

**Submission to Land Information New Zealand (LINZ)**

**In regards to the Review of the Occupational Regulation of Valuers**

**Discussion Document (1 July 2014)**

***Answers to questions***

1. *Do you agree that there is a lack of accountability and transparency in relation to the VRB's operations?*

Yes.

2. *Do you agree that the composition of the Valuers Registration Board is problematic? If so how?*

Yes. Being just Registered Valuers it would appear to the public that it is not independent to any degree.

3. *Do you agree with the proposal to constitute a new board which would include lay people with specialist expertise?*

Yes.

4. *Do you agree that it should NOT be mandatory for registered valuers to join NZIV or any other professional association?*

No. I think it should be mandatory, provided there is a single body. The industry is too small to have a number of associations. We need to streamline governing policies/procedures, standards and ethics. This needs to be driven by one body. Enables the industry to be able to update/refresh/renew these when and where need be without a differing body have to do the same, or trying to agree with one another.

5. *What if any issues do you think would need to be managed if professional association membership was voluntary?*

N/A – See above.

6. *Do you think that the tiered complaints system could deliver the benefits outlined above? If not, why and do have any thoughts on how else those benefits might be realised?*

Yes.

7. *Do you think it is possible to reduce the reliance on check valuations and, if so, how might this be done?*

No. Check valuations become an important part of the disciplinary process and so should not be reduced.

8. *Is the range of sanctions proposed above adequate? If not, what other sanctions would be appropriate?*

Yes.

9. *Is there a need for compliance monitoring and if so by whom?*

Yes. It would have to be undertaken by independent and external auditing bodies. Personally I feel this should be compulsory; however I understand this is almost an impossibility. It

would come as a great cost, and would hinder the smaller firms and solo operators in the profession. It would help to uphold the integrity of the profession, if all professionals that undertake work in this field are continually being monitored on a regular basis.

10. *Do you agree with the proposal for the VRB to undertake more analysis of complaints and outcomes? Why/Why not?*

Yes. This would provide the industry as a whole with a better understanding of "best practice" principals, which are to some extent open to interpretation, and how the VRB applies rulings in all situations.

11. *Do you agree that "registered valuer" should be the only protected title? Why/Why not?*

Yes. Public perception. The title should provide the clients and public in general with confidence in the professional.

12. *Do you think it necessary or desirable to change the existing registration period and/or registration renewal requirements? Why/Why not?*

Yes and no. See below

13. *If you answered "yes" to the above question, please indicate whether you prefer one or other of the suggested approaches or another approach?*

I think there would be some merit in perhaps requiring some to renew their registration, if for example they have had a complaint logged against them, which has sufficient weight to regard such (as determined by VRB).

I don't think having a 5 year renewal would be cost effective, and would require too much to the VRB's time. If need be maybe an annual statutory declaration on the basis that the individual is practicing as a valuer on a day-to-day basis. If compliance monitoring were regulated and compulsory this would suffice also.

14. *Should CPD be mandatory? Why/why not?*

Yes. People in our profession should want to continually upskill, nothing in this industry is a constant, and therefore we should all want to change with the times. I would like to believe the CPD programme needs to be more upskilling focused, and less socialising focused.

15. *Do you agree with the proposal for setting practice standards? Why/Why not?*

Yes. This kind of interlinks with the above. There needs to be one single body, otherwise updating of standards etc would become a nightmare.

16. *Do you agree with the proposal for setting ethical standards? Why/ why not?*

No. They need to be valuation focused, in order to protect both the public and the valuers within the profession.

17. *Do you agree that the minimum age requirement should be removed?*

Yes

18. *What do you consider the benefits and cost of implementing any or all of the proposals?*

Ability to allow ongoing change and improvement of the profession.

19. *Do you think there are any aspects of the current occupational regulations scheme for valuers that impede competition in the supply of valuation services? Please specify which aspects and how they impede competition.*

No, there is healthy competition.

20. *Do you think the occupational regulation of valuers should be liberalised? If so, what aspects of the scheme should be liberalised and what benefits would this have?*

No, not at all. This would degrade the integrity of the profession, and expose the public to greater risk.

21. *Do you think the three year supervised experience period for New Zealand Graduates is too long? If so, how long should the experience period be?*

No three years is ok.

22. *Do you favour a tiered registration system that provides for provisional registration (with less experience and other requirements) as well as full registration?*

No.

23. *Should the requirement for overseas valuers to have at least one year's practical experience in New Zealand be retained?*

Yes.

24. *Do the existing degree courses and post graduate training requirements provide registered valuers with the expertise required to do sum insured valuations?*

Unsure

25. *Is there a need for practice standards covering sum insured valuations?*

Yes.

26. *Could registration be reduced for some types of valuations?*

No.

27. *Are the current registration requirements excessive for valuers who only carry out residential valuations? What would the risks and benefits to consumers if the requirements were reduced?*

No. There are no benefits. There are so many facets of any type of property, rural, commercial and residential. Registration requirements must provide the opportunity to cover these requirements, and also enable the professional to determine their area of expertise, and thus provide the consumer with the appropriate duty of care.

28. *Are there any risks in allowing registered valuers who have not passed degree courses in valuation to do rural valuations?*

Yes.

29. *Are the valuation qualifications offered by the accredited universities fit for specialist purposes? If not what are the problem areas?*

No I don't believe they do. I cant see any University providing the specialist expertise which is gained by specific training or through direct employment and learning as a graduate.

30. *Do you think any changes are required to the existing professional indemnity insurance arrangements?*

I think it should be mandatory to have PI cover when working as a registered valuer, again, I understand logistically it would be difficult for smaller firms and solo partitioners to be able to afford this, however it would add to the protection of the public.

31. *If so, do you favour either of the options outlined above or have an alternative suggestion?*

Capped liability causes several points of further discussion and consideration. I believe it is in place in Australia, so could be worth investigating further.

Submission of:

