

Valuer General's Office

Final Report

2000/2001




To the Hon Alannah MacTiernan BA LLB BJuris JP MLA

Minister for Planning and Infrastructure

In accordance with Section 62 of the Financial Administration and Audit Act 1985, I hereby submit for your information and presentation to Parliament the Report of the Valuer General's Office for the financial year ended 30 June 2001.

The Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.



**G FENNER
VALUER GENERAL
REPORTING OFFICER**

31 August 2001

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The Valuer General's Office (VGO) is a medium sized State Government organisation that provides independent and impartial property valuation and information services to Government, its agencies and instrumentalities.

The VGO was established in 1979 as a central valuation authority to administer the Valuation of Land Act 1978 (Act). Its primary function is to record and co-ordinate values, and carry out values on property for all rating and taxing purposes.

The main philosophy of this legislation is that property values represent the most equitable basis for determining rates and taxes. The Act would confirm impartiality of the Valuer General on all valuation matters.

KEY ACTIVITIES

Our business activities cover the entire State of Western Australia and the Indian Ocean Territories of Christmas Island and Cocos (Keeling) Islands.

During 2000/01, 107 property valuers of the VGO made approximately 1.39 million values. The VGO makes values of every rateable and taxable property in Western Australia (WA) and about 1.24 million values are provided to rating and taxing authorities.

All local governments use these values as a basis for collecting rates. The Water Corporation uses the values to determine sewerage and drainage rates. The State Revenue Department uses them as a base for the determination of land tax.

WA ratepayers rely on this Office for the provision of a fair, impartial and equitable rating base.

The VGO also provides an independent property valuation and consultancy service to State Government, local government and statutory authorities. Such values are made for a variety of reasons including sale, purchase, lease or compensation, stamp duty assessment, financial asset management and reporting.

The VGO has maintained a comprehensive database containing information on all rateable and State Government owned properties in WA. This information is strategic to Government as well as being central to the provision of VGO's products and services.

Some information contained in the database is sold to the property industry and the wider community. The VGO is the prime source of property related information used by the real estate industry and other property professionals in WA.

OUR MISSION

To provide Government and our clients with an effective and impartial valuation and property information.

OUR VISION

To set the standard in the provision of rating and taxing valuations and to be the preferred provider of valuation services and property information to our clients.

OUR ROLE

Under the Valuation of Land Act, the VGO's role is to make valuations for rating and taxing purposes; maintain valuation rolls of all rateable land in the State; make valuations for other purposes for Government departments; and exercise independent judgement in valuing any land.

VGO STRUCTURE

The VGO is structured into two divisions: Metropolitan and Country, and has a separate Regulatory and Advisory Section which reports directly to the Valuer General.

The Divisions, which report through a Chief Valuer, undertake all valuation activities in terms of geographic location and deliver services from the central headquarters in Perth, a Regional Office in Bunbury and a District Office in Albany. The Corporate Services Branch reports through the Metropolitan Division and the Information Systems Section reports through the Country Division.

KEY OUTPUTS

The Office produces eight outputs, which are grouped into three distinct key output categories of rating and taxing valuations, other valuations and advisory services. Under the Valuation of Land Act, the Valuer General is required to complete and maintain valuation rolls. The valuation rolls are a formal record of all rateable land in the State. Both gross rental values and unimproved values are recorded in the valuation rolls.

Table 1 shows that nearly 90% of the total number of values made are for rating and taxing purposes. The remainder of our outputs is provided as independent property valuation and consultancy service to State government, local government and statutory clients.

OUR PEOPLE

The staffing level outcome is 193.5 on a full time basis and total number of people employed is 212. Approximately 60% of the total budget is spent on salaries and other staff related costs.

Graph 1 shows staffing levels fluctuating from one financial year to another reflecting the cyclical nature of the valuation program. The number of employees peaked during 1998/99 when the new computerised valuation system (ValSys) was developed and commissioned for valuation work.

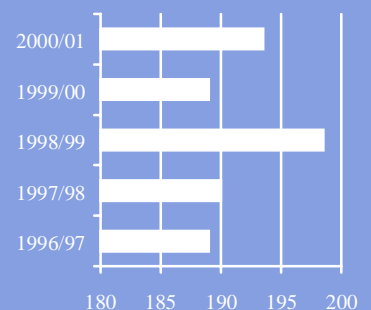
The range and complexity of property types in the State requires our valuers to use the most appropriate and generally accepted valuation methods. To ensure accuracy and consistency, valuers adhere to Office policies, procedures and guidelines based on accepted principles of valuation.

The Office is widely recognised and respected as a training ground for university graduates in the valuation field. In-house experts in the fields of information technology, human resource management, finance, policy and planning are also crucial to the achievement of corporate objectives.

TABLE 1
Key Outputs

TYPE	NUMBER
RATING AND TAXING VALUATIONS	
Unimproved Values	800,710
Gross Rental Values	442,129
OTHER VALUATIONS	
Asset Values	122,488
Plant & Equipment Values	2,160
Market Values	8,719
Stamp Duty Values	6,538
Consultancy Number of Jobs	2,167
ADVISORY SERVICES	
Property Information Number of Requests	27,343
TOTAL NUMBER OF VALUES <i>(Excluding Consultancy and Property Information)</i>	
	1,384,911

GRAPH 1
Staffing level
(Full Time Equivalents)



IMPARTIALITY

The values provided are based on sound valuation principles and methodologies. It is central to our philosophy that the Office provides valuations to all clients, free of any consideration of the results to be achieved by their use.

Notwithstanding the statutory requirements, these principles ensure that the purposes of the valuation cannot and should not affect the valuation itself.

The VGO's own codes of conduct and the Australian Property Institute code of ethics underpin this concept of impartiality.

GOALS AND OUTCOMES

Primary customers of the Office are Government, local government, public sector agencies and public sector corporations.

Our goal is to contribute to Government's desired outcomes by providing a reliable, equitable and independent valuation base for State and local government to use:

- as a base for determining State Government taxes and charges,
- as a base for determining local government and Water Corporation rates,
- as an impartial valuation service to protect the public interest in regard to land purchase, sale, lease and compensation by Government,
- as a reliable source of land and property information to enable informed decision making by Government,
- as an aid for planning and allocating funds at a regional and local level by State and Commonwealth Grants Commissions,
- for effective management and financial reporting of property assets, and
- as a source of reliable land and property related information for the business sector and the public.

The VGO also serves a broad range of other clients such as the real estate industry, professional organisations, specialist groups and the general public. The business activities of the VGO will have an impact on WA ratepayers and as such these ratepayers are regarded as customers.

The Office operates in a manner that is consistent with promoting the collective interests of our clients and responds to their requirements by providing products and services that meet identified needs. We aim to provide the quality and flexibility of service needed in today's changing market.

VALUER GENERAL'S OVERVIEW

This report is the last for the Valuer General's Office as an independent reporting entity. Our outcomes for the period have demonstrated both industry leadership and excellence in the provision of rating and taxing valuations.

Our challenge for the future will be to maintain the independence and quality of advice under the new organization structure. From July 1 2001 my office is to be integrated with the Department of Land Administration under a transitional arrangement, in accordance with the recommendation of the Machinery of Government Taskforce review.

I am confident that the staff of the Valuer General's Office will continue to meet the challenge of change and this final report will provide a benchmark to measure the success of that change in the future.



G FENNER
VALUER GENERAL

31 August 2001

RATING AND TAXING VALUES

Valuation Rolls

Rating and taxing values refers to the provision of complete and accurate valuation rolls to rating and taxing authorities as a basis for them to raise revenue. Valuation rolls are a formal record of all rateable land in the State. They include the rateable values and the date at which a rating and taxing authority can apply the value as the basis upon which rates and taxes are levied, for example, land tax, local government rates and Water Corporation rates.

Gross Rental Values and Unimproved Values

Valuations are used as the basis of levying land and property based rates and taxes. Gross rental value is a statutory concept of value, which reflects the gross annual rent deemed payable by a tenant to an owner in one year and includes rates and other outgoings.

Unimproved value is also a statutory concept of value which envisages the land as being in its virgin state (outside a townsite) or vacant except for merged improvements (within a townsite) but enjoying all external factors which influence value. The definition of unimproved value can vary with land use and tenure and in some cases is based on a statutory formula.

The Valuation of Land Act defines both of these value types.

Users of Rating and Taxing Values

Gross rental values are used by the Water Corporation and Country Water Boards as a rating basis for the determination of sewerage and drainage rates and by local governments as a base for the determination of council rates.

Unimproved values are used by the Commissioner of State Revenue as a base to determine land tax and by local government to determine council rates in rural and fringe metropolitan areas.

General Valuations

Maintenance of the valuation roll involves making periodic revaluations of the gross rental values and unimproved values of all rateable land contained in the roll. These are termed general valuations. A general valuation of unimproved values is carried out annually for the whole State. Gross rental value general valuations are carried out on a triennial basis in the Perth metropolitan area and on a 4 - 5 yearly cycle in country areas of the State.

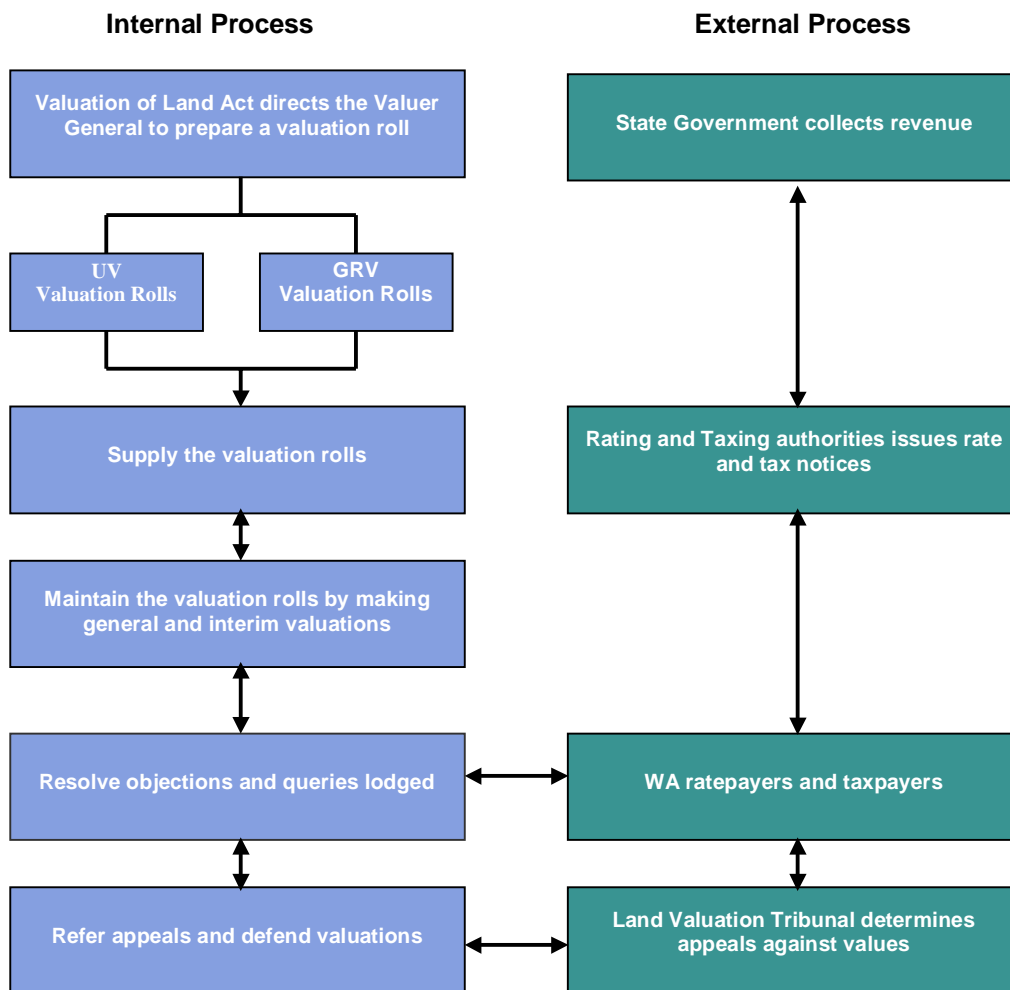
Interim Valuations

The valuation rolls are amended between general valuations to take account of changes to property such as new buildings, additions and subdivisions during this time. Valuations for properties must be assessed as if they had existed in their changed form at the time of the last general valuation. These amendments are termed interim valuations and are supplied to the rating and taxing authorities for their amendment of rates and taxes charged.

Objections, Queries and Appeals

Under the Valuation of Land Act, ratepayers have the right to object to values upon which their rates and taxes are based. The Office also attends to queries raised in regard to these valuations. Any owner of land who is dissatisfied with the outcome of an objection can request the Valuer General to refer the matter to the Land Valuation Tribunal as a formal appeal.

Figure 1 The VGO’s Role in the WA Rating and Taxing System



OTHER VALUATIONS

Other valuations is the broad heading that encompasses stamp duty valuations, market valuations, asset valuations, plant and equipment valuations, and property related consultancy services.

These value types are grouped together as they are determined on the basis of valuation industry standards, methodology and case law as opposed to a statutory definition of value.

Stamp Duty Valuations

Stamp duty valuations are made for the Commissioner of State Revenue. The Commissioner assesses stamp duty on the transfer of property based on the market value of the property at the time of transfer.

The Office provides stamp duty valuations on request by the Commissioner, usually where the transfer is between related parties, where no market value is submitted or where the transaction is not considered to be at “arms length”.

Market Valuations

The Office makes market valuations for Government, statutory clients and agencies. They include valuations for the purchase and sale of freehold and leasehold interests in land, determination of rental value of property, arbitration and Court Hearings, insurance purposes, determination of compensation for the loss of an interest in land and setting reserve prices.

Market valuations enable clients to make informed decisions based on impartial and professional advice while protecting the rights of citizens to a fair valuation assessment.

Asset Valuations

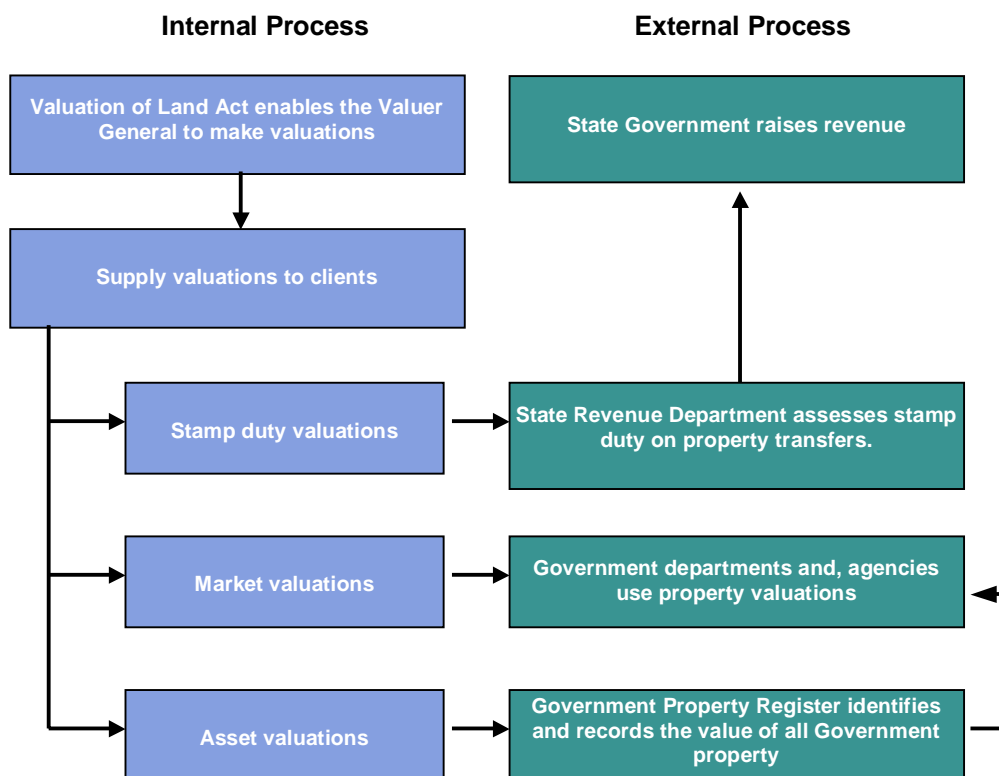
The Office provides land, improvements and total asset value of all land in the Western Australian Government Property Register on an annual basis. The register comprises all land held in the ownership and control of State departments and agencies.

The introduction of accrual accounting to Government financial reporting and recognition of the need for better management of the State’s assets are significant factors behind the determination of these valuations.

The Office also provides a similar valuation service to the Commonwealth Government under a Service Delivery Agreement for the Indian Ocean Territories of Christmas Island and the Cocos (Keeling) Islands, as well as to local governments throughout the State.

Asset values are based on the fair value concept, in accordance with AAS38, as opposed to cost of acquisition (historical cost). Asset values facilitate accountability and management of assets and provide a sound basis to measure property performance.

Figure 2 The VGO’s Role in Government Property Dealings



Plant and Equipment Values

The Office continues to develop its expertise in the area of plant and equipment valuations. These values are provided to Government departments and agencies for their reporting of non current assets and effective management of those assets.

Consultancy Services

Consultancy services are provided to clients where advice on property and valuation matters is sought. This advice is given on a large diversity of topics including one-off requests for research information and research services.

Most consultancy work is provided to Government. Consultancy services are also offered to private clients where it is considered of public benefit and the task cannot be undertaken within the normal private sector market. The Office continues to explore consultancy and advisory opportunities available to it in relation the State and international markets.

ADVISORY SERVICES

Advisory services refers to the provision of property related data, such as sales information, to Government, real estate professionals and the wider community.

Property Information

Property Information refers to the sale of information from the VGO database such as computerised sales lists, annotated cadastral maps and “value watch surveys”.

For several years, the Valuer General has been a primary source of sales information used by real estate agents, professionals and the wider community. Products based on VGO data and research are available for sale to the community at large.

VGO Database

The Valuer General’s Office database has been developed and enhanced over many years. Most of the data has originated from internal sources and hard copy records held by the Office.

In a cooperative effort between the Office and other departments, the Office has been able to access and download information directly. These sources have included the Department of Land Administration, Ministry of Fair Trading and the Water Corporation.

The database is central to all valuation outputs and is particularly relevant to the provision of property information services.

BROAD OBJECTIVE

To set the standard in the provision of independent, accurate and cost effective valuation rolls to rating and taxing authorities.

State and local government use rating and taxing values as an equitable basis for distributing rates and taxes and collecting revenue.

SIGNIFICANT EVENTS 2000/2001

The Office makes gross rental values (GRVs) and unimproved values (UVs) of all rateable land in the State. These values are recorded and maintained in valuation rolls as required under the Valuation of Land Act. Valuation rolls are provided to rating and taxing authorities.

In the year of review, there were seventeen GRV general valuations completed for country local governments. The determination of values for the metropolitan triennial GRV general valuation was commenced and is due for practical completion by 31 March 2002.

The Office achieved its program in relation to Unimproved Values by completing its annual general valuation of the entire state within the target timeframe and under budget in terms of total cost.

The VGO developed computer system (ValSys) played a major role in the production of both types of values and its high level of performance reflected both its original capabilities and further refinements made since going into production in January 1999. The system has been the subject of considerable interest with comprehensive demonstrations provided to delegations from both interstate and overseas. Subsequent contact has indicated that the system will have significant commercial value.

A comprehensive Service Level Agreement was concluded with the Water Corporation in relation to the supply of gross rental values and this will provide the foundation for similar agreements with local governments and State Revenue.

