



## Review of the Occupational Regulation of Valuers

### Key Questions Response;

1. Whilst I think the VRB currently does a good job of Registering and Disciplining Valuers it could be perceived that there is a lack of accountability and transparency. Therefore making the board more accountable to the Minister would improve this. Further reporting publically subject to the level of complaint and privacy may be a good option.
2. I don't think the current composition is problematic however including further lay representation would enhance the overall independence of the board.
3. See 2.
4. I don't think it should be mandatory for a registered valuer to have to join NZIV (PINZ) or any other professional association. If the professional association is doing a good job of representing the profession, promoting the profession when they can and also providing good educational/technical resources then a professional would naturally want to be a member of this organisation. However by making it compulsory you remove the main incentive for the professional association to do their job properly. Essentially the valuer is forced to pay for something that does not necessarily add any value to their profession or represent their particular interests.

This viewpoint is mine alone however it is one that is not necessarily alone within the profession. Whilst the NZIV (PINZ) has provided a submission on behalf of its members it needs to be noted that as operators of the existing membership system then they may be perceived to have a vested interest in maintaining compulsory membership. At the moment there is a distinct lack of competition within the valuation sector for bodies providing professional representation of Valuers these being PINZ/NZIV (essentially one organisation) and RICS. Also it is my understanding that as Valuers are essentially required to be part of NZIV per the Valuers Act which in turn then requires them to be members of PINZ this essentially results in compulsory membership and therefore limited competition.

I don't think the membership would become fractured as any professional would naturally choose the organisation that best represents their interests. As the majority of Valuers are currently members of NZIV/PINZ then you would assume they would naturally continue with this organisation assuming they were satisfied with their performance to date.

5. As the proposals already indicate a preference for a stronger more independent role for the VRB with improved disciplinary procedures and sanctions plus increased proposals for enhanced registration renewal requirements then I don't see any significant issues for having non-compulsory membership. Education options are available from many resources so the ability to meet CPD requirements would not be hindered. Furthermore Valuers already operate under International Valuation Standards so these would continue to be available to any individual valuer through the payment of an appropriate fee either individually or through their professional association. Lastly I do not believe standards would decline just because of non-compulsory membership as this is as much up to the individual and any regulation requirements. As stated in Question 4 if the professional association is acting in the best

interests of the property professional and providing value for money then the professional would naturally be happy to pay the membership fee.

6. Yes a tiered complaints system could work. The current system is extremely slow and expensive so any proposal to improve this would be good.
7. Check valuations do appear to be expensive. Perhaps a more suitable alternative would be to have an independent review of the valuation report that is subject to the complaint.
8. I think increased sanctions to be a good idea.
9. Compliance monitoring is best completed by the VRB as an independent regulator of Valuers. Any compulsory compliance monitoring system provided by a private organisation/professional association creates a monopoly organisation and the ability for these organisations to over charge members just to meet standards that they already adhere to.
10. I think there should be more analysis and as a result more publication of complaints and outcomes in order to educate the Valuation profession.
11. Yes 'Registered Valuer' and other 'Valuer' titles should be protected. It would seem unfair that a Registered Valuer would need to meet certain standards yet someone else could portray themselves as a Valuer or Public Valuer and not be required to meet the same standards. I don't think the public would distinguish sufficiently between various titles.
12. No it is not necessary to change the existing registration system. The system allows for graduates to obtain a good spread of experience over a sufficient length of time which then puts the public in a better position. A statutory declaration would seem a good idea.
13. Statutory declaration.
14. Yes CPD should be mandatory with the option to obtain training from various sources. A mandatory system improves the overall skill level of all Valuers and also means that those Valuers not currently meeting their CPD requirements are not riding the coat tails are those making an effort to upskill themselves.
15. Yes I agree with the proposal for setting practice standards. These are essentially now set at an International level with some changes for local conditions. I think even without compulsory membership most practitioners would continue with NZIV. Therefore they in consultation with any other professional body could set the standards and the cost be spread accordingly between the organisations.
16. Yes I agree.
17. Yes now outdated.
18. I think these proposals would provide a more transparent system for the public while also improving membership options and effectiveness for the Valuer professional. Any costs however would need to be effectively managed as ultimately any substantial cost increases would have to be eventually passed onto the public. Like many industries affected by technology Property Valuation does not have the volume of work that occurred previously so cost increases cannot be spread over jobs so easily.
19. No I do not.
20. No the scheme should not be liberalised. I do however think that voluntary membership of a professional body would give the property professional more choice in choosing which professional body provides the best service in representing their interests.
21. No I do not think the three year supervised experience is too long. The three years allows graduates to develop a good understanding of the property market and different property types which then means they are better placed to give advice to the public upon gaining registration.

