unsatisfactory.

**The Hon. ADAM SEARLE:** Well, it's more than unsatisfactory. That mode of interacting can lead to all manner of I think you used the term "misunderstandings" about what your directions might actually be.

**DAVID PARKER:** It has gone on for about two years now, and continues to go on.

**The Hon. ADAM SEARLE:** Yes. But, again, we're talking about optimal operation here, and your own view is that it's not sustainable long term. That is your own view that you've expressed to us.

**DAVID PARKER:** It's now gone on for two years.

**The Hon. ADAM SEARLE:** Yes. How many to go? Another four?

**DAVID PARKER:** Yes. It is going to be a lot of emails.

**Mr STEPHEN KAMPER:** If I can jump in—for four-odd years I was calling for some better valuation processes around aerotropolis land around there. Within that whole 102-week period, I've seen some

comprehensive outcomes, some comprehensive work. I'm very impressed with the work that's been done over that period.

**DAVID PARKER:** Thank you.

**Mr STEPHEN KAMPER:** I'm just trying to find a solution. I think we're all trying to work through how we move forward and keep the quality of outcomes that we've been getting.

**DAVID PARKER:** It probably comes down to communication, cooperation and collaboration.

**The CHAIR:** Dr Parker, it's open to this Committee to make recommendations to government in terms of how the department interacts with the Valuer General but also on the operation of the Office of the Valuer General. Should this Committee be confident to be able to make the recommendation that those communication protocols in place to those 12 staff should be removed? Is that something that the Committee should consider making a recommendation of?

**DAVID PARKER:** There's a challenging interaction there between the role of the Committee and the role of the department. I could fully understand Secretary Betts' view that the protection of staff was very much a departmental matter.

**The CHAIR:** Former Secretary Betts, or secretary in another place.

**DAVID PARKER:** I'm not sure that it would be an appropriate recommendation because, effectively, it will be a recommendation directing the secretary to do something—I'm unaware of Secretary Cassel's views—that the secretary may be unwilling to do. I'm not sure, in that sense, it would be helpful. It may be a recommendation that the situation be reviewed, be considered, maybe alternative communication arrangements be put in place—might be a helpful recommendation.

**The CHAIR:** Going back to Ms Wilson's questions, what comfort can you give the Committee, in terms of that adviser that you have outlined to the Committee, in terms of the change of behaviour from that 102 weeks ago that could give the Committee comfort in terms of actually advocating for such reviews or such changes to behavioural practices in the Office of the Valuer General?

**DAVID PARKER:** Of the 11—sorry, 12 people, if it is 12, and I will take it on notice so I don't mislead the Committee—I would suspect that relations between me and 11 of them are cordial.

**The CHAIR:** There are no complaints that have emanated from any of that interaction in those 102 weeks. Is that correct?

**DAVID PARKER:** With the exception—not from the 11 with which I have a cordial relationship, as far as I understand. The remaining one may be a different matter. I use intentionally there, for the purpose of the record, terms such as "may", so the Committee should not consider that I'm accusing anybody of anything.

**The CHAIR:** Yes, I understand. I return to some of the substantive issues in terms of the valuation process. When it comes to the compulsory acquisition process, the target is 45 days. I note that JT21 project has seen a reduction in terms of the number of days to complete a determination and that, in the annual report, is 81 days now. Can you tell us how that's been achieved, why it's still not at that 45-day target and if that 45-day target is indeed possible to achieve at all?

**DAVID PARKER:** Yes, certainly. We need to divide the just terms matters into two groups. the pre-Just Terms 21 matters that we call the "backlog" and the post-Just Terms 21 matters. Just Terms 21 requires a significant change in culture by the just terms team to move things along quickly with a view to getting an outcome. At the moment the Just Terms 21 matters are moving in the right direction. The time it takes to get a determination is improving. The executive director, together with the director valuation practice, is currently managing the major Sydney Metro acquisitions in the CBD. They're being done on Just Terms 21, and the team has put in what appears to be an effective framework for determinations to move through much closer to 45 days. Going forward, we appear to have a system that, if we get some cultural adaptation, will work well. The backlog is somewhat more challenging to deal with. It's an issue that is discussed every week with the executive director. The progress in clearing the backlog is, regrettably, much less than I would have hoped it would be. I was hoping to come to this meeting to say the backlog had been cleared. Regrettably, that's not the case.

**The CHAIR:** Have you given consideration to the report with respect to the acquisition of properties for major transport projects from Portfolio Committee No 6 – Transport of the Legislative Council? Is that something you're familiar with at all?

**DAVID PARKER:** I'm familiar with it. I have a general understanding of the committee's recommendations. I understand the department has contributed to the whole-of-government response. I'm currently considering whether I'll make a separate response.

**The CHAIR:** I turn to some of the recommendations that emanated from that report with respect to the Land Acquisition (Just Terms Compensation) Act and seek your views. Recommendation 3 of that report recommends amending section 10A:

... to ensure that:

- acquiring authorities are obliged to genuinely negotiate;
- letters of offer are provided soon after the negotiation period commences, with a reasonable amount of information provided to affected owners on the basis and breakdown of offers;
- acquiring authorities provide partial upfront payments to affected owners ... ;
- acquiring authorities ensure the independence of valuers and where conflicts of interest arise these are drawn to the attention of the owner;
- owners can access an independent mediator, if requested.

I seek your views with respect to that recommendation. You can take it on notice if you'd like to provide a more considered view.

**DAVID PARKER:** No, because none of those issues actually affect me. As a party looking in on part of the process in which I'm not involved, there would appear to be helpful recommendations for government to consider.

**The CHAIR:** Recommendation 8 of that report states:

That the NSW Government undertake an investigation into the workings of the office of the Valuer General NSW, with this investigation to include a root cause analysis of the delays in the provision of determinations and an audit of a sample of determinations from the last 5 years to ensure compliance with legislation and case law.

Is that a recommendation that you'd support?

**DAVID PARKER:** In principle, yes. The report has rather loose usage of "the Valuer General", "Office of the Valuer General" and "VG NSW", which is one of the issues we may care to go back to the committee on. But, in principle, an external view on the causes of the delay would be helpful.

**The CHAIR:** Do other Committee members have any questions? Mr Kamper, Mr Searle or Mr Provest?

**The Hon. ADAM SEARLE:** Nothing further from me, Chair.

**The CHAIR:** There being no further questions from Committee members, that concludes our hearing for today. I thank all of the witnesses for their attendance today and for appearing before the Committee. A number of questions were taken on notice. The secretariat will be in touch in terms of the time period required to answer those questions. Those replies will form part of your evidence. I also thank the Committee members, Hansard, the staff of the Department of Parliamentary Services and all of the Committee staff for their assistance in today's hearing.

**(The witnesses withdrew.)**

**The Committee adjourned at 11:24.**