TABLE 2
Overview of operational performance for Rating and Taxing values

	1997/98	1998/99	1999/2000	Actual	2000/2001 Target	Variance
Quantity						
Number of values	1,208,704	1,107,168	906,093	1,242,839	1,214,081	2.37%
Quality						
<i>Accuracy & uniformity:</i>						
<i>Mean ratio test (GRV) ^(a)</i>	n/a	n/a	n/a	94.14%	92.5%	1.64%
<i>Mean ratio test (UV)</i>	92.71%	91.78%	91.77%	91.87%	92.5%	0.63%
<i>Coefficient of dispersion (GRV) ^(a)</i>	n/a	n/a	n/a	5.48%	<15%	9.52%
<i>Coefficient of dispersion (UV)</i>	5.10%	5.99%	4.47%	4.64%	<15%	10.36%
Timeliness						
Completion of GRV general valuations by 31 March ^(b)	96.50% ^(b)	93.86% ^(b)	96.96%	93.30%	>95%	-1.70%
Completion of UV general valuations by 31 May ^(b)	96.50% ^(b)	93.86% ^(b)	89.63%	98.03%	>98%	0.03%

Note: A positive variance number indicates good performance outcome.

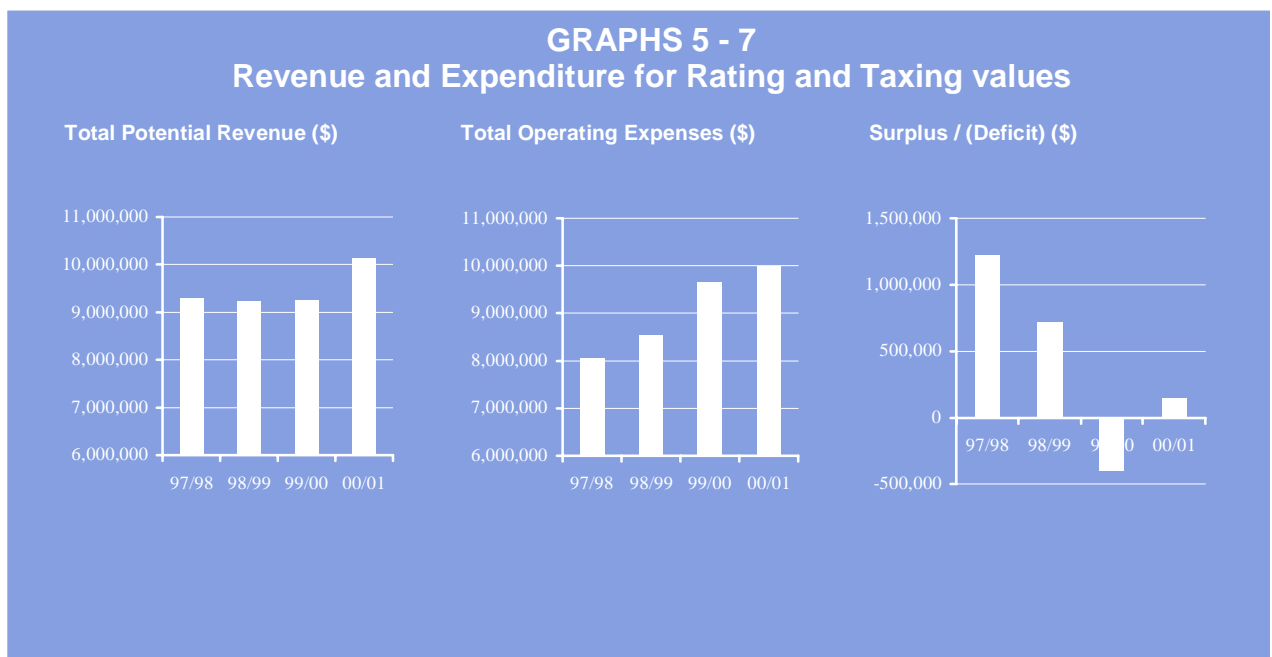
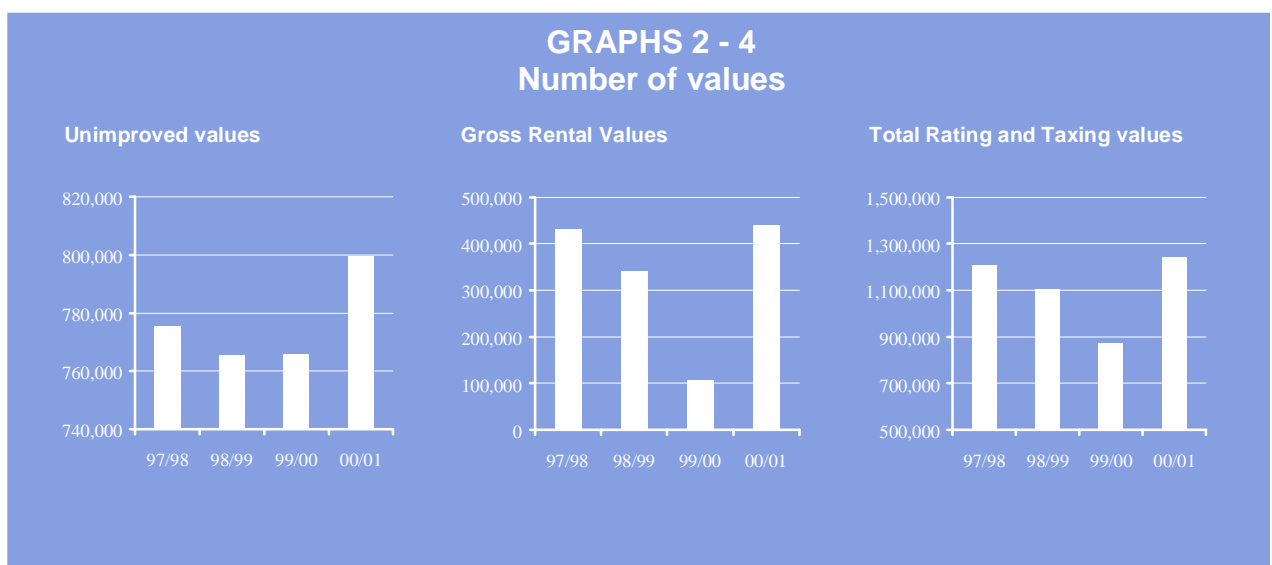
Note (a) Prior to 2000/01, calculations for Means ratio test and coefficient of dispersions relate to unimproved values only.

Note (b) Prior to 1999/00, timeliness relate to the combined outcome of GRV and UV General valuations

OUTLOOK

The Valuer General recognises the need to achieve and maintain a high level of accuracy in relation to its property data. Additional resources provided specifically for the purpose in 2000/2001 will be maintained and the ability to match and download data from other agencies will continue to be expanded.

Experience to date suggests that ValSys has applications that extend beyond our immediate region and further opportunities to market the system will be explored. This matter would take on even greater significance in the event of a sale to those currently demonstrating an ongoing interest.



BROAD OBJECTIVE

To be the preferred provider of a cost effective and independent valuation service to Government.

This class of valuation protects the public interest in land, facilitates the effective management and reporting of the State's assets and enables informed decision making by Government.

SIGNIFICANT EVENTS 2000/2001

The demand for this category of valuation services has been uneven over the last few years. Although these services represent a potential growth area for the Office, we will need to improve our service delivery in a number of key areas.

Response times for market values and consultancies were below the specified target partially due to staff losses in key areas and also due to longer lead times by some agencies. Liaison was maintained with our clients and longer turnaround times for non-urgent requests were negotiated and agreed.

Customer survey results show that 87% of our customers are satisfied with the overall quality of our services they received during 2000/01. Although the satisfaction level is slightly lower than last year's results of 93%, the output measure indicates that we are within range of the 90% operational target.

Emphasis is increasingly on the provision of high quality advice, which is essential for government to ensure the correct outcomes in its property dealings. Standards and procedures are in place and internal quality assurance is carried out to ensure consistency of quality of advice.

OUTLOOK

The Office will continue to make further improvements in the quality of work and expand the range of services currently provided to clients.

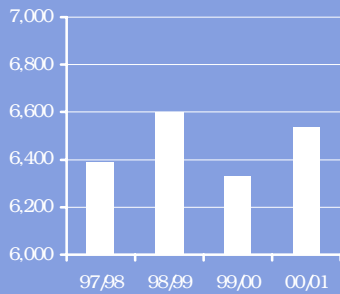
TABLE 3
Overview of operational performance for Other Valuations

	1997/98	1998/99	1999/2000	Actual	2000/2001 Target	Variance
Quantity						
Number of values	155,577	182,104	153,084	139,905	171,344	-18.35%
Number of consultancy jobs	1,368	6,510	3,410	2,167	1,435	51.01%
Timeliness						
Stamp duty values in 10 days	91.46%	85.10%	88.90%	91.00%	80%	11.0%
Market values in 20 days	86.52%	62.70%	56.30%	46.90%	70%	-23.10%
Asset values by 30 June	96.50%	0.0%	0.0%	97.3%	95%	2.30%
Consultancies in 20 days	n/a	77.6%	74.5%	12.3%	70%	-57.70%
Other Output Measures						
Customer satisfaction	69.00%	70.00%	93.20%	87.27%		

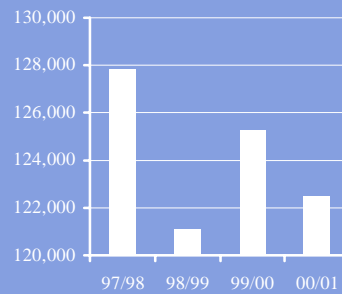
Note: A positive variance number indicates good performance outcome.
Supply of plant and equipment within agreed timeframe is met 100% at all times.

**GRAPHS 8 – 11
Number of values**

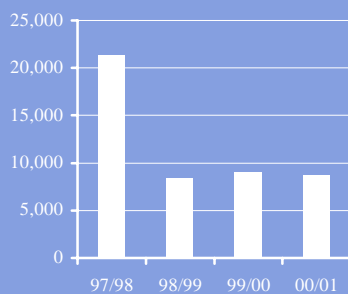
Stamp Duty



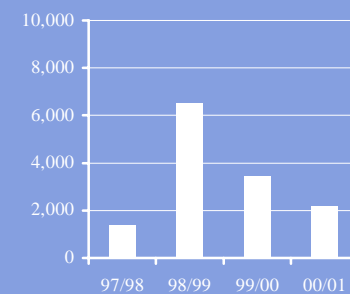
Asset Values



Market Values

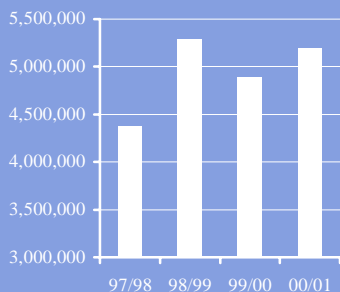


Consultancy

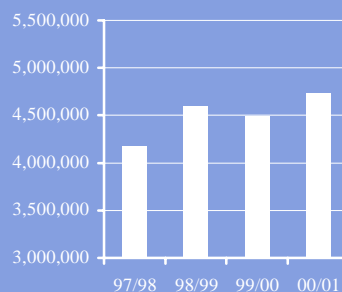


**GRAPHS 12 - 14
Revenue and Expenditure for Other Valuations**

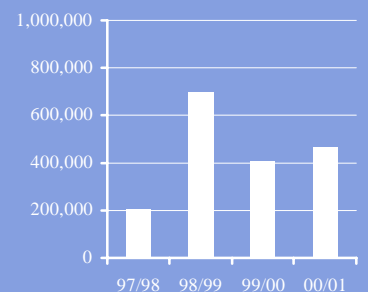
Total Potential Revenue (\$)



Total Operating Expenses (\$)



Surplus / (Deficit) (\$)



BROAD OBJECTIVE

To be the preferred provider of cost effective, reliable and accurate property related information to our clients.

SIGNIFICANT EVENTS 2000/2001

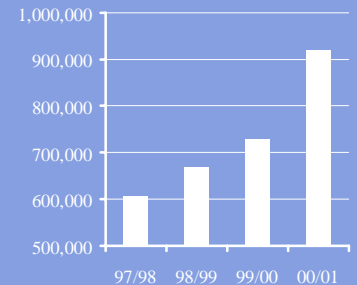
Property information is measured by the total number requests and the revenue generated through the sales of property information to clients. The total number of requests includes the number of sales maps, products and digital data requests for the year.

The number of property information requests has dropped compared to last year's figures. This is because some property information is now supplied through third party providers and a number of clients now receive periodic updates of information rather than making a large number of individual or ad hoc data requests.

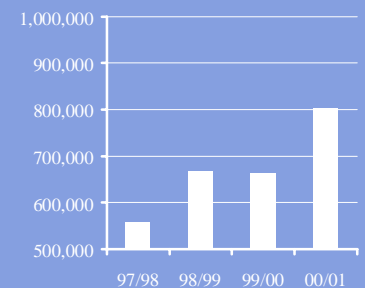
The overall revenue raised has increased significantly for the year by 26% over the corresponding period. This is again partly because of the third party providers and also the volume of property information increasing per request.

GRAPHS 16 - 18 Revenue and Expenditure for Advisory Services

Total Potential Revenue (\$)



Total Operating Expenses (\$)



Surplus / (Deficit) (\$)

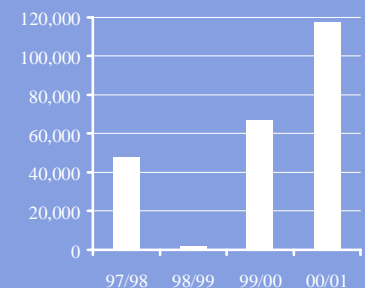


TABLE 4
Overview of operational performance for Advisory Services

	1997/98	1998/99	1999/2000	Actual	2000/2001 Target	Variance
Quantity						
Number of requests for property information	33,461	37,293	42,322	27,343	35,000	-21.88%
Timeliness						
Response time within client requirements	100.0%	100.0%	100.0%	94.10%	100%	-5.90%
Other Output Measures						
Customer satisfaction	n/a	n/a	89.80%	90.77%		

Note: A positive variance number means good performance outcome.

BROAD OBJECTIVE

To provide resources and expertise that sustains a professional and accountable organisation and to provide an environment that encourages employees to work with commitment, enthusiasm and in safety to achieve corporate objectives.

SIGNIFICANT EVENTS 2000/2001

The Office has made changes to its organisational structure during the year. The Asset Valuation section commenced reporting through the Country Division.

Based on 2000/2001 outcomes, performance modelling show that the Office continues to maintain an average productivity growth of 3.2% per annum over the last 3 years.

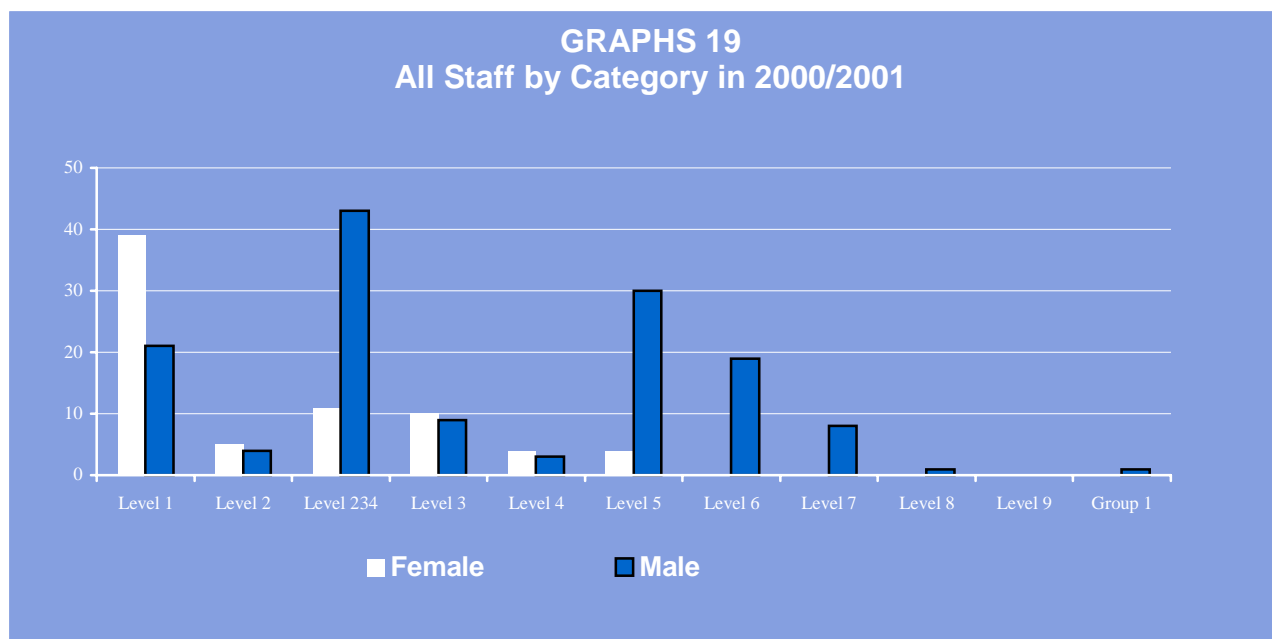
Workplace reform and new flexibility initiatives will result in further efficiencies, greater job satisfaction for staff and increased salaries for staff. The Office undertook an employee opinion survey during the year. Results were analysed and some of the recommendations were implemented including Office-wide refurbishment and an Employee Recognition program.

The Office continues to be recognised for its achievements, receiving a Silver Award from both the Lonnie Panel and the national Annual Reports Award Australia Inc for accountability and disclosure through annual reporting.

Graph 19 shows that most of the female staff occupy clerical positions and form about 10% of all valuers in the Office. The Office will continue to be proactive in its response to the Government Two Year Plan for Women.

OUTLOOK

It is anticipated that the implementation of machinery of government recommendations will involve rationalisation of corporate services. This should result in greater efficiencies across the new land agency.



SIGNIFICANT OUTCOMES

The Office's financial statements are prepared in accordance with Australian Accounting Standard AAS29 as modified by the Treasurer's Instructions. An overview of the significant financial outcomes for the year ended 30 June 2001 is as follows:

An overview of the significant financial outcomes for the year ended June 30 2001 is as follows:

Operating expenses	\$14,877,345
Operating revenues	\$6,854,170
<hr/>	
Net cost of services	\$8,023,175
Revenue from Government	\$9,649,408
<hr/>	
Net change in assets from operations	\$1,626,233

Graphs 20 – 22 show the total revenue and expenditure over the last four (4) years. Total expenditure has increased by an average of 4.8% per annum. This is consistent with increases in services directly affecting the two major expenditure components, namely salaries and the ongoing development and maintenance of the computerised valuation system, ValSys.

Salaries have increased in line with the Government wages policy of an average 3% per annum.

Total revenue (operating revenue plus revenue from Government) has increased at an average of 5.5% per annum. Operating revenue has varied considerably over the four year period, mainly due to the triennial GRV general valuation program

The Office has a net appropriation agreement that has been entered into by the Treasurer and the Accountable Officer. This agreement provides for the retention of all monies received by the Office. The retained revenue may only be applied to the outputs specified in the Budget Statements. Where the Office is able to increase its revenue over expenditure, then the Office is less reliant on funding from Government.

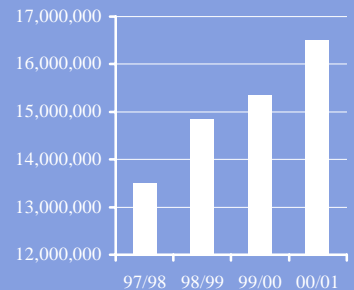
OUTLOOK

Forward estimates of funding arrangements for the Office have been received, however as the budget is to be integrated with the Department of Land Administration in the future the final allocation to the Office is yet to be determined. Early indications reveal a continuation of the trend towards increased reliance on retained revenues (net appropriation) as a source of funding.

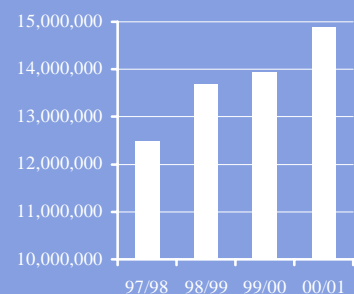
Note: In all graphs, revenue includes consolidated fund moneys, free services and liabilities assumed by the Treasurer. All figures have been compiled on an accrual basis.

