

PINZ Hawkes Bay Branch

Comments Re Review of Occupational Regulation of Valuers

The Hawkes Bay branch of PINZ met 23/7/2014 and discussed the questions raised in the Discussion Document. The general feeling has been summarised into these notes for your consideration.

Where there was general consensus, we have stated that view point but in some areas there was a wide variance of opinion and sometimes both views are expressed.

Q1. Felt a larger amount of reporting to the profession to learn from others mistakes and improve transparency would be good. Feeling that it would be good to know where complaints are coming from. Also needs to be a balance with how much reporting is done due to restraints of the Valuation Registration Board and costs. VRB needs to be independent but decisions need to be able to be challenged.

Q2. VRB composition problematic – not really but outside advice will be helpful. Cost of running is an issue. See above.

Q3. Lay people – seen as good idea.

Mixed views. Valuation Registration Board has gone away from using their own expertise and therefore it gets check valuations done to provide independent views. Valuation Registration Board has been caught out in the past by providing an opinion. Need to determine whether the breach was quantum or ethical. Some concerns about cost to implement and increase in number of complaints.

Q4 Mixed views. Discussion around the implementation of two bodies being the Valuation Registration Board as the legislative/ disciplinary side then a professional association for support/learning etc. Thoughts were that if the professional association was not performing then it may not be necessary to be a member. The professional association would need to lift their performance in order to maintain membership. Discussion on how Australia membership and the API is not mandatory, however, bank and lease agreements state that you need to be a member in order to do valuations for these uses. The two bodies would need separate funding. Overall feeling was that there needed to be some mandatory body regulated by legislation and lead registration etc. The secondary support body would not be mandatory and follow similar path as Real Estate Institute and REAA.

Q5. If professional association voluntary what needs to be managed? Standards, CPD, - need a strong organisation to represent profession with recognised brand. Ie why employ a registered valuer over some one else not registered? (standards, ethics, complaints process, PI cover etc).

Felt there was a need for a strong organisation to represent the critical mass and to represent valuers.

Q6. Tiered complaints system. Yes concern about how it would be structured. The feeling was that this should speed up the complaints procedures, however, may be more costly. Discussion on how complaints dealing with quantum should proceed to Court process instead of going through the

Valuation Registration Board process, with the Valuation Registration Board only ruling on points of ethic and standards.

Some members felt there needed to be a process where a quick check could be done to establish if a case existed – but just how this may work was problematic.

Q7. Felt there was still a need for check valuations unless the complaints procedure goes down the civil path.

Q8. Range of sanctions – generally adequate – possibility of supportive action (peer review) being a requirement where a valuer has shown lack of proficiency in a certain area. Re upskill the valuer if a mistake has been made to improve the profession.

Q9. Feeling that the professional association could do more to manage compliance within the industry. Discussion around whether QAAS should be mandatory for all firms. From a public perspective the public needs to be protected in two parts, more monitoring by the valuation registration board and guidance from a professional body.

Q10. VRB undertake analysis of complaints and provide feedback. Yes so can learn from our mistakes- where are we failing as a profession?

Q11. Registered Valuer – protected? Agree. There needs to be a grandfathering clause around the term ‘public valuer’ as still used in some legislation.

Q12. Registration Period. Relates to Annual Practicing Certs being for 1 year. Most thought this is fine.

Q13. Mixed views. No conclusion.

Q14. CPD Compulsory – yes – shouldn’t get practicing cert if not CPD compliant within reason.

Needs to be better checks in place for CPD compliance.

Q15. Practice Standards – to be set by profession – agree but if no compulsory membership body, how will this happen? Don’t believe that if NZIV contain the majority of membership they are responsible to consult with RICs or any other body representing valuers. This will potentially give breakaway groups more say than their numbers warrant – potentially un-workable. IVS overarching standards. The standards should be set by professional whatever body that is.

Q16. Ethical Standards – to be set by legislative rules – agree.

Q17. Minimum age be removed. Yes.

Q18. Cost benefit of any or all the proposals. Risk of shrinking membership/split organisations, rising costs. Possibly place costs of complaints on those that had the complaint if found guilty.

Q19. Occupational regulation impeding the supply of valuers – 3 year requirement for graduates to do basic work on own account is onerous on firms employing them.

Q20. Occupational regulation changes.

Mixed views. Some felt that a three year period was too long especially for residential valuers who are solely doing residential valuations. Others felt that the period needed to be shortened to attract more people to the industry. If a shortened period is introduced, that should only be a stepping stone “registration” and full registration as exists today should still have to be achieved. The stepping stone registration could still require supervision but recognises 2 year grads should be capable of a basic inspection without supervision.

Others felt should stay as is.

Q21. Registration period – see q20 above.

Q22. Tiered registration

Different registration tiers could be confusing to the public and so increase costs potentially. There was discussion around different registration requirement for different specialisations undertaken. Felt that this could be a beneficial step and stop cross valuations happening within separate industry’s, and people acting outside there expertise.

Q23. Overseas trained valuers – bit mixed – some felt 1 year appropriate, others no fixed term but when able to prove competency.

Q24. Do current degrees and post grad courses train valuers to do sum insured valuations – probably not.

Q25. Practice standards for sum insured valuations – yes these should exist.

Q26. Reduced registration requirements for some types of valuation. See Q20.

Q 27. Residential valuations –see q 20

Q 28. No degree rural valuers – assume that this means they are degree qualified but not in rural valuation – don’t think this is a good idea – could do the papers required extramurally over a few years – agriculture becoming more technical and will continue to do so.

Discussion applies not only to rural but also other specialised uses. Valuation becoming more complicated so degrees need to be specialised in their nature and also post graduate papers beneficial.

Q29. Are the courses offered by universities fit for specialist purposes Feeling around valuation becoming more specialised and universities need to account for this. Also needs to be more specialised training in terms of CPD.

Q30. Changes required to PI cover arrangements – the issue is as part of good practice should a firm have PI. Definitely yes. From a consumers point of view would want it and currently isn’t asked for. Potential for valuers to disclose if they do not have it.

Q31. Suggestion re PI. To be an NZIV member and offer professional service a firm/individual needs a level of PI. Probably needs a minimum level but no maximum. Firms can compete on basis they

have more PI over another. Don't believe it needs to be legislated but the NZIV should make it a condition of being a member.

General

Overall feeling was that the professional body needs to better represent valuers and make the terms 'Registered Valuers', QAAS accredited, and property indemnity insurance more well known within the general public. Give public reasons to use Registered Valuers by having a strong recognised organisation – this way valuers will want to belong and public will see benefits eg Master Builders

Specialisation within profession may be required as some areas become more complex.