22. No I do not favour a tiered system. I think this system would be misused by some firms and in general would undermine the professionalism of Property Valuers. Further it would be very difficult to administer and create confusion for the public.
23. Yes it should.
24. I do not know.
25. Sufficient information has been provided in regards to Insurance valuations.
26. No registration requirements should not be reduced, see comments question 21.
27. No they are not excessive, even if a Valuer only completes residential valuations there is still a variety of property types that the Valuer would only get the opportunity to value once in a while. Therefore by continuing with the three year supervision period this allows sufficient time to gain experience in all aspects of residential valuation. I cannot see any benefits to the consumer from reducing the registration requirements whereas the risk to the public would be increased through less experienced Valuers.
28. There is a risk however it would depend on the individual Valuer. Some urban Valuers have completed the small number of rural valuation papers available in addition to their urban valuation degrees so you would say with a certain amount of suitable, supervised experience they could be competent to complete a rural valuation. Furthermore it would depend on the type of rural property. Of course the same can be said of rural Valuers completing commercial valuation. This could also fall outside of their actual expertise.
29. Not sure as it has been a while since I completed my degree. However I felt at the time the degree gave me sufficient training to enter the workforce as a Graduate Valuer.
30. No I do not.
31. No comment.

Yours sincerely



### Summary of Questions

- Q1 Do you agree that there is a lack of accountability and transparency in relation to the VRB's operations?
- Q2 Do you agree that the composition of the Valuers Registration Board is problematic? If so, how?
- Q3 Do you agree with the proposal to constitute a new board which would include lay people with specialist expertise?
- Q4 Do you agree that it should not be mandatory for registered valuers to join NZIV or any other professional association?
- Q5 What if any issues do you think would need to be managed if professional association membership was voluntary?
- Q6 Do you think that a tiered complaints system could deliver the benefits outlined above? If not, why not and do you have any thoughts on how else those benefits might be realised?
- Q7 Do you think it is possible to reduce the reliance on check valuations and, if so, how might this be done?
- Q8 Is the range of sanctions proposed above adequate? If not, what other sanctions would be appropriate?
- Q9 Is there a need for compliance monitoring and if so, by whom?
- Q10 Do you agree with the proposal for the VRB to undertake more analysis of complaints and outcomes? Why/why not?
- Q11 Do you agree that "registered valuer" should be the only protected title? Why/why not?
- Q12 Do you think it necessary or desirable to change the existing registration period and/or registration renewal requirements? Why/why not?
- Q13 If you have answered "yes" to the above question, please indicate whether you prefer one or other of the suggested approaches or another approach.
- Q14 Should CPD be mandatory? Why/ why not?
- Q15 Do you agree with the proposal for setting practice standards? Why/why not?
- Q16 Do you agree with the proposal for setting ethical standards? Why/why not?
- Q17 Do you agree that the minimum age requirement should be removed?
- Q18 What do you consider are the benefits and costs of implementing any or all of the proposals?
- Q19 Do you think there are any aspects of the current occupational regulation scheme for valuers that impede competition in the supply of valuation services? Please specify which aspects and how they impede competition.
- Q20 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?
- Q21 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?
- Q22 Do you favour a tiered registration system that provides for provisional registration (with less experience and other requirements) as well as full registration?
- Q23 Should the requirement for overseas valuers to have at least one year's practical experience in New Zealand be retained?
- Q24 Do the existing degree courses and post-graduate training requirements provide registered valuers with the expertise required to do sum insured valuations?
- Q25 Is there a need for practice standards covering sum insured valuations?
- Q26 Could registration requirements be reduced for some types of valuation?
- Q27 Are the current registration requirements excessive for valuers who only carry out residential valuations? What would be the risks and benefits to consumers if the requirements were reduced?
- Q28 Are there any risks in allowing registered valuers who have not passed degree courses in valuation to do rural valuations?

**Q29** Are the valuation qualifications offered by the accredited universities fit for specialist purposes? If not, what are the problem areas?

**Q30** Do you think any changes are required to the existing professional indemnity insurance arrangements?

**Q31** If so, do you favour either of the options outlined above or have an alternative suggestion?