GRAPHS 20 - 22 Total Revenue and Expenditure

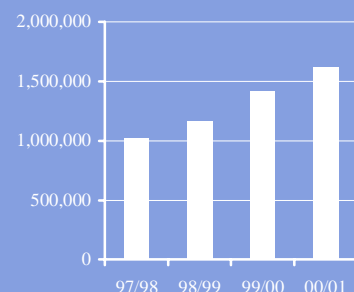
Revenue from Government And Services (\$)

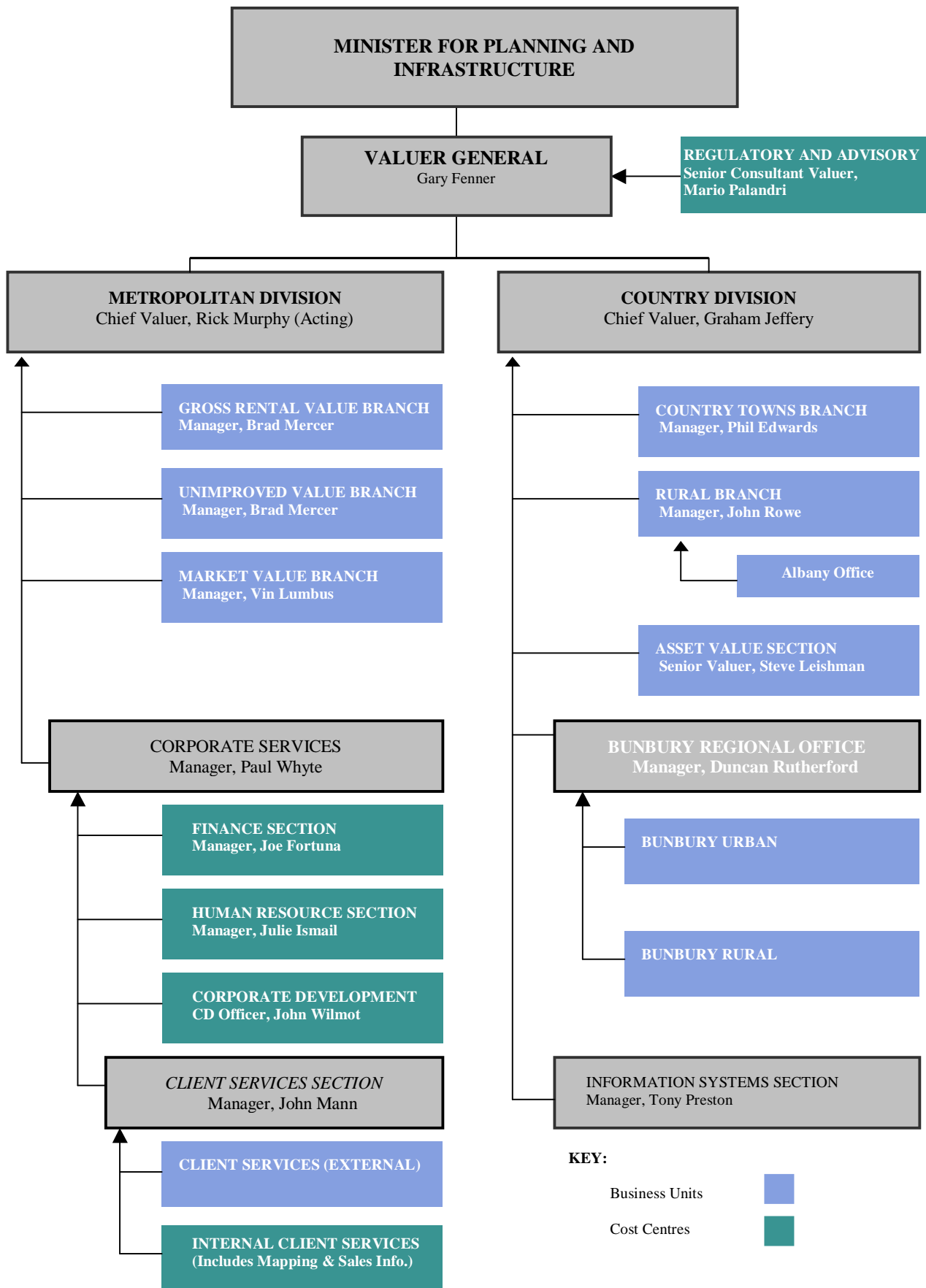


Total Operating Expenses (\$)



Change in Net Assets (\$)





OUTCOME

An effective and impartial valuation service.

State and local government use rating and taxing values as an equitable basis for the levying of rates and taxes and therefore to collect revenue.

BROAD OBJECTIVE

To set the standard in the provision of independent, accurate and cost effective valuation rolls to rating and taxing authorities.

SPECIFIC OBJECTIVES

- General Valuations - to provide complete and accurate valuation rolls relative to a specific date of valuation through the periodic reassessment of the Gross Rental Values (GRV) and Unimproved Values (UV) of all rateable land in the State.
- Interim Valuations - to maintain and amend the valuation rolls to take account of new properties or changes to existing property between general valuations.
- Objections and Queries - to equitably adjudicate objections and informal queries lodged by ratepayers against current values in the valuation rolls.
- Appeals - to attend the Land Valuation Tribunal as the respondent to support values subject to the formal appeal process and to provide expert evidence.
- Clients - to provide all values in accordance with the Valuation of Land Act and within the time frames and formats agreed with clients.

THE YEAR IN BRIEF

The making of rating and taxing values meets the Office's legislative responsibilities under the Valuation of Land Act. Valuation rolls of all rateable land in the State must be completed, maintained, accurate and up to date.

Key requirements were generally met with a level of performance that allowed clients to meet their commitments.

GRV General valuations were 93.30% completed by 31 March which is considered a reasonable outcome compared to the target of 95%.

The annual UV general valuation of the whole State was completed on time with values coming into force for the financial year 2000/2001.

The accuracy and uniformity of the UVs were found to be very good when measured against pre determined benchmarks, themselves based on international standards.

Over 1.24 million rating and taxing values were made in 2000/2001 at a total cost per value of \$8.03 and a total revenue exceeding this at \$8.15 per value. Each full time equivalent employee made an average of 9,791 rating and taxing values, which exceeded expectations.

Table 5 provides an overview of performance in relation to key output measures and Table 6 compares the outcomes versus the operational targets. More detailed information can be found under Key Performance Indicators.

REPORT ON OPERATIONS Rating and Taxing Values

TABLE 5
Key performance Indicators for Rating and Taxing values

	1997/98	1998/99	1999/2000	Actual	2000/2001 Target	Variance
Quantity						
Total number of GRV values	431,821	339,944	126,464	442,129	427,173	3.50%
Total number of UV values	776,883	767,224	779,629	800,710	786,908	1.75%
Quality						
<i>Accuracy & uniformity:</i>						
<i>Mean ratio test (GRV) ^(a)</i>	n/a	n/a	n/a	94.14%	92.5%	1.64%
<i>Mean ratio test (UV)</i>	92.71%	91.78%	91.77%	91.87%	92.5%	0.63%
<i>Coefficient of dispersion (GRV) ^(a)</i>	n/a	n/a	n/a	5.48%	<15%	9.52%
<i>Coefficient of dispersion (UV)</i>	5.10%	5.99%	4.47%	4.64%	<15%	10.36%
Timeliness						
Completion of GRV general valuations by 31 March ^(b)	96.50% ^(b)	93.86% ^(b)	96.96%	93.30%	>95%	-1.70%
Completion of UV general valuations by 31 May ^(b)	96.50% ^(b)	93.86% ^(b)	89.63%	98.03%	>98%	0.03%
Efficiency						
Cost per value	\$6.68	\$7.70	\$9.99	\$8.03	\$7.58	-5.94%
Revenue per value	\$7.68	\$8.34	\$8.83	\$8.15	\$8.97	-9.14%
Values per FTE	9,882	9,381	7,842	9,791	9,653	1.42%
Note:	A positive variance number means good performance outcome.					
Note (a)	Prior to 2000/01, calculations for Means ratio test and coefficient of dispersions relate to unimproved values only.					
Note (b)	Prior to 1999/00, timeliness relate to the combined outcome of GRV and UV General valuations					

TABLE 6
Number of Rating and Taxing values made

	Gross Rental Values		Unimproved Values	
	Target	Actual	Target	Actual
General Valuations				
Metropolitan	311,839	318,037	472,800	485,397
Country	64,950	71,300	270,500	279,671
Total	376,789	389,337	743,300	765,068
Interim Valuations				
Metropolitan	35,750	34,903	13,000	10,357
Country	14,000	16,452	29,100	24,107
Total	49,750	51,355	42,100	34,464
Objections				
Metropolitan	160	375	450	370
Country	150	190	430	380
Total	310	565	880	750
Queries				
Metropolitan	160	635	260	268
Country	145	231	330	151
Total	305	866	590	419
Appeals				
Metropolitan	16	6	23	5
Country	3	0	15	4
Total	19	6	38	9
TOTAL	427,173	442,129	786,908	800,710

OUTLOOK

The cyclical nature of the general valuation program in the metropolitan area impacts considerably on forward planning in relation to workload, particularly next year being the final year of this triennial cycle.

With many of the valuations determined using computer assisted techniques the quality of the base data is crucial to the outcome. In this regard there is commitment to improving the property records to ensure the integrity of values determined for the 2002 triennial GRV general valuation.

Benchmarking of quality and cost will continue to ensure that the values, the basis upon which the State raises much of its revenue, are accurate and cost effective.

MAJOR PLANNED INITIATIVES

- Continue to develop client access to spatial and textual data contained within the valuation roll and property database using online and internet based technology.
- Continue an intensive program of data verification and quality assurance to ensure integrity of Gross rental Values and data sales.
- Continue to develop service level agreements with major clients.
- Complete a review of the Valuation of Land Act regarding the interpretation of UV in relation to restrictions on use; and the appropriate percentage of capital used to determine assessed value.

GROSS RENTAL VALUES

GRV General Valuations

The out-turn for the statewide program was generally in line with expectations in terms of values made, resources used and actual cost. The actual revenue reported is below target but explained by the fact that the revenues for the metropolitan program are for works in progress. Final revenues in 2000/2001 will bring this three year program into balance.

Metropolitan Division

The year in review saw the commencement of assessing for the general valuation due to come into force from 1 July 2002. Commencement of the program was delayed due to the greater than expected number of queries and objections for reasons outlined below. Nevertheless the target number of trial values were completed in the period.

Full use of the entire suite of computer assisted software had been utilised for the first time. This has permitted valuers to apply a greater degree of differentiation and accuracy than was previously possible.

Country Division

Seventeen country local government districts were scheduled and completed. While the percentage completed at 31 March 2001 was 93.3% against a target of 95%, values were supplied to all clients within the timeframes individually agreed. The total number of values made was a little above expectation. The total cost per value was higher than expected due to the increased use of less experienced valuer resources and a consequential fall in values per FTE.

GRV Interim Valuations

Interim values are made to reflect changes in the physical circumstances or development potential of land subsequent to a general valuation.

Metropolitan Division

While the post GST volume of domestic construction slowed significantly, the total number of values made matched the target due to an increased focus on minor construction works that had previously gone unreported.

The outcome 86.6% against the target of 90% within 30 days in terms of response times was a significant improvement over the previous year (73%) and was due to an increase in resources and a focus on controls.

Country Division

While volumes were up 17.5% the increase in resources used was at a higher rate resulting in a 25.9% increase in cost per value. While a portion of interim costs is properly recovered through general valuation revenues, the out-turn translated into a greater loss on this component than was budgeted. This situation is being addressed through close management control for next year.

GRV Objections and Queries

Objections can be lodged by ratepayers against a value on the roll. To be considered as an objection the application must conform to requirements of the Valuation of Land Act. The status of a query is given to correspondence that is either outside the statutory time period or does not provide sufficient information to be treated as an objection.

Metropolitan Division

The numbers of objections and queries were greatly in excess of expectations, almost entirely due to an adverse response to the review of values that had occurred in the latter half of 1999/2000. Despite the dramatic increase in volumes, turnaround times considerably bettered the target (84% against a target of 75% within 90 days) due to the redirection of resources from the general valuation program and the overall cost per unit was in line with expectations.

Country Division

The total dealt with was 43% above target but these were handled with slightly lower than budgetted resources resulting in a reduced cost per unit than expected. Turnaround times were marginally below target and considered reasonable given the increase in volumes and the extra difficulties inherent with country located work.

GRV Appeals

Owners who remain dissatisfied as a result of an objection may refer their objection to the Land Valuation Tribunal as an appeal.

There were a total of six GRV appeals determined by the Tribunal of which two were allowed. Outcomes in terms of FTE utilisation were slightly higher than expected due to the increased complexity of the appeals heard in the period.

UNIMPROVED VALUES

UV General Valuations

The State wide annual program was completed with values coming into force for the financial year 2001/2002. Valuations are relative to a date of valuation of 1 August 2000. The total number of values determined was 765,068, in line with expectations.

Overall this statewide project showed the production of 3% more values than expected but at a cost per value 10% lower than anticipated, representing a very satisfactory result. The values were completed and provided within the predetermined timeframes and in terms of the disclosed levels of accuracy and uniformity were well within the international standards upon which our Key Performance Indicators are based. Refer to specific section for actual outcomes.

Metropolitan Division

The year saw further refinements to the computer assisting techniques which further streamlined the process of producing annual valuations. Both targets in terms of delivery were met with 98.26% of preliminary values (target 98%) and 99.82% of final values (target 100%) supplied by the due dates. In addition the special requirements of our major client, State Revenue were met with the provision of a preliminary Roll containing values for 97% of all land within their requested timeframe.

Country Division

Similar to the overall state results, the numbers of values and cost per value were both positive results for the country areas.

UV Interim Valuations

Interim values are made to reflect changes to land, primarily due to subdivision and altered development potential.

The overall result for the year's operations in terms of the margin between total cost and revenue was in line with expectations despite the total number of values made being significantly down. The lower than predicted total numbers is explained by the fact that while it was known that the introduction of GST would cause a far greater number of mining tenement values to be reviewed, the final total was below the original estimate.

Metropolitan Division

The actual number of values was 10,375 and below the target of 13,000. This was due to the slowdown in subdivisional activity in the post GST reduction in new home building. There was a compensating reduction in resource utilisation such that the ratio of cost/revenue per value was in line with that initially predicted. The target turnaround time of 90% in thirty days was matched by the out-turn of 88.22%.

Country Division

Actual numbers were well below target, primarily due to lower than expected numbers done in relation to mining tenements. The southwest area went against the trend of the rest of the state reflecting the increased activity in that region.

The overall cost/revenue per value ratio was a little higher than expected because of the reduced overall activity however not to any significant degree.

UV Objections and Queries

Metropolitan Division

Both the numbers and cost per unit were below target and therefore represented a very satisfactory outcome.

Response times were considerably better than the target (95% against a target of 70% within 90 days).

Country Division

The total numbers were 43% above those expected but the cost per unit was below that targeted. Response times were below the target (62% against a target of 70% within 90 days) but this is due to the extra difficulties involved with re-inspecting distant properties and is in line with previous outcomes.

UV Appeals

The number of Appeals determined was well below expectation but this is a number that is very difficult to predict and varies considerably from year to year. The cost per Appeal is sensitive to the number and complexity of appeals. The overall utilisation of resources on this component is relatively small therefore variations from targets are both expected and can be managed.

BENCHMARKING QUALITY

This key performance indicator assists users to assess the extent of accuracy and uniformity of the valuation rolls and therefore whether rates and taxes across the State are levied on an equitable basis. Accuracy and uniformity of rating and taxing values is benchmarking against international standards. These are the Mean Ratio Test (MRT) and Coefficient of Dispersion (COD).

Valuation Rolls are provided to rating and taxing authorities and contain unimproved values (UV) and gross rental values (GRV) of all rateable land in the State. Rating and taxing authorities use these values as the basis upon which to levy rates and taxes such as local government rates, sewerage rates and land tax.

Unimproved Value (Site)

This test applies to site value for non-metropolitan cities, towns and the metropolitan area of Perth.

A total of 2389 sales were tested showing an MRT of 91.87% and a COD of 4.64%. These are excellent outcomes when compared to the targets of MRT 92.5% and COD of 15%. A coefficient of dispersion of 5 or less is an exceptional result.

Unimproved Values (Rural land outside the Metropolitan Region and Townsites)

For the second year the accuracy and uniformity tests were applied to the unimproved values of agricultural land in Western Australia. In rural areas sales evidence is less consistent. Although these ratio tests have been carried out, the results are not expected to match those revealed in urban areas.

The overall target of the Rural MRT in agricultural areas is between 80%-90% of sale price. The achieved MRT for the Rural Unimproved General Valuation is 81.12%. The result is at the bottom of the acceptable range and the value level tends to be a conservative reflection of the market.

The target COD (uniformity check) applied to rural land is less than 25. The achieved COD of 21.8% is below this target, indicating that there is a satisfactory level of uniformity within the sample of sales tested.

Gross rental values

During the year, seventeen General Valuations were completed in country local governments dispersed throughout the State. The GRV's are used by the Water Corporation, local governments and other approved bodies for rating purposes.

The Valuer General's Office is in the third year of testing GRV's. Currently there are no published accuracy and uniformity benchmark indicators for rental values other than those used for rating and taxing purposes by the Valuer General.

This year, a sample of 458 rental properties was tested. The test produced a COD of 5.47 and Mean Value/Price (VP) Ratio of 94.14. Measured against a target COD of less than or equal to 7% and a VP ratio of 92.5%, the results are considered to be very satisfactory with a high degree of uniformity and values assessed close to market rental levels.

OUTCOME

An effective and impartial valuation service.

This class of valuation protects the public interest in land, facilitates the effective management and reporting of the State's assets and enable informed decision making by Government.

BROAD OBJECTIVE

To be the preferred provider of a cost effective and independent valuation service to Government.

SPECIFIC OBJECTIVES

- Stamp Duty Values - to determine market values for the Commissioner of State Revenue, used to assess stamp duty on the transfer of property ownership.
- Market Values - to provide market valuations in relation to land purchase, sale, lease and compensation by Government.
- Asset Values - to determine up to date asset values for State and local government properties for inclusion in the Government Property Register (GPR) and to enable effective reporting.
- Plant and Equipment Values – to provide accurate valuations of plant and equipment to ensure the State's assets are properly recorded in agencies' accounts and for good management of those assets.
- Clients - to provide clients with all values within agreed time frames and formats.

THE YEAR IN BRIEF

The Valuation of Land Act enables the Office to make valuations of land for any Government department, agency, instrumentality, person, body or authority which has the power to acquire or dispose of land.

Accordingly the Office provides a property valuation service to Government and its agencies for a variety of reasons including sale, purchase, lease or compensation, stamp duty assessment, financial asset management and reporting.

Response times for market values suffered with only 46.9% being turned around in 20 days against a target of 70%. However, more clients are requesting valuations with greater lead times, which in turn affects the turnaround time. Consultation with clients also ensured that urgent and higher priority valuations were completed in accordance with their expectations.

122,488 asset valuations for the Government Property Register amounting to 97.3% of the target were available as at 30 June 2001.

The demand for and consequent supply of plant and equipment values decreased markedly in contrast to the preceding year. Due to the lack of available resources, the Office was unable to actively pursue any large volume of work of this type. However, there is significant potential growth in this area when the Treasurer's Instruction in relation to the periodical revaluation of non-current assets is implemented across the public sector.

Turnaround times for stamp duty values exceeded the target overall, with the number made being greater than the target and in line with preceding years.

Client surveys were used as an effectiveness indicator to assess the extent to which customer requirements are being met. The survey measures the customers' satisfaction levels with respect to accuracy, quality, timeliness and cost effectiveness of our services.

