

Valuers Act Submission

1.1 Professional Association (Compulsory Membership)

I have strong preference for compulsory membership to a professional association. A profession should have a professional association working to protect the interests of the public and to better the profession as a whole. Valuers need a voice. If valuers are not represented by one body it is difficult to have a unified voice especially when topical issues are raised for example the valuers act review itself.

1.2 Ethics, CPD and Standards

Continuing professional development is highly valued. It should remain compulsory, in order for the public to have faith that the profession is kept up to date with current market trends and practises. The current requirements (i.e. 20 hours) are considered appropriate and the requirement is similar to other professional groups such as accountants, lawyers and architects.

I agreed it is appropriate for LINZ to set ethics. My preference would be for the existing NZIV Code of Ethics to be uplifted to a governance level. Any change in the Code of Ethics, once legislated, would need discussion with the professional body and profession.

I agree that practice standards and best practice guidelines are technical in nature and are best set by the profession who hold specialist expertise.

1.3 Governance Structure

I agree that the inclusion of independent “lay” people on the Registration Board is appropriate. This will bring us into line with other professions.

1.4 Titles to be Protected

The “Registered Valuer” title was very important and I agree that this should be protected under future legislation. Registered Valuer implies a certain level of competence due to the rigorous registration process undertaken by valuers.

Registered Valuer also allows us to differentiate ourselves from people who are currently holding themselves out to be valuers but are not necessarily competent in that field.

I also agree that “Valuer” and “Valuation” should also be protected as it applies to real property. More work needs to be done by the industry to promote who we are and what we do to the public.

1.5 Registration Requirements

I believe three years post university experience is appropriate as experience in valuation is gained through work experience, and it would be difficult to reach the competency requirements in any lesser period of time.

The minimum age was therefore deemed to be irrelevant. There is no opposition to its removal from the Act. In order to gain adequate experience in the market and understand the idiosyncrasies of local markets I agree that one year’s experience for valuers trained overseas who wish to operate in New Zealand is suitable.

A tiered registration system is viewed negatively as it would result in a diminished brand. This is due to the perceived confusion that this would cause for the public. Often valuation exercises are not simple. Further to this valuers located in smaller cities and provincial areas are often asked to value a large range of assets and specialisation is not suitable in these markets. Our practice standards and

which are currently in place are the most suitable way to deal with the supervision of unregistered graduates. The additional costs which would be incurred if a tiered registration system was implemented may well also outweigh the benefit.

The purpose of a degree from a University is to give a snapshot of the industry or a field. In the same way that accountants study a commerce degree but are not ready to be a chartered accountant from day one, a valuer is not equipped to be a valuer from day one. Courses are limited to twelve weeks and in this time only an overview can be given. Specialised topics cannot be learnt in this short time frame. As previously mentioned, training, supervision and mentoring are the key to our industry.

1.6 Registration Renewal

I believe that a statutory declaration would be adequate and appropriate for registration renewal. It was noted that if a more rigorous scheme was proposed there were serious questions over the increase in cost and resources required for this process. If the requirements were too onerous this may further deter valuers from entering the profession. However more rigorous tests may be appropriate in certain circumstances for example if a valuer has not been practicing as a valuer after an extended period of time and is now trying to return to the industry. Bank "panels" generally drive valuations.

1.7 Disciplinary Process

I agree the current disciplinary process is ineffective, costly and time consuming. The tiered disciplinary process looked to be suitable, with the attendees appreciating that less time would be taken up in relation to more minor and vexatious claims.

In its current format, little information is passed on regarding disciplinary cases and this is an aspect I believe they can learn a great deal from. The Valuer General does hold a "Risk Management Seminar" every year or two where he outlines the results of recent disciplinary cases. This is often done at the annual PINZ Conference but unfortunately the cost of attending is relatively expensive for young graduates. Some results are now published in the PINZ Property Quarterly Magazine distributed to all members. I agree that there needs to be more linkage between disciplinary results and continuing professional education. The requirement to report to the Minister is also not considered onerous. The biggest deterrent to bad behaviour is a risk of publication.

I can see the benefit to investigating the process based on the valuation provided however ultimately it is the quantum that is critical. This is how the public judge us. We think it is unlikely that the proposed system would reduce the reliance on check valuations. Quantum will always be the main concern and the main reason a complaint is made. If it is only the process being investigated then it is possible that key sales could be missed due to these being omitted from the report. Check valuations provide local expertise to the VRB.

The proposed sanctions are considered fair and I endorse the proposal with the discussion paper to increase both the level and variety of sanctions available to the process..

1.8 Sum Insured Valuations

The Code of Ethics requires valuers to only practice in markets for which they have the technical abilities and experience. This would apply to sum insured valuations. A valuer will only accept an appointment if they have the expertise required for the valuation.

A number of people rely solely on the online calculators, and while a valuer may not be as accurate as a Quantity Surveyor, this may be a reasonable alternative versus New Zealand being uninsured and relying solely on a square metre rate derived from an online calculator.

I agree more specialist training on sum insured valuations is required.

1.9 Future Supply of Valuers

I believe that the valuation profession should be more widely promoted, from experience a lot of young people do not know about the profession or what we do.