Cost and revenue figures per value are both higher than targets and past years, while values made per full time equivalent has reduced significantly. These outcomes are due to the decrease in the number of small plant and equipment valuations made compared to 1998/99 and 1999/00.

Table 7 provides an overview of performance in relation to key output measures and Table 8 compares the outcomes versus the operational targets. More detailed information can be found under Key Performance Indicators.

OUTLOOK

The Office is looking forward to another year of steady growth with the emphasis being on further improvements in quality of this work and expansion of services offered.

Trends in the property profession as a whole indicate a movement toward provision of a more consultancy based, portfolio management approach to services.

In line with these trends, the Office will be looking to add value to valuation products and expand services in line with available technology.

A significant factor in the near future is a proposed Treasurer's Instruction relating to the revaluation of non current assets. If implemented, it should significantly increase demand for plant and equipment valuations.

As customers begin to experience improvements to quality and expanded services it is expected that revenues will further improve.

MAJOR PLANNED INITIATIVES

- Enhance the Office's ability to provide a more comprehensive plant and equipment valuation service by further developing the necessary professional skills in-house and in response to increasing demand from clients.
- Increase client awareness of the services that can be provided in respect to valuations for compensation, insurance and reporting purposes.
- Develop a business valuation unit.
- Investigate alternatives that add value to existing valuation services.

STAMP DUTY VALUES

Valuations are made for the Commissioner of State Revenue for assessment purposes to ensure he raises the correct amount of ad valorem stamp duty. The function of the VGO is twofold:

- Ensure duties are levied on an impartial assessment of the value of properties, and
- Provide a check of property descriptions especially in regard to improvements to be included in the transfer.

TABLE 7
Key performance indicator for Other Valuations

	1997/98	1998/99	1999/2000	Actual	2000/2001 Target	Variance
Quantity						
Number of stamp duty values	6,392	6,602	6,331	6,538	6,425	1.76%
Number of market values	21,352	8,369	8,916	8,719	9,040	-3.55%
Number of asset values	127,833	121,112	125,269	122,488	125,879	-2.69%
Number of plant & equipment values	n/a	46,021	12,568	2,160	30,000	-92.80%
Number of consultancy jobs	1,368	6,510	3,410	2,167	1,435	51.01%
Timeliness						
Stamp duty values in 10 days	91.46%	85.10%	88.90%	91.00%	80%	11.0%
Market values in 20 days	86.52%	62.70%	56.30%	46.90%	70%	-23.10%
Asset values by 30 June	96.50%	0.0%	0.0%	97.3%	95%	2.30%
Consultancies in 20 days	n/a	77.6%	74.5%	12.3%	70%	-57.70%
Efficiency						
Cost per value	\$24.48	\$20.47	\$28.70	\$33.30	\$26.20	-21.32%
Revenue per value	\$25.83	\$24.77	\$31.28	\$36.59	\$27.92	31.05%
Values per FTE	2,864	3,510	2,602	2,331	2,918	-20.12%
Other Output Measures						
Customer satisfaction	69.00%	70.00%	93.20%	87.27%		

Note: A positive variance number means good performance outcome.

The number of stamp duty valuations made each year is to a large extent determined by prevailing economic conditions and real estate activity. This year the number of valuations completed was slightly above the target figure and in line with past years' outcomes. The Office aims to provide 80% of values within 10 working days of the request. The outcome of 91% was above the target indicating that staff were able to give priority to this work.

Metropolitan Division

Using a system of sample inspections in conjunction with the property database, the Division was able to achieve rapid turnaround times and low costs per value without sacrificing accuracy.

Country Division

Using a similar system of sample inspections in conjunction with the property database, the urban valuers in Country Division was able to achieve rapid turnaround times and low costs per value without sacrificing accuracy.

The average costs in the Country Division are significantly higher as they include the more complex mining company valuations and farm valuations.

TABLE 8
Number of values made

	Target	Actual
Stamp duty values		
Metropolitan	4,250	4,307
Country	2,175	2,231
Total	6,425	6,538
Market values		
Metropolitan	4,000	3,494
Country	5,040	5,225
Total	9,040	8,719
Asset values		
Metropolitan	38,500	40,518
Country	87,379	81,970
Total	125,879	122,488
Plant and equipment values		
Metropolitan	30,000	2,160
Total	30,000	2,160
Consultancies		
Metropolitan	430	201
Country	800	1,905
Total	1,230	2,106
Public sector obligations		
Metropolitan	90	30
Country	115	31
Total	205	61
TOTAL	172,779	142,072

MARKET VALUES

Market Valuations are made for various purposes for Government, statutory clients and agencies within agreed time frames. They include valuations for:

- Purchase and sale of freehold and leasehold interests in land,
- Determination of the rental value of property,
- Arbitration and Court Hearings,
- Determination of compensation for the loss of an interest in land, and
- Setting of reserve prices.

The Office ensures professional advice is available to Government while protecting the rights of citizens to a fair valuation assessment.

Metropolitan Division

The Metropolitan Division has a branch specialising in providing market valuations. This work area carries a relatively low overhead cost per value because it makes very few rating and taxing values. As such the metropolitan Division has contained costs in the market valuation area and achieved the revenue target per value, showing a margin over cost.

Country Division

The Country Division achieved overall its revenue target per value, with costs per value falling below revenue slightly but still above the budget target.

In the Country Division, which produced 60% of all market valuations, each section undertakes all value types and therefore, the effect of the overhead cost distribution is exacerbated as FTEs are used to distribute costs. This is evident in the Rural Branch where costs per value were significantly higher than the revenue per value.

Revenue was affected by some of the more profitable work falling into the consultancy area. It is recognised that the turnaround time for market values requires improvement with an outcome of 42.6% in 20 days against a target of 70%. This outcome reflects, in part, the distances involved in the country and the fact that many clients do not require valuations with any urgency. Growth in the southwest of the State also placed increased pressure on staff within the Bunbury Regional Office.

ASSET VALUES

The Government Property Register (GPR) identifies land owned by the Crown and its agencies. Valuation data allows the informed management of resources for:

- Measuring performance of the State's property assets using a common valuation base at one date.
- Planning for both disposal and acquisition of property.
- Quantifying the State's assets for reporting purposes and credit rating.
- Inputs into the accrual accounting process.

It is estimated that close to 80% of properties are now at integrity 3, which means the values and description of improvements can be relied upon for management and reporting purposes.

Metropolitan Division

The metropolitan area contains approximately 33% of the properties in the GPR and has a large cross section of property types including some of the most valuable properties. Homeswest is the largest owner of property other than Crown land and land controlled by DOLA. Valuers have focussed on upgrading the quality of the valuation of improvements. Further refinement to the valuation policies in this area was agreed with the Treasury Department to help smooth the introduction of the accounting principle of fair value.

Country Division

Some 67% of all properties within the Government Property Register are outside the metropolitan area. Whilst overall integrity of country asset values has been further improved this year, it is still lower than in metropolitan areas. This is because properties in remote areas will only be inspected in conjunction with other work acknowledging their relatively low value to contain the cost. Many properties are vacant Crown land.

PLANT AND EQUIPMENT VALUES

The Office has developed an accurate and cost efficient system for valuing and reporting agencies assets. The system will allow agencies to report annually in relation to non current assets. It will also provide strategic information that will enable the effective and efficient management of those assets.

This is going to be a growth area in future years and the Valuer General's Office is preparing to meet this challenge.

CUSTOMER SURVEY

Client surveys have been used in the past as a key effectiveness indicator to assess the extent to which customer requirements are being met. Customer satisfaction surveys were not included in this year's Key Performance Indicator report because of the poor response rates from our customers. However, the unreliability of the results is considered to be marginal and can still provide a general indication on the effectiveness of our services.

The survey targeted customers who have purchased values relevant to this output group during the 2000-01 financial year. Most of our customers are from public sector agencies, statutory authorities and local governments.

A total of 155 customers were targeted and 55 responses were received, representing a response rate of 35.5%. Approximately 87.27% of our respondents indicated that they were satisfied with the accuracy and quality of this valuation service. However, with an error rate of 10.6%, the survey result is less reliable when compared to last year's results where 93.2% of the respondents were satisfied with the service.

As Public Sector agencies are the Office's primary customers for Other Valuations, further work needs to be able to meet some client's expectations in the provision of market valuations in respect to quality. A focus of this will be to increase awareness amongst staff of customer needs through specifically targeted initiatives.

OUTCOME

An effective and impartial valuation advisory service.

BROAD OBJECTIVE

To be the preferred provider of cost effective, reliable and accurate property related information and advice to our clients.

SPECIFIC OBJECTIVES

- Property Information - to provide access to a State wide property valuation database that enables customers to be better informed on property matters.
- Database - to ensure the database contains accurate and up to date information.
- Clients - to provide clients with all information within agreed time frames and formats

THE YEAR IN BRIEF

The Office has developed and maintained an extensive database of property related information. This information underpins the Office's ability to provide an effective valuation service, hence the database must at all times be accurate and up to date.

Advisory Services refers to the provision of a property related consultancy service and the sale of information from this database to Government and the wider community.

The number of requests within the Office for property information was less than last year reducing from 42,322 to 27,343. This is due in part to data brokers supplying property information direct to clients and higher volume data requests being received.

TABLE 9
Key performance indicator for Advisory services

	1997/98	1998/99	1999/2000	Actual	2000/2001 Target	Variance
Quantity						
Number of requests for property information	33,461	37,293	42,322	27,343	35,000	1.76%
Timeliness						
Respond to 95% of requests of property information within 1 hour	100%	100%	100%	94.1%	>95%	-039%
Efficiency						
Cost per value	\$16.67	\$17.90	\$15.64	\$29.37	\$17.10	-71.75%
Revenue per value	\$18.10	\$17.85	\$17.22	\$33.66	\$22.85	47.31%
Other Output Measures						
Customer satisfaction	n/a	n/a	89.8%	87.27%		

Note: A positive variance number means good performance outcome. Prior to 2000/01, supply of property information within client requirements is met 100% at all times.

OUTLOOK

It is anticipated that demand for property information will grow in the future. As clients seek faster, cheaper and more convenient ways of obtaining data, the Office will need to establish systems and practices that respond to these requirements.

The Office is well equipped to provide a professional information service. This will be enhanced substantially by the reporting capabilities of ValSys and the ability to further integrate information within the new land agency. This should provide a new range of products and services that will both meet an identified client need and improve our ability to generate revenue in the future.

MAJOR PLANNED INITIATIVES

- Investigate new formats and mediums for the provision of property information, available through the integration of the Office with the Department of Land Administration.
- Extend private sector partnering arrangements for the sale of data.
- Continue to market scanned images of discontinued analog sales maps on compact disc for in house customers and public clients.
- Promote ValSys and associated systems through partnering and other similar venture arrangements with private sector and Government agencies.
- Provide sales maps in digital form.

CUSTOMER SURVEY

Similar to the Other Valuation output, client surveys have been used in the past as a key effectiveness indicator to assess the extent to which customer requirements are being met. Customer satisfaction surveys were not included in this year's Key Performance Indicator report because of the poor response rates from our customers. However, the results can provide a general indication on the effectiveness of our services.

The survey targeted customers who have purchased values relevant to this output group during the 2000-01 financial year. Most of our customers are from government organisations, property profession and the wider community.

A total of 397 customers were targeted and 66 responses were received, representing a response rate of 16.6%. Approximately 89.8% of our respondents indicated that they were satisfied with the accuracy and quality of this valuation service. However, with an error rate of 11.0%, the survey result is less reliable when compared to last year's results where 89.8% of the respondents were satisfied with the service.

BROAD OBJECTIVE

To help achieve corporate objectives by implementing best practice in the acquisition and management of our human, financial, information and physical resources.

SPECIFIC OBJECTIVES

- Planning - to provide an effective strategic planning function and expert advice on issues that impact on the Office in meeting its objectives.
- Finance – to ensure the effective and proper management of the Office’s finances, and that all reporting requirements are met.
- Performance reporting - to effectively evaluate outcomes achieved and to ensure the Office meets all relevant reporting requirements.
- Facilities - to ensure Office facilities and services are provided to a high standard.
- HR Management - to implement and maintain human resource management programs and practices.
- Equity and Safety - to support and maintain programs that promote equity, diversity and safety for all staff in accordance with relevant legislation and standards.
- Workplace Reform - to introduce reforms that improve productivity and flexibility, and reward staff for their contribution to improved productivity through salary increases.
- Training - to provide appropriate training and development opportunities that improve skills and job performance.
- Information Systems - to develop, test, document and prototype information technology solutions that improve the operation of Office systems; and maintain applications to ensure they perform at maximum efficiency.

THE YEAR IN BRIEF

During the second half of the year in review, a change of Government took place as a result of State election. The newly elected Premier Dr Gallop formed a taskforce and implemented a review of the machinery of government in Western Australia. The outcome of the review and corresponding policies of Government had a significant impact on the objectives and planned initiatives of the Office.

The Office continues to use the Multi Factor Productivity model to measure its overall performance from year to year. The productivity growth of the Office has averaged to about 3.2% per annum over the last three years.

An employee opinion survey was conducted during the year to help facilitate the development of new workplace initiatives. Some of the proposed initiatives that were implemented include the refurbishment of the whole of Office and an employee recognition program.

The Office received two awards for its 1999/2000 Annual Report. Both were silver awards from the Lonnie panel and the national Annual Report Awards Inc. These awards recognise achievement in accountability and disclosure through annual reporting.

OUTLOOK

One of the recommendations of the Review of the Machinery of Government is to merge the operations of the Valuer General's Office with those of the Department of Land Administration and form a new land administration agency within the portfolio of the Department for Planning and Infrastructure.

The next year will be significant in the alignment of non-core business support areas of the Office within the new agency and how it will conduct its business, especially in the area of Corporate Services. Major challenges facing management will be the ability to respond to ongoing change and to strive for economic viability from the limited resources available. Effective leadership will be essential to provide the impetus for managers to guide the organisation to success in an ever broadening and competitive environment.

The impact of e-business will have to be taken advantage of to ensure that the Office is best able to respond to Government and clients. This will see continuing changes in internal culture, skills and business processes.

MAJOR PLANNED INITIATIVES

- Integrate Office policies and procedures to ensure consistency and compliance across the new land agency.
- Centralise the provision of corporate services within the new land agency.
- Continue to develop and raise awareness of property related information products and services and enhance this by combining resources within the new land agency.
- Extend the Geographic Information System to enable the Office to display property information on electronic maps for the provision of rating rolls to clients.
- Expand and streamline client access to spatial and textual data contained within the valuation roll property database using online technology.
- Completely review and implement a more effective intranet service for staff to make accessibility to internal policies and procedures easier and to ensure important information is effectively communicated across the new land agency.
- Recommence the workplace reform process with the aim to introduce new initiatives within the provisions of the relevant Enterprise Bargaining Agreement.

INTELLECTUAL PROPERTY

Crown Law advice is that the Office owns intellectual property in the form of its developed mass appraisal valuation systems. Opportunities to exploit this asset through national and international licensing arrangements are being considered.

PRODUCTIVITY

The Office has continued to use the Multi Factor Productivity (MFP) Model to measure the productivity for the whole of Office. The model also enables employee and Government share of productivity to be easily identified.

The model shows a productivity growth averaging 3.2 % per annum over the last three years. As a result of the Office achieving real and ongoing productivity improvements during the past three years, staff have been recognised for their efforts in the form of salary increases. These are within Government Wages Policy.

RISK MANAGEMENT PLAN

The risk management plan is reviewed annually. Policy has been established and determines management responsibility for maintenance of the plan and ongoing identification, assessment and treatment of risks.

DISASTER RECOVERY PLAN

A Business Continuity and Disaster Recovery Plan has been operational since 1995 and has been continually reviewed and updated. Issues have been addressed through the adoption of appropriate strategy.

PRICING POLICY AND CHARGES REVIEW

Fees and charges are reviewed every year to ensure that clients receive fair value for services provided and to earn sufficient revenue for financial viability by recovering the total cost of operations.

The Office completed its competitive neutrality review, as required by the National Competition Policy under the Competition Principles Agreement between the State and Commonwealth Governments.

The review ensures that any competitive advantages and disadvantages of being a Government agency are taken into account when considering fees and charges. This is to ensure the service and applicable charge is comparable in the open market.

The Office publishes a schedule of fees and charges as a brochure every year.

CUSTOMER FOCUS

Good customer services and client relations are fundamental to the Office's operation and delivery of its products and services. The Office strengthened its customer focus during the year with the continuation of a range of initiatives designed to understand and respond to customer needs. These included:

- The continuation of the Customer Service Council,
- A comprehensive customer survey and analysis of results,
- Review of performance indicators in line with identified customer needs,
- Review of all Office publications to ensure their relevance to customers and other potential users,
- Formal reporting of all customer feedback through attendance at public meetings, valuer contact with clients and ratepayers, and through direct contact with customers at the public counter,
- Research into, and expansion of, the types of media in which information is provided to customers.

FREEDOM OF INFORMATION

During this reporting period, ten applications under the Freedom of Information (FOI) Act were lodged. Quarterly reports to the Office of the Information Commissioner were submitted throughout the year to comply with legislative requirements.

The Office has introduced a comprehensive FOI policy manual, which is used by staff when dealing with applications. The aim of the manual is to set out the criteria applied in making a decision regarding public access to documents held by this Office. The manual is read in conjunction with the Act. The Office also publishes a Freedom of Information Statement in brochure format, which is available to the public.

HUMAN RESOURCE MANAGEMENT

Effective human resource management has a responsibility for the development and implementation of human resource policies and strategies designed to recruit, train and develop a highly skilled, efficient and effective work force.

Our aim is to provide specialist advice and assistance to management, and to facilitate the development of expertise in people management.

During the year the Office continued to implement human resource management and development initiatives to:

- Develop a more strategic approach to human resource management.
- Achieve diversity in the workplace.
- Provide a more rewarding work environment for employees through access to more varied, fulfilling and rewarding jobs through training and career opportunities.
- Meet legislative requirements.

PUBLIC SECTOR STANDARDS

The Valuer General's Office has developed and adopted guidelines and processes supporting the public sector standards in Human Resource Management.

Policies, procedures and supporting guidelines are in the Office policy manual, which is accessible to all staff via the internal computer network. Staff are notified by e-mail as policies are added or changed and are advised of the nature of the changes.

All supervisors and managers are responsible for compliance with public sector standards and ethical codes. This is reflected in the job description forms and performance development programs. The Human Resources Manager plays a monitoring and advisory role. In relation to the Recruitment Selection and Appointment standard, an independent assessment of each selection report is undertaken to ensure compliance with the standard.

Temporary Deployment (Acting) was previously identified as an area for improvement. Further procedures have been enacted to ensure compliance with the standards and have been successful.

A significant effort was made during the year to ensure that all employees had a formal performance appraisal conducted. This outcome was achieved. Further training for managers and supervisors in performance management was conducted during the year with an emphasis on identifying and raising performance issues as they occur, and not just at the formal appraisal stage.

There were no applications for breach of standard.

A self-assessment audit was conducted during 2000/01 however has not been finalised, preliminary finding indicated not significant issues.

Standards in relation to redeployment had not been deployed in the year.

The VGO took disciplinary action against three officers in 2000/01.

CODE OF CONDUCT

The Office has adopted a Code of Conduct to ensure that staff exhibit standards in personal and professional conduct and integrity consistent with ethical values. The code covers a large number of aspects that may affect staff in their working environment.

The Code of Conduct is in the Office policy manual, which is accessible to all staff via the internal computer network. Staff are notified by email as amendments are made and as reviews are undertaken. In order to refresh staffs' awareness of the code, during the year small portions of the code were emailed to all staff for quick reading as well as raising awareness of the code.

A copy of the code is given to all new employees on induction. The code is cross-referenced with other policies contained in the manual and describes the procedures to follow in reporting misconduct.

The Code of Conduct was reviewed during 2000/01, however has not been finalised. There were no significant issues raised, however it was agreed that examples be included to raise staff awareness of possible issues..

No incidence of breach was found nor reported during the year.

A statement of compliance in relation to compliance with Public Sector Standards, Code of Ethics and Code of Conduct can be found under the *Corporate Governance* section. The statement is signed by the Valuer General in compliance with section 31 (1) of the Public Sector Management Act.

EQUAL EMPLOYMENT OPPORTUNITY

The Office continues to actively support the principles and practice of equal employment opportunity (EEO) in the workplace. The Equal Opportunity Management Plan was revised during 2000/01 and has been circulated to staff.

Specific strategies designed to achieve the objectives of this plan are reviewed and reported on twice annually. This enables it to respond to the demands of a changing work environment and provide the framework for organisational change through specific outcome oriented strategies.

Strategies achieved to date include:

- Staff participation in Gender and cultural diversity awareness training,
- Staff participation in sexual harassment awareness seminars,
- Ongoing adoption of flexible and family friendly initiatives,
- EEO responsibilities included as an essential task on all performance appraisals of all managers and supervisors,
- Encourage female staff to undertake appropriate studies and participate in training and development opportunities,
- Female representation on all selection panels, and
- An increased awareness of EEO and greater access to relevant materials.

An annual report was submitted to the Director, Office of Equal Employment Opportunity as required under the relevant legislation.

OCCUPATIONAL HEALTH AND SAFETY

The occupational health and safety committee meets on a quarterly basis and reports to the Valuer General and Corporate Executive on all such matters.

The building lease at 18 Mount Street Perth was successfully renegotiated for an additional six-year term commencing 1 July 2001. As part of the lease obligations the building owner undertook to make a number of structural and aesthetic improvements which have had a positive impact on morale, health and safety for persons occupying the building premises. These works were completed throughout the year and included upgrades to ablution areas, hot water systems, lighting and undercover car park areas.

As a result of staff feedback and the general ageing of internal facilities, a number of other improvements were made to work areas including the erection screen partitions, painting of internal walls and modification to work layouts.

The Office experienced two independent instances where safety was a concern during the year. The first involved an isolated electrical fire on the 3rd floor at 18 Mount Street, which was immediately extinguished on notice. The cause of the fire was identified as a power supply issue and resulted in the installation of fire detectors and upgrading of switches to all floors. The second incident involved a power blackout which affected some parts of the Perth city area. On both occasions staff were evacuated from the building and there were no injuries reported.

As a result of these instances the Office identified a number of safety, equipment and procedural improvements required. These have been addressed and reported through the Occupational Health and Safety Committee.

DISABILITY SERVICES PLAN

In compliance with the Disability Services Act 1993, a disability services plan is in operation to implement strategies for the improvement of facilities to assist disabled people.

The Office will continue to investigate the installation of disabled toilets and a disabled parking bay adjacent to the building. A number of other strategies to be adopted are still being pursued with the building owner and other authorities to achieve needs identified in the plan.

GOVERNMENT'S TWO YEAR PLAN FOR WOMEN

As part of its commitment to the Government's Two Year Plan for Women, the Office continues to effectively implemented a number of strategies, these include:

- Continued promotion of the strategy to increase the percentage of female Valuers as a career for women in association with the Australian Property Institute.
- Introduction of a mentor/work experience scheme within the Office for female students in the valuation stream.

EMPLOYEE ASSISTANCE PROGRAM

For the past 8 years the Office has participated in an employee assistance program that provides a confidential counselling service for employees and family members with personal or work related problems. This service continues to be made available through an external provider under contract.

LANGUAGE SERVICES

The Office maintains an up to date reference list of staff who are willing and able to provide a translation and interpreting service to customers. There are 31 officers available to provide a service in 30 different languages. TTY facilities are also available.

Language cards offering interpreting services are plainly visible in our customer service areas and staff have received instruction and information about the interpreting services. Accredited translators have also been provided to assist staff within the office who are Deaf.

WORKCOVER

During the year in review, there was 1 completed claim for compensation for injury.

Table 10 sets out reportable factors to comply with Treasurer's Instruction 903 for monitoring performance, with information as provided by the State Government Insurance Commission.

TABLE 10
Worker's compensation performance indicators

	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001
Number of claims	5	1	6	4	3	1
Workdays lost	45	0	57	91	1	0
Total fulltime equivalent employees	180.35	189.90	190.00	198.50	185.50	193.5
Total possible workdays	35,871	44,825	39,825	41,883	43,090	44,988
Being % of total days for all FTEs	0.12%	0.01%	0.14%	0.22%	0.002%	0.0%
Frequency rate (given)	7.43	2.97	13.22	12.57	3.05	0
Cost claim per \$100 wage (given)	0.11	0.01	1.015	0.0003	0.0233	0
Premium rate	0.768%	0.588%	0.76%	1.11%	1.02%	0.92%
Rehabilitation success rate	100%	100%	100%	100%	100%	na

Note: Frequency rate of injuries is the number of lost time injuries per person hour exposure per million.
Premium rate is the total premium paid over total salaries declared expressed as a percentage.

INDUSTRIAL ACTION

The Office suffered no lost time from industrial action during the year.

STAFFING LEVELS

The staffing level outcome was 193.5 Full Time Equivalents, with the number of people employed by the Office being 212.

Table 11 provides a breakdown of staff into female, male, valuer and non-valuer categories by classification level. A slight increase in female staff at higher levels was achieved in the year.

The Level 2/3/4 criteria progression range has replaced level 2, level 3 and level 4 for Valuers

TABLE 11
Staff by Category

Level	Females Valuers	Females Non Valuers	Total	Males Valuers	Males Non Valuers	Total	Staff
1	0	39	39	0	21	21	60
2	0	5	5	0	4	4	9
2/3/4	11	0	11	43	0	43	54
3	0	10	10	0	9	9	19
4	0	4	4	0	3	3	7
5	0	4	4	28	2	30	34
6	0	0	0	17	2	19	19
7	0	0	0	6	2	8	8
8	0	0	0	1	0	1	1
9	0	0	0	0	0	0	0
Group 1	0	0	0	1	0	1	1
2000/01	11	62	73	96	43	139	212
1999/00	9	56	65	96	21	131	196
1998/99	9	53	62	96	40	136	198
1997/98	9	54	63	101	37	138	201
1996/97	7	53	60	100	37	137	197

STAFF TRAINING

Over the year, staff attended a total of 857 courses, covering 167 different types of training courses. Courses included:

- Enhancing Workplace Performance
- Building on Your Strengths and Differences
- Crossing the Boundaries at Work
- Ergonomics
- Risk Management
- Classification Determination Training

- Conflict Resolution in the Workplace
- Effective Management
- Finance for Non Finance Managers
- Fundamentals of Successful Project Management
- Public Speaking/Presentation Skills
- 4WD Training Course
- Conflict Management Skills for Women

A total of \$153,918 was spent on training, this being 1.75% of total salary or \$726 per FTE. Table 12 compares the Office's training expenditure for the last six years.

TABLE 12
Training Expenditure

	1995/96	1996/97	1997/98	1998/99	1999/2000	2000/2001
Training as a % of salary budget	2.01%	1.99%	1.93%	0.78%	1.38%	1.75%
Cost/FTE	\$752	\$799	\$771	\$330	\$625	\$726
Number of courses offered	114	114	116	52	80	167

RECOGNISING INDIVIDUAL ACHIEVEMENT

Corporate Executive formally recognises those staff who have achieved meritorious or outstanding achievement. Managers and staff are free to nominate individuals to receive an award all nominations are judged on their merits by Corporate Executive.

Four staff members have been recognised this year by receiving an outstanding achievement award.

RETIREMENTS

During the year the Office farewelled 2 longstanding members of staff:

- Mr Roger Williams, Valuer General after 30 years of service including 7 years as Valuer General
- Ms Patricia Elkington, Clerical Officer after 24 years of service

ROLE AND RESPONSIBILITIES

Corporate Executive is responsible for administering the Valuer General's Office. Its role is to:

- Establish strategic direction for the Office and set programs and objectives.
- Establish policies within which management are to conduct the Office's day to day operations in accordance with Government policy.
- Monitor performance and review outcomes against strategic goals.
- Monitor policies and procedures to ensure compliance with statutory, legal, financial and corporate governance responsibilities.
- Approve the corporate plan, operational plan and operating budget, and recommend to Government the level of fees and charges as appropriate.

The Valuer General is responsible to the Minister for Planning and Infrastructure with whom he is to agree upon the strategic direction of the Office, including the setting of medium to long term economic, financial and planning objectives.

The focus of members is on ensuring the delivery of excellent customer service, a quality product and cost effective services to clients.

COMPOSITION

Corporate Executive comprises:

- Valuer General, Chief Employee and Reporting Officer
- Chief Valuer, Metropolitan Division.
- Chief Valuer, Country Division,
- Manager Corporate Services, Corporate Management Branch,
- One independent member

The independent member is appointed by other members of Corporate Executive annually and in response to a call for nominations from staff. This member is a representative of an EEO group and presents the views of staff.

Other members are appointed by virtue of their position in the organisation.

MEETING PROTOCOL

Corporate Executive meets formally every month and is chaired by the Valuer General.

Each member reports formally to the meeting on their area of responsibility and level of performance in relation to targets.

The members have equal voting rights and opportunity to introduce initiatives and develop policy.

Minutes of each meeting are available to all staff.

PROFILES**VALUER GENERAL,****Gary Fenner AAPI Certified Practicing Valuer, Dip. AG, B.Bus, Dip. Vals**

Gary Fenner was appointed to the position of Valuer General in 2000 and has had 30 years experience in the valuation profession. He has been with the Valuer General's Office since its inception in 1979 and is an Associate of the Australian Property Institute and a member of the WA Divisional Council.

He is the VGO representative on the WA Land Information System (WALIS) Council, the Rural Land Sales Liaison Committee and the Government Asset Register Steering Committee.

CHIEF VALUER, METROPOLITAN DIVISION**Rick Murphy AAPI Certified practicing Valuer Dip. Vals**

Rick Murphy who is acting in the position has 31 years experience in the valuation profession. He has been with the VGO since its inception in 1979. He is an associate member of the Australian Property Institute.

His responsibilities are for the management, reporting and coordination of the Metropolitan Branch of the Office, Corporate Services and Client Services Section.

He is and has been the VGO's representative on a number of intergovernmental and industry group committees

CHIEF VALUER, COUNTRY DIVISION**Graham Jeffery AAPI Certified Practicing Valuer, Dip. Vals**

Graham Jeffery was appointed to the position in 1999 and has had 31 years experience in the valuation profession. He has been with the VGO since its inception in 1979. He is an Associate member of the Australian Property Institute and is a member of its Panel of Examiners.

His responsibilities are for the management of the Country Branch of the Office, which includes the Information Systems Section.

Over the past 8 years, Mr Jeffery has represented the Valuer General as an adviser and consultant in overseas projects funded by the United Nations Development Program, Asian Development Bank, World Bank and AusAID. He has worked in Vietnam, Bangladesh, Thailand and the Philippines.

MANAGER, CORPORATE SERVICES**Paul Whyte MBA, B.Com CPA**

Paul is responsible for the management of the Corporate Services Section encompassing client services, human resources, finance, facilities management and corporate development functions. He was appointed to the current position in 1999 and has had 19 years experience in the Valuer General's Office.

Paul was previously Manager of Research and Client Services and has taken an active role in major development projects for the Office and government as a whole. He brings extensive experience in management, policy, business development and strategy to the VGO.

INDEPENDENT MEMBER**Shabnam Stephens**

Shabnam has been with the office since 1992 and in that time has worked in the Drafting Section, Records, and the Rural Section. Currently she is in the Information Systems section working as a business systems analyst. She is the Equal Employment Opportunity (EEO) representative.

EXECUTIVE SECRETARY**Joy Ridley**

Joy commenced work at the Valuer General's Office in 1982 as Executive Secretary and is currently assisting her fifth Valuer General.

As part of its responsibilities to achieve effective corporate governance, the Office has clearly identified:

- Legislative structure, policies and procedures,
- Client consultation processes,
- Codes of conduct and standards,
- Management structure, roles and reporting of resource management,
- External and internal accountability controls.

These fundamental requirements are reflected in the Office's corporate plan and translated in its annual operational plan to achieve the desired outcomes.

All Office policies are documented, communicated and accessible to all staff, including discussions held by Corporate Executive. Most decisions are reached through a formal consultative process.

ACCOUNTABILITY

The Valuer General's Office corporate governance practices are designed to ensure a high level of accountability throughout the whole organisation and that the Office acts lawfully and responsibly in all its operations and activities. The Office aims to achieve best practice in its relations with industry, Government, clients and staff in accordance with its vision, mission and values.

The Office received Silver Awards from the WS Lonnie panel and from the national Annual Reports Australia Inc, for its 1999/2000 annual report, which recognise distinguished achievement in accountability and disclosure through annual reporting.

DECLARATION OF INTERESTS

There are no declared conflicts of interest by senior officers. There are no existing or proposed contracts between the Office and a senior officer.

CODE OF CONDUCT

The Office has a code of Conduct in place to ensure that staff exhibit standards in personal and professional conduct and integrity consistent with ethical values. The code covers a large number of aspects that may affect staff in their working environment.

IMPARTIALITY

This principle insists that the purposes of a valuation cannot and should not affect the valuation. The Office provides valuations to all clients, free of any consideration of the results to be achieved by their use.

The Australian Property Institute has a code of ethics, which underpins this concept of impartiality. Most Valuers in the Office are graduate or associate members of the institute and some play an active role in the committee structure of the institute

INTERNAL AUDIT

The Internal Audit Branch of the State Revenue Department provided the Office with professional services, in areas such as:

- Valuation system – data migration to the new system and development projects.
- Contract performance – business consortium
- Human resources – code of conduct, standards and ethics.
- Financial – EFTPOS, receipting and expenditure
- Information systems - security

OFFICE POLICIES AND PLANS

The Office maintains two comprehensive policy manuals. Both contain relevant policy, procedures and guidelines for particular issues. One deals specifically with valuation related matters and the other covers all other management related policy including human resources, information systems, security, conflicts of interest and delegation of authority. In addition to this, the Office maintains its own approved accounting manual and purchasing procedures manual.

All policy, procedures and plans are available to staff via the electronic noticeboard using on line help software. Staff are notified of every new, changed or updated policy via internal e-mail.

OPERATIONAL MANAGEMENT

The Office has in place business unit managers responsible for the day to day running of the Office and its individual sections.

Each business unit manager is responsible for one or more of the Office's key outputs in terms of the geographical location and/or output type.

Business plans for each business unit have been developed. Managers are responsible for translating the high level strategic direction identified in the corporate plan for their area of operation.

These business plans, when combined, form the operational plan which includes strategies, time frames and performance indicators designed to meet corporate and customer objectives at the operational level.

Operational managers report to Corporate Executive against achievement of operational plan targets on a monthly basis.

COMMITTEE STRUCTURE

To assist in efficient decision making, a number of principal committees operated throughout the year, each with a defined charter. They are:

- Corporate Executive - responsible for administering the Valuer General's Office
- Corporate Management Committee - to discuss and make recommendations relating to management issues.
- Valuation Committee – to discuss and make recommendation relevant specifically to valuation principles, practices and policy.
- Information Technology Policy and Planning Committee – to guide development projects and set policy in relation to the direction of information systems.
- Customer Service Council – a consultative forum to make recommendations and to discuss issues with and of relevance to our customers.
- Workplace Reform Committee – a senior management forum to effect change within the organisation via workplace reform
- Joint Consultative Committee – a consultative forum comprising representation from each level of staff to make recommendations on behalf of staff on any issue.

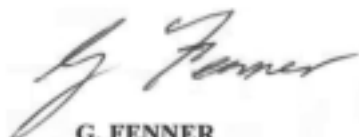
COMPLIANCE WITH PUBLIC SECTOR MANAGEMENT ACT SECTION 31(1)

In the administration of the Valuer General's Office I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.

I have put in place procedures designed to ensure such compliance and conducted appropriate internal assessments to satisfy myself that the above statement is correct.

The application made for breach of Standards review and the corresponding outcomes for the period to 30 June 2001

Number lodged	nil
Number of breaches found, Including details of multiple breaches per application	nil
Number still under review	nil



G. FENNER
VALUER GENERAL

31 August 2001

ENABLING LEGISLATION

The administration of the Office is established under Part 2 of the Valuation of Land Act 1978. The Valuation of Land Act specifically identifies the following core business responsibilities.

It directs the Valuer General to:

- Make general and interim valuations for rating and taxing purposes to ensure that so far as practicable, valuations are accurate and up to date,
- Complete and maintain valuation rolls of all rateable land in the State,
- Consider objections against valuations and forward to the Land Valuation Tribunal requests to treat objections as appeals.

It enables the Valuer General to:

- Make valuations of land for any Government department, agency, instrumentality, person, body or authority which has the power to acquire or dispose of land; or the power to impose a rate or tax on land.

The Act requires that the Valuer General shall, in valuing any land, exercise an independent judgement and not be subject to direction from any person.

Under provisions of the Act and in addition to those of the Public Sector Management Act, the Valuer General or an employee are required to observe stringent secrecy in their dealings concerning the confidential nature of information received in the course of their duties.

AMENDMENTS TO THE VALUATION OF LAND ACT

There were no amendments during the year in review.

LEGISLATION ADMINISTERED

The Valuer General administers the following Acts and such Regulations made for the purpose of these Acts:

1. Valuation of Land Act 1978
2. Valuation of Land Act WA (Christmas Island)
3. Valuation of Land Act WA (Cocos (Keeling) Islands)

ELECTORAL ACT 1907

In accordance with Section 175ZE, the Office incurred a total expenditure for advertising in 2000/2001 of \$30,214. Expenditure was incurred in the following areas:

Advertising Agencies

- \$11,274 Market Force Productions
- \$2,813 Ministry of the Premier and Cabinet
- \$467 Local Business Guide
- \$100 State Law Publisher
- \$435 Digital Business Directory

Media Advertising Organisations

- \$15,125 Real Estate Program

LEGISLATION IMPACTING ON OFFICE ACTIVITIES

In the performance of its administration the Office complies with the relevant written laws listed at the back of this report. This list includes the:

- Financial Administration and Audit Act 1985
- Public Sector Management Act 1994
- Workplace Agreements Act 1993
- Labour Relations Legislation Amendment Act 1997
- Equal Opportunity Act 1984
- Freedom of Information Act 1992

Certain legislation impacts directly on the valuation process.

- Land Administration Act
- Land Tax Assessment Act
- Strata Titles Act
- Stamp Act
- Local Government Act
- Heritage of Western Australia Act.

COMPLIANCE WITH RELEVANT WRITTEN LAW

In the management of Office operations I have complied with the requirements of the Valuation of Land Act 1978, the Valuation of Land Act WA (Christmas Island), the Valuation of Land Act WA (Cocos (Keeling) Islands) and other relevant written law.

I have exercised controls that provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

At the date of signing I am not aware of any circumstances which would render the particulars in this statement misleading or inaccurate.



G FENNER
VALUER GENERAL

31 August 2001

FINANCIAL STATEMENTS

For the year ended 30 June 2001

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CERTIFICATION OF FINANCIAL STATEMENTS

For the year ended 30 June 2001

The accompanying financial statements of the Valuer General's Office have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2001 and the financial position as at 30 June 2001.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



G FENNER
REPORTING OFFICER

13 August 2001

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 30 June 2001

	Note	2000/2001 \$	1999/2000 \$
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	4	8,788,070	8,587,652
Superannuation	5	1,217,097	1,112,071
Depreciation	6	690,681	735,685
Administration expenses	7	3,382,551	2,851,377
Accommodation expenses	8	798,946	633,733
Net Loss on disposal of non-current assets	9	-	9,310
Other	10	-	88,904
Total cost of services		<u>14,877,345</u>	<u>14,018,732</u>
Revenue from ordinary activities			
User charges and fees	11	6,782,612	6,064,949
Net Profit on disposal of non-current assets	9	3,448	-
Other revenues from ordinary activities	12	68,110	7,301
Total revenues from ordinary activities		<u>6,854,170</u>	<u>6,072,250</u>
Net cost of services		<u>8,023,175</u>	<u>7,946,482</u>
REVENUES FROM GOVERNMENT			
Appropriations	13	7,788,000	7,625,000
Resources received free of charge	14	644,311	538,042
Liabilities assumed by the Treasurer	15	1,217,097	1,112,071
Total revenues from Government		<u>9,649,408</u>	<u>9,275,113</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>1,626,233</u>	<u>1,328,631</u>

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2001

	Note	2000/2001 \$	1999/2000 \$
CURRENT ASSETS			
Cash assets	26(a)	706,313	865,309
Restricted cash assets	26(a)	243,000	203,000
Receivables	16	1,564,848	1,502,726
Accrued Income	17	799,329	328,070
Prepayments	18	374,777	240,949
Total current assets		<u>3,688,267</u>	<u>3,140,054</u>
NON-CURRENT ASSETS			
Computing hardware	19	385,671	485,283
Plant and equipment	19	120,541	106,202
Furniture and fittings	19	118,961	18,532
Computer software and systems	19	3,547,484	3,910,965
Works in progress	20	2,466,862	1,021,529
Total non-current assets		<u>6,639,519</u>	<u>5,542,511</u>
Total assets		<u>10,327,786</u>	<u>8,682,565</u>
CURRENT LIABILITIES			
Payables	21	80,398	52,619
Employee entitlements	22	1,228,268	1,300,132
Accrued expenses	23	19,014	14,438
Accrued salaries	24	203,206	180,000
Total current liabilities		<u>1,530,886</u>	<u>1,547,189</u>
NON-CURRENT LIABILITIES			
Employee entitlements	22	859,708	824,417
Total non-current liabilities		<u>859,708</u>	<u>824,417</u>
Total liabilities		<u>2,390,594</u>	<u>2,371,606</u>
NET ASSETS		<u>7,937,192</u>	<u>6,310,959</u>
EQUITY			
Opening balance at beginning of the year		6,310,959	4,982,328
Change in net assets resulting from operations		<u>1,626,233</u>	<u>1,328,631</u>
ACCUMULATED SURPLUS	25	<u>7,937,192</u>	<u>6,310,959</u>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2001

	Note	2000/2001 Inflows (Outflows)	1999/2000 Inflows (Outflows)
		\$	\$
CASH FLOWS FROM GOVERNMENT			
Capital appropriations		263,000	275,000
Recurrent appropriations		7,525,000	7,350,000
Net cash provided by government		<u>7,788,000</u>	<u>7,625,000</u>
Utilised as follows :			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee costs		(8,720,096)	(8,591,465)
Administration		(2,868,235)	(2,591,350)
Accommodation		(852,802)	(675,661)
GST Payments on purchases		(350,895)	-
Receipts			
User charges and fees		4,864,315	4,829,839
Other		73,040	12,157
GST Receipts on sales		106,374	-
GST Receipts from taxation authority		106,175	-
Net cash used in operating activities	26 (b)	<u>(7,642,124)</u>	<u>(7,016,480)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of non-current assets		(264,872)	(275,000)
Net cash used in investing activities		<u>(264,872)</u>	<u>(275,000)</u>
Net increase/(decrease) in cash held		(118,996)	333,520
Cash assets at the beginning of the reporting period		<u>1,068,309</u>	<u>734,789</u>
Cash assets at the end of the reporting period	26 (a)	<u><u>949,313</u></u>	<u><u>1,068,309</u></u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

OUTPUT SCHEDULE OF EXPENSES AND REVENUES

For the year ended 30 June 2001

	Rating and Taxing Valuations		Other Valuations		Advisory Services		Total	
	2000/01 \$	1999/00 \$	2000/01 \$	1999/00 \$	2000/01 \$	1999/00 \$	2000/01 \$	1999/00 \$
COST OF SERVICES								
EXPENSES FROM ORDINARY ACTIVITIES								
Employee Salaries	5,820,779	5,600,043	2,767,249	2,762,780	200,042	224,829	8,788,070	8,587,652
Superannuation	806,144	725,186	383,248	357,770	27,705	29,115	1,217,097	1,112,071
Depreciation	457,473	479,743	217,486	236,681	15,722	19,261	690,681	735,685
Administration expenses	2,240,433	1,859,395	1,065,121	917,332	76,997	74,650	3,382,551	2,851,377
Accommodation expenses	529,182	413,260	251,578	203,882	18,186	16,591	798,946	633,733
Net loss on disposal of non-current assets	-	6,071	-	2,995	-	244	-	9,310
Other	-	57,975	-	28,602	-	2,327	-	88,904
Total cost of services	9,854,011	9,141,673	4,684,682	4,510,042	338,652	367,017	14,877,345	14,018,732
REVENUES FROM ORDINARY ACTIVITIES								
User charges and fees	3,941,553	3,500,163	1,924,855	1,833,762	916,204	731,024	6,782,612	6,064,949
Net profit on disposal of non-current assets	2,284	-	1,086	-	78	-	3,448	-
Other revenues	23,518	4,761	11,181	2,349	33,411	191	68,110	7,301
Total revenue from ordinary activities	3,967,355	3,504,924	1,937,122	1,836,111	949,693	731,215	6,854,170	6,072,250
Net cost of services	5,886,656	5,636,749	2,747,560	2,673,931	(\$611,041)	(364,198)	8,023,175	7,946,482
REVENUES FROM GOVERNMENT								
Appropriations	5,158,383	4,972,294	2,452,340	2,453,080	177,278	199,626	7,788,000	7,625,000
Resources received free of charge	426,759	350,859	202,885	173,096	14,666	14,087	644,311	538,042
Liabilities assumed by the Treasurer	806,144	725,186	383,248	357,770	27,705	29,115	1,217,097	1,112,071
Total revenues from Government	6,391,286	6,048,339	3,038,473	2,983,946	219,649	242,828	9,649,408	9,275,113
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	504,630	411,590	290,913	310,015	830,690	607,026	1,626,233	1,328,631

The Output Schedule of Expenses and Revenues should be read in conjunction with the accompanying notes.

SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS AND REVENUE For the year ended 30 June 2001

	2000/2001			1999/2000		
	Estimate \$	Actual \$	Variance \$	Estimate \$	Actual \$	Variance \$
Recurrent						
Amount required to fund outputs for the year	11,290,000	12,392,369	1,102,369	10,926,000	12,070,604	1,144,604
Less retained revenue - Section 23A of the Financial Administration and Audit Act 1985	3,873,000	5,020,805	1,147,805	3,735,000	4,841,996	1,106,996
Item 92 Amount provided to fund outputs for the year	7,417,000	7,371,564	(45,436)	7,191,000	7,228,608	37,608
Amount authorised by other statutes						
- Salaries and Allowances Act 1975	110,000	153,436	43,436	120,000	121,392	1,392
Total recurrent services	7,527,000	7,525,000	(2,000)	7,311,000	7,350,000	39,000
Capital						
Item 174 Amount provided for capital services for the year	263,000	263,000	-	275,000	275,000	-
Grand Total	7,790,000	7,788,000	(2,000)	7,586,000	7,625,000	39,000

DETAILS OF EXPENDITURE

RECURRENT

Output :

Rating and Taxing	7,566,909	8,366,792	799,883	7,165,319	8,167,940	1,002,621
Other Valuations	3,562,350	4,008,256	445,906	3,628,643	4,029,651	401,008
Advisory Services	270,741	289,753	19,012	252,038	327,925	75,887
Recurrent expenditure	11,400,000	12,664,801	1,264,801	11,046,000	12,525,516	1,479,516
Less retained revenue	3,873,000	5,020,805	1,147,805	3,735,000	4,841,996	1,106,996
	7,527,000	7,643,996	116,996	7,311,000	7,683,520	372,520
Adjustment for cash balances	0	118,996	118,996	-	333,520	333,520
Consolidated fund recurrent appropriation	7,527,000	7,525,000	(2,000)	7,311,000	7,350,000	39,000
CAPITAL						
Capital expenditure	263,000	263,000	-	275,000	275,000	-
Adjustment for cash balances	-	-	-	-	-	-
Consolidated fund capital appropriation	263,000	263,000	-	275,000	275,000	-
Grand total of appropriations	7,790,000	7,788,000	(2,000)	7,586,000	7,625,000	39,000

The Summary of Consolidated Fund Appropriations and Revenue Estimates should be read in conjunction with the accompanying notes.

This Summary provides for the basis for the Explanatory Statement information requirements of TI 945.

1. OFFICE MISSION AND FUNDING

The Office's mission is: *"To provide Government and our clients with an effective and impartial valuation and property information service."*

The Valuer General's Office is predominantly funded by Parliamentary appropriations, whilst also having a net appropriation arrangement. The Office has a net appropriation agreement pursuant to Section 23A of the Financial Administration and Audit Act and the agreement has been entered into by the Treasurer and the Reportable Officer.

All services provided by the Office are on a fee for service basis. These include valuations for rating and taxing purposes, services for other than rating and taxing purposes and advisory services. The fees charged are determined by prevailing market forces and form the net appropriation agreement.

The financial statements encompass all funds through which the Office controls resources to carry on its functions.

2. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect is disclosed in individual notes to these financial statements.

Basis of accounting

The financial statements have been prepared in accordance with Australian Accounting Standard AAS 29.

The statements have been prepared on the accrual basis of accounting using the historical cost convention, with the exception that certain non-current physical assets have been introduced at written down cost as at 30 June 2000. Additions to non-current physical assets are stated at cost.

a) Appropriations

Appropriations in the nature of revenue, whether recurrent or capital, are recognised as revenues in the period in which the Office gains control of the appropriated funds. The Office gains control of appropriated funds at the time those funds are deposited into the Office's bank account.

b) Net Appropriation Determination

Pursuant to section 23A of the Financial Administration and Audit Act, the net appropriation determination by the Treasurer provides for the retention of all moneys received by the Office. Retained revenues may only be applied to the outputs specified in the 2000-2001 Budget Statements.

Details of retained revenues are disclosed in the Summary of Consolidated Fund Appropriations and Revenue Estimates.

c) Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is provided for on the straight-line basis, using rates which are reviewed annually. Useful lives for each class of depreciable asset are:

- | | |
|---------------------------------|--------------|
| • Computer hardware | 5 years |
| • Plant and equipment | 6 to 7 years |
| • Furniture and fittings | 10 years |
| • Computer software and systems | 10 years |

d) Employee entitlements

Annual Leave

This entitlement is recognised at current remuneration rates and is measured at the amount unpaid at the reporting date in respect to employees' service up to that date.

Long Service Leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using interest rates to obtain the estimated future cash outflows.

This method of measurement of the liability is consistent with the requirements of Australian Accounting Standard AAS 30 'Accounting for Employee Entitlements'.

Superannuation

Staff may contribute to the Superannuation and Family Benefits Act Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992.

The superannuation expense comprises the following elements :

- change in the unfunded employer's liability in respect of current employees who are members of the Superannuation and Family Benefits Act Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

For the year ended 30 June 2001

- notional employer contributions which would have been paid to the Gold State Superannuation Scheme and West State Superannuation Scheme if the Department had made concurrent employer contributions to those Schemes.

(The superannuation expense does not include payment of pensions to retirees as this does not constitute part of the cost of services provided by the Department in the current year).

e) Leases

The Office has entered into a number of operating lease arrangements for rent of office buildings, computing, communications and motor vehicles where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

f) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off.

g) Payables

Payables and accruals not yet billed are recognised when the Office becomes obliged to make future payments as a result of a purchase of assets or services. Payables are generally settled within 30 days.

h) Accrued Salaries

The Accrued Salaries in Suspense Account consists of amounts paid annually into a suspense account over a period of ten financial years to largely meet the additional cash outflow in each eleventh year when 27 pay periods occur in that year instead of the normal 26. No interest is received on this account.

Accrued Salaries represents the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued Salaries are settled within a few days of the financial year-end. The Office considers the carrying amount of Accrued Salaries to be equivalent to the net fair value.

i) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and expenses as appropriate at fair value.

j) Revenue Recognition

Revenue from the sale of products, the disposal of other assets and the rendering of service's is recognised when the Office has passed control of the products or other assets or the delivery of service to the customer. For incomplete Gross Rental General Valuations at 30 June 2001, the value of work completed is determined from the Office's Work Management System. This works in progress amount is recognised as revenue.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

For the year ended 30 June 2001

3. OUTPUTS OF THE OFFICE

Information about the Office's outputs, and the expenses and revenues, which are reliably attributable to the outputs, is set out in the Outputs Schedule.

The Office has one outcome supported by three outputs. *Outcome: an effective and impartial valuation and property information service.*

Output 1 : Rating and Taxing

The completion of accurate valuation rolls of all rateable land in the State and timely provision of the rolls to rating and taxing authorities. The maintenance of the valuation rolls through the periodic re-assessment of Gross Rental Values and Unimproved Values of rateable land, the amendment of the valuation roll to take account of changes to property and resolving objections, appeals and queries lodged against the values in the roll.

Output 2 : Other Valuations

The provision of an independent and impartial property valuation and consultancy service to Government, local government and statutory clients for a variety of reasons including sale, purchase, lease or compensation, stamp duty assessment, financial asset management and reporting.

Output 3 : Advisory Services

The provision of property related data and sales information to government agencies and corporations, statutory clients, the real estate industry and the wider community.

	2000/2001 \$	1999/2000 \$
4. EMPLOYEE EXPENSES		
Employee expenses	8,824,643	8,566,752
Change in annual and long service leave entitlements	<u>(36,573)</u>	<u>20,900</u>
	<u>8,788,070</u>	<u>8,587,652</u>
5. SUPERANNUATION		
Total expense for the year	1,217,097	1,112,071
6. DEPRECIATION		
Computer hardware	210,822	251,386
Computer software and systems	442,448	434,552
Plant and equipment	33,247	28,779
Furniture and fittings	<u>4,164</u>	<u>20,968</u>
	<u>690,681</u>	<u>735,685</u>
7. ADMINISTRATION EXPENSES		
Communications	183,885	183,245
Services and Contracts	773,806	755,533
Other Staffing Costs	350,501	252,063
Other Operational Costs	<u>2,074,359</u>	<u>1,660,536</u>
	<u>3,382,551</u>	<u>2,851,377</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

For the year ended 30 June 2001

	2000/2001	1999/2000
	\$	\$
8. ACCOMMODATION EXPENSES		
Lease Rentals	664,949	524,133
Cleaning	70,901	49,631
Electricity	61,583	59,024
Other	<u>1,513</u>	<u>945</u>
	<u>798,946</u>	<u>633,733</u>
9. NET PROFIT/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS		
<u>Loss on Sale of Non-current assets</u>		
Computer hardware, plant and equipment, furniture and fittings	-	9,310
Gross proceeds on disposal of non-current assets	-	4,856
<u>Profit on Sale of Non-current assets</u>		
Computer hardware, plant and equipment, furniture and fittings	3,448	-
Gross proceeds on disposal of non-current assets	4,931	-
10 OTHER		
Abnormal item	-	88,904
11. USER CHARGES AND FEES		
Valuation Services	6,782,612	6,064,949
12. OTHER REVENUES		
Miscellaneous Revenue	68,110	7,301
13. APPROPRIATIONS		
Consolidated Fund		
Recurrent	7,525,000	7,350,000
Capital	<u>263,000</u>	<u>275,000</u>
	<u>7,788,000</u>	<u>7,625,000</u>
14. RESOURCES RECEIVED FREE OF CHARGE		
Resources received free of charge have been determined on the basis of the following estimates provided by agencies.		
Office of the Auditor General		
- Audit services	24,000	24,000
State Revenue Department		
- Administration charges	144,000	75,000
Government Property Office		
- Lease administration services	1,833	1,911
Department of Land Administration		
- Titles and Microfiche costs	407,868	409,228
Ministry of Justice		
- Legal fees	66,610	27,903
	<u>644,311</u>	<u>538,042</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

For the year ended 30 June 2001

	2000/2001	1999/2000
	\$	\$
15. LIABILITIES ASSUMED BY THE TREASURER		
Superannuation	1,217,097	1,112,071
16. RECEIVABLES		
Amounts receivable for services provided	1,452,833	1,502,726
GST Receivable	<u>112,015</u>	<u>-</u>
	1,564,848	1,502,726
17. ACCRUED INCOME		
Amounts owing for services provided	799,329	328,070
18. PREPAYMENTS		
Amounts prepaid for benefits which will be received in the subsequent year	374,777	240,949
19. COMPUTING HARDWARE, PLANT & EQUIPMENT FURNITURE & FITTINGS AND COMPUTING SOFTWARE		
COMPUTER HARDWARE		
Computer hardware		
At cost	1,583,563	1,570,559
Accumulated depreciation	<u>(1,197,892)</u>	<u>(1,085,276)</u>
	385,671	485,283
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	318,090	280,879
Accumulated depreciation	<u>(197,549)</u>	<u>(174,677)</u>
	120,541	106,202
FURNITURE AND FITTINGS		
Furniture and fittings		
At cost	156,732	52,138
Accumulated depreciation	<u>(37,771)</u>	<u>(33,606)</u>
	118,961	18,532
COMPUTER SOFTWARE AND SYSTEMS		
Computer software and systems		
At cost	4,424,484	4,345,517
Accumulated depreciation	<u>(877,000)</u>	<u>(434,552)</u>
	3,547,484	3,910,965

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

For the year ended 30 June 2001

Reconciliations of the carrying amounts of computing hardware, plant & equipment, furniture & fittings and computing software and systems at the beginning and end of the current and previous financial year are set out below.

June 30, 2001	Computing Hardware	Plant and Equipment	Furniture and Fittings	Computing Software & Systems	Total
Carrying amount at start of the year	485,283	106,202	18,532	3,910,965	4,520,982
Additions	118,123	48,852	104,593	78,967	350,535
Disposals	(7,223)	(1,266)	-	-	(8,489)
Depreciation	(210,512)	(33,247)	(4,164)	(442,448)	(690,371)
Carrying amount at end of year	385,671	120,541	118,961	3,547,484	4,172,657

June 30, 2000	Computing Hardware	Plant and Equipment	Furniture and Fittings	Computing Software & Systems	Total
Carrying amount at start of the year	606,964	99,282	110,497	-	816,743
Additions	143,314	35,786	18,018	4,345,517	4,542,635
Disposals	(13,609)	(87)	(89,015)	-	(102,711)
Depreciation	(251,386)	(28,779)	(20,968)	(434,552)	(735,685)
Carrying amount at end of year	485,283	106,202	18,532	3,910,965	4,520,982

	2000/2001	1999/2000
	\$	\$

20. WORKS IN PROGRESS

Works in progress is comprised of :

The accumulation of development costs of the Valuation System excluding capital items which are included in Computing Hardware, Furniture and Fittings and Plant and Equipment.

	-	78,967
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The first two years of the Triennial Gross Rental Value General Valuation Program that is due to be completed by 2001/02. The value of the work is calculated from the Work Management System of the Valuation System.

	<u>2,466,862</u>	<u>942,562</u>
	<u>2,466,862</u>	<u>1,021,529</u>

21. PAYABLES

Trade payables	80,398	52,619
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22. EMPLOYEE ENTITLEMENTS

Current Liabilities

Liability for Annual Leave	603,120	642,877
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Liability for Long Service Leave	<u>625,148</u>	<u>657,255</u>
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	1,228,268	1,300,132
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Non - Current Liabilities

Liability for Long Service Leave	<u>859,708</u>	<u>824,417</u>
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	<u>2,087,976</u>	<u>2,124,549</u>
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

For the year ended 30 June 2001

	2000/2001	1999/2000
	\$	\$
23. ACCRUED EXPENSES		
Amounts due and payable:		
Fringe Benefits Tax Liability	19,014	14,438
24. ACCRUED SALARIES		
Amounts owing for six working days from 22 June 2001 to 30 June 2001. (2000 - 23 June to 30 June, being six working days). Accrued salaries are settled within a few days of the financial year end.	203,206	180,000
25. EQUITY		
Equity represents the residual interest in the net assets of the Office. The Government holds the equity interest in the Office on behalf of the community.		
Accumulated surplus		
Balance at the beginning of the year	6,310,959	4,982,328
Change in net assets resulting from operations	<u>1,626,233</u>	<u>1,328,631</u>
Balance at end of the year	<u>7,937,192</u>	<u>6,310,959</u>
26. NOTES TO THE STATEMENT OF CASHFLOWS		
a) Reconciliation of cash		
For the purpose of the Statement of Cash Flows, cash includes cash at bank, amounts in suspense and restricted cash. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows :		
Restricted cash assets (i)	243,000	203,000
Cash assets	<u>706,313</u>	<u>865,309</u>
	<u>949,313</u>	<u>1,068,309</u>
(i) Relates to accrued salaries in suspense account and the amount in this account is only to be used for the purpose of meeting the 27 th pay in a financial year that occurs every 11 years.		
b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	(8,023,175)	(7,946,482)
Non-cash items		
Depreciation	690,681	735,685
Adjustment for the Disposal of Assets	1,483	101,625
Resources Received Free of Charge	644,311	538,042
Liabilities Assumed by Treasury	1,217,097	1,112,071
Works in Progress – revenue	(1,524,300)	(942,562)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

For the year ended 30 June 2001

	2000/2001	1999/2000
	\$	\$
(Increase)/Decrease in assets		
Receivables	49,893	(486,035)
Accrued Income	(476,759)	194,932
Prepayments	(133,828)	(227,199)
Increase/(Decrease) in liabilities		
Payables	27,779	(169,511)
Accrued Expenses	4,576	2,154
Accrued Salaries	23,206	49,899
Employee Leave Entitlements	(36,573)	20,901
Change in GST in receivables	<u>(112,015)</u>	-
Net cash used in operating activities	<u>(7,642,124)</u>	<u>(7,016,480)</u>

27. RESOURCES PROVIDED FREE OF CHARGE

During the year the following resources were provided to other agencies and local authorities free of charge:

State Revenue Department	6,256,288	5,619,005
Department of Land Administration	1,694,082	1,603,768
Local Government Authorities	1,030,911	944,109
Other Government Agencies	<u>483,086</u>	<u>1,025,181</u>
Total	<u>9,464,367</u>	<u>9,192,063</u>

28. COMMITMENTS FOR EXPENDITURE

An amount of \$3,732,712 comprising accommodation rental, computing, communications and motor vehicle expenses has been included in the determination of the operating result for the accounting period.

Non-Cancellable Operating Lease Commitments		
- not later than one year	789,436	211,029
- later than one year and not later than two years	701,645	98,411
- later than two years and not later than five years	2,241,631	31,500

29. REMUNERATION AND RETIREMENT BENEFITS OF SENIOR OFFICERS

Remuneration

The number of Senior Officers whose total of fees, salaries and other benefits received, or due and receivable for the financial year, who fall within the following band is:

	2001	2000
\$0 - 10,000	-	1
\$20,001 – 30,000	-	1
\$60,001 - 70,000	-	-
\$70,001 - 80,000	2	-
\$80,001 – 90,000	2	2
\$100,001 - 110,00	1	-
\$110,001 – 120,000	-	1

The total remuneration of Senior Officers is:	\$436,789	\$245,926
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

For the year ended 30 June 2001

	2000/2001	1999/2000
	\$	\$
Retirement benefits		
The following amounts in respect of retirement benefits for senior officers were paid or became payable for the financial year :		
Total notional contributions to Gold State Superannuation Scheme and West State Superannuation Scheme.	\$54,426	\$18,390
Redundancy payments	-	\$60,809

One Senior Officer is a member of the Superannuation and Family Benefits Act Scheme (1999/2000 - 1).

30. EXPLANATORY STATEMENT

The Summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditures made and revenue estimates and payments into the Consolidated Fund, all on a cash basis.

The following explanations are provided in accordance with Treasurer's Instruction 945. Significant variations are considered to be those greater than 10%.

a) Details of authorisation to expend in advance of appropriation approved in accordance with section 28 of the Financial Administration and Audit Act 1985.

No application for supplementary funding was sought this financial year.

b) Significant variation between actual expenditure and estimates for the financial year for Other Statutes

	Estimate	2000/01 Actual	Variance
	\$	\$	\$
Salaries and Allowances Act 1975	110,000	153,436	43,436

The variation is due to the retirement of the Valuer General, Mr Roger Williams in August 2000.

c) Significant variations between actual revenues and estimates for the financial year

	Estimate	2000/01 Actual	Variance
	\$	\$	\$
<i>Revenue Retained – Section 23A of the Financial Administration and Audit Act 1985</i>			
Net Appropriation Revenue	3,873,000	5,020,805	1,147,805

The variation of \$1,147,805 is due to a better than expected increase in market activity for property related information, rating and taxing, and other valuation services. In particular with the impact of the introduction of the GST legislation; better than expected payment of accounts by some clients for valuation services and the continuation of the provision of plant and equipment valuations.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

For the year ended 30 June 2001

d) Significant variations where actual expenditures exceeded or were less than estimates for the financial year

	Estimate \$	2000/01 Actual \$	Variance \$
<i>Recurrent Expenditure</i>			
Output 1 : Rating and Taxing	7,566,909	8,366,792	799,883
Output 2 – Other Valuations	3,562,350	4,008,256	445,906
Output 3 – Advisory Services	270,741	289,753	19,012

The variance in each output is the result of additional costs in areas such as Salaries and Wages, Computing Consultants, Computing Maintenance, Contracts and royalty payments to the Department of Land Administration.

Capital Expenditure

There are no significant variations where actual expenditures exceeded or were less than the estimate for the financial year.

e) Significant variations between actual outputs for the financial year and outputs for the immediately preceding financial year.

Revenue

Revenue Retained – Section 23A of the Financial Administration and Audit Act 1985

	2000/01 \$	1999/2000 \$	Variance \$
Net Appropriation Revenue	5,020,805	4,841,996	(178,809)

There are no significant variations between actual revenues for the financial year and actual revenues for the immediately preceding financial year.

Expenditure

	2000/01 \$	1999/2000 \$	Variance \$
<i>Recurrent Expenditure</i>			
Output 1 – Rating and taxing	8,366,792	8,167,940	198,852
Output 2 – Other Valuations	4,008,256	4,029,651	(21,395)
Output 3 – Advisory Services	289,753	327,925	(38,172)

There are no significant variations between actual expenditures for the financial year and actual expenditures for the immediately preceding financial year. However, the moderate increase in rating and taxing expenditure is related to additional resources employed to ensure the completion of the Metropolitan Gross Rental Value Triennial Program due in 2001/02.

	2000/01 \$	1999/2000 \$	Variance \$
<i>Other Statutes</i>			
Salaries and Allowances Act 1975	153,436	121,392	32,044

The variation is due to the retirement of the Valuer General, Mr Roger Williams in August 2000.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT

For the year ended 30 June 2001

	2000/01	1999/2000	Variance
	\$	\$	\$
<i>Capital Expenditure</i>			
Capital	263,000	275,000	12,000

There are no significant variations between actual capital expenditures for the financial year and actual capital expenditures for the immediately preceding financial year. Capital expenditure for both years is in respect to the Asset Replacement program.

31. WRITE OFFS

Public and other property, revenue and debts due to the State written off in accordance with section 45 of the Financial Administration and Audit Act 1985 by the Accountable Officer:

	2001	2000
	\$	\$
Analysis of losses written off by category:		
Bad Debts	171	-
Equipment Shortage	89	650
Loss through theft, default and other causes	<u>263</u>	<u>1,119</u>
	<u>523</u>	<u>1,769</u>

Recovery action for the loss through theft, default and other causes has been made by way of an insurance claim with the Insurance Commission of Western Australia (RiskCover).

35. FINANCIAL INSTRUMENTS DISCLOSURES

Interest rate risk exposure

The Office's exposure to interest rate risk, repricing maturities and the effective interest rates on financial instruments are:

	2000/01		1999/2000	
	Non Interest Bearing	Total	Non Interest Bearing	Total
30 June	\$	\$	\$	\$
Financial Assets				
Cash assets	706,313	706,313	865,309	865,309
Restricted cash assets	243,000	243,000	203,000	203,000
Receivables	<u>1,564,848</u>	<u>1,564,848</u>	<u>1,502,726</u>	<u>1,502,726</u>
Total financial assets	<u>2,514,161</u>	<u>2,514,161</u>	<u>2,571,035</u>	<u>2,571,035</u>
Liabilities				
Payables	80,398	80,398	52,619	52,619
Accrued Expenses	19,014	19,014	14,438	14,438
Accrued Salaries	203,206	203,206	180,000	180,000
Employee Entitlements	<u>2,087,976</u>	<u>2,087,976</u>	<u>2,124,549</u>	<u>2,124,549</u>
Total financial liabilities	<u>2,390,594</u>	<u>2,390,594</u>	<u>2,371,606</u>	<u>2,371,606</u>
Net financial assets	123,567	123,567	199,429	199,429

Credit risk exposure

All financial assets are unsecured. Amounts owing by other Government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets, the carrying amounts represent the Office's maximum exposure to credit risk in relation to those assets.

The following is an analysis of amounts owing by other Government agencies:
Western Australian Government agencies (including local authorities) \$1,564,848.

33. MISCELLANEOUS

The Office has an agreement with the Indian Ocean Territories (IOT) to provide valuation services on the islands. During the year additional work was requested for Plant and Equipment Valuations which was not planned nor budgeted.

An amount of \$5,500 was received from the IOT for the year, this was offset against the cost of providing services which totalled \$167,311, resulting in a final balance of \$161,811 to be claimed from the IOT. There was no opening balance for the 2000/01 year.

34. OTHER COMMITMENTS

The Valuer General's Office does not have any other commitments or expenditure other than for capital and supply of inventories. Future capital expenditure is planned for asset replacement and expansion..

35. CONTINGENT OBLIGATIONS

The Valuer General's Office has no contingent obligations.

36. EVENTS OCCURRING AFTER REPORTING DATE

On July 1, 2001 the Office was abolished and its functions transferred to the Department of Land Administration. The assets and liabilities of the Office were transferred to the department at book value. This event has no effect on the financial statements of the Office as at June 30, 2001.

37. RELATED BODIES

In accordance with the definition of section 3 of the Financial Administration and Audit Act 1985, the Valuer General's Office has no related bodies.

38. AFFILIATED BODIES

In accordance with the definition of section 3 of the Financial Administration and Audit Act 1985, the Valuer General's Office has no affiliated bodies.



AUDITOR GENERAL

To the Parliament of Western Australia

VALUER GENERAL'S OFFICE

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001

Scope

I have audited the final accounts and financial statements of the Valuer General's Office for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Valuer General was responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rested with the Valuer General. Following the abolition of the Office with effect from July 1, 2001, the Treasurer appointed a Reporting Officer under the provisions of section 65A of the Act, who was responsible for preparing and presenting the final financial statements.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Office to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Office's financial position, the results of its operations and its cash flows.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the controls exercised by the Valuer General's Office provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Output Schedule of Expenses and Revenues and Summary of Consolidated Fund Appropriations and Revenue Estimates and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Office at June 30, 2001 and the results of its operations and its cash flows for the year then ended.

K O O'NEIL
ACTING AUDITOR GENERAL
October 15, 2001

PERFORMANCE INDICATORS

For the year ended 30 June 2001

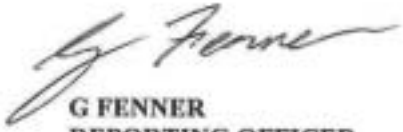
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CERTIFICATION OF PERFORMANCE INDICATORS

For the year ended 30 June 2001

I hereby certify that the performance indicators are based on proper records and fairly represent the performance of the Valuer General's Office for the financial year ended 30 June 2001.



G FENNER
REPORTING OFFICER

13 August 2001

SUMMARY OF KEY PERFORMANCE INDICATORS

For the year ended 30 June 2001

4 Year Comparison against Target

	1997/98	1998/99	1999/00	Actual	2000/01 Target	Variance (see notes)
1. RATING AND TAXING VALUES						
Key effectiveness						
1.1 Accuracy and uniformity:						
Mean Ratio Test for gross rental values	92.71%*	91.78%*	91.77%*	94.14%	92.5%	1.64%
Mean Ratio Test for unimproved values				91.87%	92.5%	0.63%
Coefficient of Dispersion for gross rental values	5.10%*	5.99%*	4.47%*	5.48%	<15%	9.52%
Coefficient of Dispersion for unimproved values				4.64%	<15%	10.36%
1.2 Timeliness *						
Completion of gross rental value General Valuations by 31 March	96.5%*	93.86%*	96.96%	93.30%	>95%	-1.70%
Completion of unimproved value General Valuations by 31 May	96.5%*	93.86%*	89.63%	98.03%	>98%	0.03%
Key efficiency						
1.3 Cost per value	\$6.68	\$7.70	\$9.99	\$8.03	\$7.58	- 5.94%
2. OTHER VALUATIONS						
Key effectiveness						
2.1 Timeliness						
Turnaround time for stamp duty values in 10 working days	91.46%	85.1%	88.9%	91.0%	80%	11.0%
Turnaround time for market values in 20 working days	86.52%	62.7%	56.3%	46.9%	70%	- 23.10%
Supply of asset values to Government Property Register by 30 June	100.0%	0.0%	0.0%	97.3%	95%	2.30%
Turnaround time for consultancy jobs in 20 working days	77.32%	77.6%	74.5%	12.3%	70%	- 57.70%
Key efficiency						
2.2 Cost per value	\$24.48	\$20.47	\$28.70	\$33.30	\$26.20	- 27.10%
2.3 Cost per consultancy hour	n/a	\$34.91	\$37.51**	\$38.27	\$38.14	-0.34%
3. ADVISORY SERVICES						
Key efficiency						
Cost per property information request	n/a	\$17.90	\$15.64	\$29.37	\$17.10	- 71.75%

A positive variance number means good performance outcome.

* These figures relate to the combined outcome of gross rental value and unimproved value General Valuation.

** Previous year comparative was altered to include Public Sector Obligations to more accurately reflect this indicator.

SUMMARY OF KEY PERFORMANCE INDICATORS

For the year ended 30 June 2001

1. RATING AND TAXING VALUES

The outcome is an effective and impartial valuation and property information service. State and local government use property values as an equitable basis for the levying of rates and taxes and therefore to collect revenue.

The broad objective is to set the standards in the provision of independent, accurate and cost effective valuation rolls to rating and taxing authorities.

To achieve both the outcome and the objective, requires that valuation rolls of all rateable land are provided to clients in accordance with agreed time frames and formats.

The Valuation of Land Act requires that, so far as practicable, the valuations comprising a General Valuation are at all times accurate and up to date.

KEY EFFECTIVENESS

The effectiveness of rating and taxing valuations is directly linked to the extent they meet our customers requirements. In order to collect rates and taxes (revenue) and to achieve their mission and business objectives, our customers require impartial, accurate and cost effective values.

Output measures such as quality of service and timeliness in meeting customer needs are used to determine the effectiveness of this key output. Measures used to determine our quality of service include accuracy, completeness, and customer acceptability of the output. Timeliness is measured in terms of our delivery against predetermined and agreed timelines.

1.1 Accuracy and Uniformity of Valuations

Valuation rolls provide two types of values for these purposes.

- Water and sewerage rating bodies and most local government within the Perth Metropolitan Area and country towns utilise gross rental values.
- Unimproved values are provided in two categories. Those used for rural rating and applied outside of towns by local governments and "site values" used by some local governments within towns and by the Commissioner for State Revenue for levying State Land Tax.

To ensure the State's valuation based rates and taxes are levied on an equitable basis, the uniformity and accuracy is checked against researched and international ratio standards.

The Means Ratio Test measures the overall level of values adopted for rating and taxing purposes as compared with market evidence used to determine these values. The ratio test by itself is insufficient to determine accuracy when comparing one area to another. For this reason the Coefficient of Dispersion is applied to check uniformity of values.

Unimproved values (Accuracy)

Mean Ratio target	Achieved in 2000/01
92.5 %	91.87 %

Unimproved values (Uniformity)

Coefficient Target	Achieved in 2000/01
< 15%	4.64 %

Gross rental values (Accuracy)

Mean Ratio target	Achieved in 2000/01
92.5 %	94.14 %

Gross rental values (Uniformity)

Coefficient Target	Achieved in 2000/01
< 15%	5.48 %

The measurement of the accuracy and uniformity of unimproved valuations for rating and taxing have consistently exceeded the established international standards since they were first measured in 1995.

The measures for gross rental values have been applied to representative samples each year since 1998.

In both instances, the outcomes for this period are excellent and in line with those of previous years.

1.2 Timeliness

Timeliness assesses the extent to which customer requirements are being met, especially in relation to when the clients receive the new valuation rolls.

This measure for rating and taxing values is based on the percentage of General Valuations completed within agreed client requirements. As in previous years, the target is to complete greater than 95% of the General Valuation by 31 March.

Rating and taxing authorities need the new valuation rolls by 31 March to commence rates or tax modeling and data reconciliation prior to the start of a new financial year. The final versions of the valuation rolls are provided by the 31 May.

SUMMARY OF KEY PERFORMANCE INDICATORS

For the year ended 30 June 2001

Due to the triennial nature of the General Valuation program, no gross rental values were delivered to rating and taxing authorities in the Metropolitan Region. The General Valuation program for the year was carried out for country local governments.

For the year in review, the target is to complete more than 95 % of the program by 31 March and the overall outcome achieved was 93.30 %. Although this year's result is marginally lower than both the target and last year's achievements, it is still considered an acceptable outcome given that this year's outcome is entirely based on General Valuations in regional cities and towns. The results reflect the fragmented nature of the work.

The annual General Valuation program for unimproved values was undertaken by both the Metropolitan and Country Divisions. The program covers the whole of Western Australia. These values are adopted by the Commissioner of State Revenue and local governments for their rural wards in the 2000/2001 rating and taxing year.

The overall outcome achieved was 98.03 % by 31 May, just exceeding the target of 98.0 %. This year's results are excellent and a marked improvement on the 89.63 % for the previous year, when external factors caused delays.

KEY EFFICIENCY

Efficiency indicators are based on cost measures determined by previous outcomes and client expectations.

1.3 Cost per Value

This output measure provides a broad indication of the relative efficiency of the Office in delivering cost-effective services to clients.

Cost per value refers to the total cost per value of unimproved values and gross rental values including all general valuations, interim valuations, objections, appeals and queries made during the financial year.

The overall cost for rating and taxing values was \$8.03 per value, which is 5.94% more than the target of \$7.58 per value.

Costs are sensitive to the actual number of values made in the reporting period.

Whilst not a significant variation from the overall target, the variance is explained by three main factors:

- the increased costs in producing Country Town gross rental values General Valuation program,
- the higher than expected number of Metropolitan GRV objections and queries associated with a review of values in the western suburbs, and
- the increased costs in Metropolitan GRV Interim program due to additional resources applied to further improvements in the property database.

2. OTHER VALUATIONS

The outcome is an effective and impartial valuation and property information service. Valuations in this category protect the public interest in land, facilitate the effective management and reporting of the State's assets and enable informed decision making by Government.

The broad objective is to be the preferred provider of a cost effective and independent valuation service to Government.

The Valuation of Land Act enables the Office to make valuations of land for any Government department, agency, instrumentality, person, body or authority which has the power to acquire or dispose of land.

Accordingly, the Office provides a property valuation service to clients for a variety of reasons, including sale, purchase, insurance, lease or compensation, stamp duty assessment, financial asset management and reporting.

These valuations must comply with accepted professional standards as determined by the Australian Property Institute and legal precedent.

KEY EFFECTIVENESS

The effectiveness of these valuation types is directly linked to the extent they meet our customers requirements. In order to achieve their mission and business objectives, our clients require impartial, accurate and cost effective values.

Output measures such as quality of services and timeliness in meeting customer needs are used to determine the effectiveness of this key output.

Quality as a measure includes accuracy, completeness, and customer acceptability of the output. Timeliness provides the timeframe and frequency of outputs required by our clients.

SUMMARY OF KEY PERFORMANCE INDICATORS

For the year ended 30 June 2001

2.1 Timeliness

Timeliness indicators assist the Office in determining the extent to which customer requirements are being met, specifically in terms of agreed time frames for the completion of valuations.

Timeliness impacts on customers' ability to report end of year outcomes effectively and to make informed decisions based on up to date valuations.

Stamp Duty

Stamp duty values are provided to the Commissioner of State Revenue on request. The Office aims to provide 80% of values within 10 working days of the request.

The Commissioner of State Revenue relies on the prompt turnaround of stamp duty valuations for the efficient operation of the process in assessing stamp duty liability.

The overall outcome achieved for the year is 91%, which is 11 % above the target.

For the third consecutive year, the Office has exceeded its annual target. This achievement is a direct result of the concerted effort from staff to meet client expectations.

Market Values

Major projects during the year included:

- Inaugural revaluation of all Commonwealth owned land, building, infrastructure, plant and machinery assets on Christmas Island and Cocos (Keeling) Islands.
- Valuations of corridor rights within the Dampier-Bunbury Natural Gas Pipeline for the Department of Resources Development.

Market values are provided to clients on request. The Office undertakes to provide agreed urgent requests within 10 working days or to meet other specific agreed time frames.

These time frames are important in meeting client requirements in relation to the purchase, sale, lease or compensation of land and in maintaining competitiveness in the delivery of services.

As a key performance indicator the Office aims to provide 70% of market values within 20 working days of the request

An overall outcome of 46.94 % was achieved for the year in review. This comprises turnaround times of 53.40 % in the Metropolitan Division and 42.62 % in the Country Division.

The result is disappointing when compared to the indicator target and achievements in previous years.

The turnaround time for market values requires significant improvement if it has to meet the indicator target of 70% of valuations within 20 working days.

However, there is an increasing number of clients requesting or agreeing to a longer turnaround period for market values. This will have an effect on the outcome where jobs are registered upon request and supplied to an agreed timeframe that exceeds the indicator target.

More than 70% of market values were supplied within 30 to 40 working days from client requested in accordance with their requirements.

Either the system of measuring the turnaround times or the key performance indicator will need to change to reflect the true output of those engaged in this work.

Market value continued to provide a strong contribution to the Office's revenue collection.

Asset Values

The Government Property Register identifies land owned by the Crown and its agencies. Asset valuation data quantifies the worth of the assets, allowing accrual reporting and informed management of resources.

SUMMARY OF KEY PERFORMANCE INDICATORS

For the year ended 30 June 2001

The time frame within which the Office completes and supplies asset values is relevant to the end of the financial year as this enables clients (namely Government departments, agencies and corporations) to utilise the valuations for reporting purposes.

The Office aims to supply 95% of asset values to the Government Property Register (GPR) by 30 June each year.

An overall outcome of 97.30 % was achieved for the year. This is an excellent result compared to the target and last year's achievements, when problems associated with the new Asset valuation reporting procedures in ValSys meant asset valuations were not provided for inclusion in the Government Property Register until mid July 2000.

Improved project management within the Country Division has contributed to the improved result.

Consultancy

Consultancy refers to the provision of a property related consultancy service to Government, the property profession and the wider community.

Consultancy services are provided to clients on request. The nature of this work varies according to user requirements. Response times are usually negotiated as part of the job and the Office aims to satisfy each client within the time frame requested

As a performance indicator the Office aims to provide 70% of consultancies within 20 working days. This time frame is important in meeting client requirements and maintaining competitiveness in the delivery of services. The overall outcome achieved is 12.34 % for the year.

Like market valuations, there is an increasing number of clients requesting or agreeing to a longer turnaround period for our outputs. This has an obvious effect on the outcome where jobs are registered upon request and supplied to an agreed timeframe that exceeds the indicator target.

More than 70% of consultancy work were supplied within 30 to 40 working days from client request. Either the system of measuring the turnaround times or the key performance indicator will need to change to reflect the true output efficiency.

KEY EFFICIENCY

Efficiency indicators are based on cost measures determined by previous outcomes and client expectations.

2.3 Cost per Value

This output measure provides a broad indication of the relative efficiency of the Office in delivering cost-effective other valuation services to clients.

The measure refers to the total cost per value including all stamp duty, market, asset and plant and equipment valuations, and property related valuation consultancy services.

The overall cost for valuations of this category is \$33.30 per value, which is approximately 27 % above the target of \$26.20 per value.

This is because of the considerably lower than expected output level for plant and equipment valuations and higher complexity of valuation tasks undertaken in this category.

2.4 Consultancy – Cost per Hour

In addition to the cost per value measure, the efficiency of the consultancy output has been measured and expressed in terms of hours as opposed to jobs completed.

The complexity of each consultancy task can vary greatly and for this reason consultancy hours will measure efficiency more accurately than the number of completed jobs.

The consultancy hours is based on the conversion of the total number of full time equivalents allocated to the output. One full time equivalent converts to 1,976 hours. The overall cost for valuations of this category is \$38.27 per hour, which is on target for the year in review.

SUMMARY OF KEY PERFORMANCE INDICATORS

For the year ended 30 June 2001

3. ADVISORY SERVICES

The outcome is an effective and impartial valuation and property information service.

The broad objective is to be the preferred provider of cost effective, reliable and accurate property related information to our clients.

The Office has developed and maintained an extensive data base of property related information since 1979. This information underpins the Office's ability to provide an effective valuation service, hence the database must at all times be accurate and up to date.

Advisory services refer to the sale of information from this database to Government, the property profession and the wider community.

KEY EFFICIENCY

Efficiency indicators are based on cost measures determined by previous outcomes and client expectations.

Property Information – Cost per Request

This output measure provides a broad indication of the relative efficiency of the Office in delivering cost-effective services to clients. The measure refers to the total cost per request as opposed to total revenue and expenditure. Requests include the total number of sales maps, products and digital data requests.

This year's outcome was a cost of \$29.37 per request, which is approximately 70% higher than the target of \$17.10 per request. This is due to a lower than expected number of requests and additional full time equivalent resources. In terms of revenue, the Section has exceeded its target by 11.54 %.



AUDITOR GENERAL

To the Parliament of Western Australia

VALUER GENERAL'S OFFICE
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2001

Scope

I have audited the final key effectiveness and efficiency performance indicators of the Valuer General's Office for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Valuer General was responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. Following the abolition of the Office with effect from July 1, 2001, the Treasurer appointed a Reporting Officer under the provisions of section 65A of the Act, who was responsible for preparing and presenting the final key performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Office's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Valuer General's Office are relevant and appropriate for assisting users to assess the Office's performance and fairly represent the indicated performance for the year ended June 30, 2001.

A handwritten signature in black ink, appearing to read 'K O'Neil'.

K O'NEIL
ACTING AUDITOR GENERAL
October 15, 2001

SUMMARY OF OPERATIONAL OUTCOMES

For the year ended 30 June 2001

	<i>Division</i>	<i>Number of values</i>	<i>Values per FTE</i>	<i>Total FTEs</i>	<i>Exp. per value</i>	<i>Rev. per value</i>	<i>Total Expenditure \$</i>	<i>Total Revenue \$</i>	<i>Surplus (Deficit) \$</i>
TOTAL RATING AND TAXING VALUATIONS		1,242,839	9,791	126.94	\$8.03	\$8.15	\$9,983,271	\$10,124,153	\$140,882
<u>GENERAL VALUATION</u>									
Gross Rental Values:	Metro	318,037	19,033	16.71	\$3.93	\$4.79	\$1,250,997	\$1,524,299	\$273,302
	Country	71,300	4,259	16.74	\$19.56	\$16.95	\$1,394,492	\$1,208,871	(\$185,621)
Unimproved Values:	Metro	485,397	21,875	22.19	\$3.51	\$4.95	\$1,702,019	\$2,400,366	\$698,347
	Country	279,671	15,756	17.75	\$5.24	\$9.18	\$1,465,484	\$2,566,822	\$1,101,338
	Sub-Total	1,154,405	14,756	73.39	\$5.45	\$7.38	\$5,812,992	\$7,700,358	\$1,887,366
<u>INTERIM VALUATIONS</u>									
Gross Rental Values:	Metro	34,903	1,638	21.31	\$45.77	\$32.09	\$1,597,338	\$1,120,146	(\$477,192)
	Country	16,452	1,938	8.49	\$42.47	\$28.87	\$698,663	\$474,987	(\$223,676)
Unimproved Values:	Metro	10,357	1,922	5.39	\$39.90	\$35.70	\$413,229	\$369,740	(\$43,489)
	Country	24,107	3,720	6.48	\$22.25	\$19.04	\$536,501	\$458,922	(\$77,579)
	Sub-Total	85,819	2,059	41.67	\$37.82	\$28.24	\$3,245,731	\$2,423,795	(\$821,936)
<u>OBJECTIONS, APPEALS & QUERIES</u>									
Objections:	Metro	745	236	3.16	\$318.68		\$237,417		
	Country	570	214	2.66	\$385.27		\$219,602		
Appeals:	Metro	11	8	1.38	\$9,375.55		\$103,131		
	Country	4	11	0.36	\$7,436.00		\$29,744		
Queries:	Metro	903	278	3.25	\$271.46		\$245,131		
	Country	382	357	1.07	\$234.35		\$89,523		
	Sub-Total	2,615	220	11.88	\$353.56		\$924,548		
TOTAL OTHER VALUATIONS		142,072	2,331	60.94	\$33.30	\$36.59	\$4,731,574	\$5,197,854	\$466,280
<u>STAMP DUTY VALUATIONS</u>									
	Metro	4,307	836	5.15	\$87.74	\$145.15	\$377,889	\$625,176	\$247,287
	Country	2,231	606	3.68	\$136.87	\$183.50	\$305,361	\$409,383	\$104,022
	Sub-Total	6,538	740	8.83	\$104.50	\$158.24	\$683,250	\$1,034,559	\$351,309
<u>ASSET VALUATIONS</u>									
	Metro	40,518	3,787	10.70	\$19.46	\$15.18	\$788,284	\$615,003	(\$173,281)
	Country	81,970	7,882	10.40	\$10.57	\$13.85	\$866,451	\$1,135,425	\$268,974
	Sub-Total	122,488	5,805	21.10	\$13.51	\$14.29	\$1,654,735	\$1,750,428	\$95,693
<u>MARKET VALUATIONS</u>									
	Metro	3,494	275	12.70	\$266.70	\$298.08	\$931,867	\$1,041,487	\$109,620
	Country	5,225	526	9.93	\$158.79	\$162.66	\$829,660	\$849,887	\$20,227
	Sub-Total	8,719	385	22.63	\$202.03	\$216.93	\$1,761,527	\$1,891,374	\$129,847
<u>PLANT & EQUIPMENT</u>									
	Metro	2,160	2,805	0.77	\$26.19	\$12.08	\$56,579	\$26,083	(\$30,496)
	Sub-Total	2,160	2,805	0.77	\$26.19	\$12.08	\$56,579	\$26,083	(\$30,496)
<u>CONSULTANCY</u>									
<u>Standard</u>		No. Jobs							
	Metro	201	63	3.17	\$1,166.51	\$1,195.78	\$234,469	\$240,352	\$5,883
	Country	1,905	520	3.66	\$146.23	\$133.89	\$278,559	\$255,058	(\$23,501)
	Sub-Total	2,106	308	6.83	\$243.60	\$235.24	\$513,028	\$495,410	(\$17,618)
<u>PSOs</u>									
	Metro	30	88	0.34	\$861.03	\$0.00	\$25,831	\$0	(\$25,831)
	Country	31	70	0.44	\$1,181.42	\$0.00	\$36,624	\$0	(\$36,624)
	Sub-Total	61	78	0.78	\$1,023.85	\$0.00	\$62,455	\$0	(\$62,455)

SUMMARY OF OPERATIONAL OUTCOMES

For the year ended 30 June 2001

	Division	Number of values	Values per FTE	Total FTEs	Exp. per value	Rev. per value	Total Expenditure \$	Total Revenue \$	Surplus (Deficit) \$
TOTAL ADVISORY SERVICES		27,343	4,490	6.09	\$29.37	\$33.66	\$802,948	\$920,234	\$117,286
<u>PROPERTY INFORMATION</u> <u>No of Requests</u>									
	Metro	27,343	4,490	6.09	\$29.37	\$33.66	\$802,948	\$920,234	\$117,286
TOTAL DIVISIONS									
	Metro	901,063	8,023	112.31	\$9.73	\$9.86	\$8,767,129	\$8,882,886	\$115,757
	Country	483,848	5,925	81.66	\$13.95	\$15.21	\$6,750,664	\$7,359,355	\$608,691
<u>OFFICE TOTALS</u>		1,384,911	7,140	193.97	\$11.20	\$11.73	\$15,517,793	\$16,242,241	\$724,448

NOTES

1. Full Time Equivalent (FTE) resources do not include staff employed from the capital works fund.
2. One FTE is the equivalent of 1976 hours per annum.
3. Cost centre FTEs and expenditure have been allocated to the business units and then across the outputs. Cost centre refers to the non-output producing areas of the Office.
4. Total expenditure represents all expenditure on an accrual basis inclusive of superannuation, depreciation, resources free of charge, opportunity cost and the net impact of competitive neutrality.
5. Total revenue is the total potential revenue earned for the 12-month work program including revenue foregone.
6. Consultancy (in the first table above) refers to number of jobs as opposed to number of values. Number of consultancies (6,510) are not included in the total number of values, however, all FTE, expenditure and revenue figures are included in Office totals.
7. The number of requests for property information includes the total number of sales maps, products and digital data requests.
8. "Metro" means Metropolitan Division and "Country" means Country Division.

GLOSSARY OF TERMS

For the year ended 30 June 2001

Appeal	A formal appeal is lodged by a ratepayer against a rating and taxing value and heard by the Land Valuation Tribunal.
Asset Valuation	Valuations of all land in the Government Property Register. The VGO provides land, improvements and total (asset) value as at 1 July each financial year.
Chief Employee	The Valuer General is a Chief Employee as defined by the Public Sector Management Act 1994.
Comparable Sale	A basis of valuation whereby evidence derived from the analysis of sales of similar type properties is used to demonstrate value.
Compensation	Refers to compensation that may arise when resumption takes place. Resumption is the statutory process under which an authority, empowered by the laws of a State, compulsorily resumes land for a specific public purpose.
Consolidated Fund	The receipts and payments of moneys held by the Office for the State as defined in the Financial Administration and Audit Act.
Date of Valuation	The date at which a valuation is assigned to land under Section 19 of the Valuation of Land Act.
General Valuation	A statutory requirement applicable to both gross rental value and unimproved value. It refers to the determination of value for all rateable land in the State as at a particular date, for inclusion in the valuation roll.
Government Property Register	The register comprises all land held in the ownership and control of State Government departments, agencies and authorities.
Gross Rental Value	A statutory concept of value used mainly for rating and taxing purposes, which reflects the annual rental payable by a tenant to an owner including rates and other outgoings. This is more fully defined in the Valuation of Land Act.
Integrity Level	In relation to asset values, refers to the differing levels of accuracy and completeness of valuation data contained in the database for property in the Government Property Register. There are four integrity levels with integrity 4 being the most accurate and complete.
Interim Valuation	A review of the value in force for rating and taxing purposes, to reflect changes between general valuations.
Market Value	A valuation made which reflects the amount that could be realised in the open market between parties willing to trade, but neither of them so anxious to do so that he/she would overlook ordinary business considerations.
Mining Tenement	Land in respect of which a mining tenement is held pursuant to an agreement with the Crown. The Valuation of Land Act provides statutory valuation calculations.
Net Appropriation	Prescribed revenue received by the Office to be retained for services under the control of the Office. These funds do not form part of the Consolidated Fund.
Objection	In relation to rating and taxing valuations, refers to the right of the ratepayer, under the Valuation of Land Act, to make a formal objection to the Valuer General against a value upon which rates or taxes are assessed. An objector dissatisfied with the decision of the Valuer General has a formal right of Appeal to the Land Valuation Tribunal.
Plant and Equipment	Chattels such as machinery, implements, tools, furnishings, fittings etc, which may be associated with land use, but which are not fixed to the land or premises or, if fixed, may be removed without causing structural damage.
Queries	Treated similarly to a formal objection, however, no rights of appeal exist.
Stamp Duty	In relation to stamp duty valuations, is a tax payable by the transferee of a property when ownership is transferred, and is based on the value of the property at the date of transfer.
Stamp Duty Valuation	A market valuation made the basis of which stamp duty for the transfer of land is assessed.
Statutory Clients	Refers to a statutory authority or instrumentality such as a Government department, formed to administer under a particular statute.
Unimproved Value	A statutory concept of value used mainly for rating and taxing purposes, which envisages the land as being in its virgin state (outside a townsite) or vacant except for merged improvements (within a townsite), but enjoying the benefits of all external factors which influence value. The definition of unimproved value can vary with land use and tenure and in some cases is a statutory formula. The various definitions are found in the Valuation of Land Act.
Valuation District	Refers to the whole State for the purpose of determining unimproved values and for gross rental values a valuation district usually coincides with each local government boundary.
Valuation Roll	A formal record of all rateable land in the State, its rateable value and the date the value came into force, that being the date at which the value can be applied by the appropriate rating and taxing authorities.
Value in Force	A value contained in the valuation roll.
Valuer	One who is qualified by skill and knowledge to express opinions as to value, and to give evidence in support of valuations.
Work Management System	A computerised management system that allows all work at the VGO to be monitored and costed with automatic posting to the financial system. It replaced the old job card and diary systems in 1997/98.

CONTACT LIST, ADDRESS AND LOCATION

CONTACT LIST

For further information on any item contained in this report, please contact the most appropriate person as follows:

Valuer General

Gary Fenner (08) 9429 8411

Chief Valuer Metropolitan Division

Rick Murphy (08) 9429 8442

Chief Valuer Country Division

Graham Jeffery (08) 9429 8534

Manager Corporate Services

Paul Whyte (08) 9429 8570

Manager Client Services Section

John Mann (08) 9429 8572

Manager Metropolitan UV Branch

Jeff Cadd (08) 9429 8418

Manager Metropolitan GRV Branch

Brad Mercer (08) 9429 8480

Manager Market Value Branch

Vin Lumbus (08) 9429 8545

Manager Country Towns Branch

Phil Edwards (08) 9429 8515

Manager Country Rural Branch

John Rowe (08) 9429 8525

Manager Bunbury Office

Duncan Rutherford (08) 9721 0800

Albany District Office

Andy Muir (08) 9841 4532

Freedom of Information Coordinator

John Mann (08) 9429 8572

An e-mail message may be directed to any of the above contacts simply by typing the person's first initial, full stop, and surname in lower case followed by the appropriate suffix. For example:
j.wilmot@vgo.wa.gov.au

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BUNBURY REGIONAL OFFICE

Location and Postal Address:
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Bunbury Western Australia

Public counter 6th floor

Phone: (08) 9721 0800
Fax: (08) 9721 4465

ALBANY DISTRICT OFFICE

Location:
O'Keefe's Building 58 Serpentine Road
Albany Western Australia

No public counter

Correspondence to Perth Office,

Phone/Fax: (08) 9841 4532

HOURS OF BUSINESS

We are open for business between 8.00 am and 5.00 pm Monday to Friday except public holidays.

Contact the Corporate Development Section on (08) 9429 8439

