

## Valuers Act Review Discussion - Rotorua / Taupo Branch PINZ

**Q1. Do you agree that there is a lack of accountability and transparency in relation to the VRB's operations?**

- YES - Due to the composition of the Board, there is a perception from outside looking in that the VRB is not independent; however that is not the case.

**Q2. Do you agree that the composition of the VRB is problematic? If so how?**

- YES – There is nobody outside the valuation field on the board.

**Q3. Do you agree with the proposal to constitute a new board which would include lay people with specialist expertise?**

- YES - Argued quite well in the paper. i.e. use of lawyer or accountant to save costs of sourcing information externally.
- Should provide a more streamlined approach to complaints if the Board does not have to seek outside advice.
- Paper is silent on the process for appointment of board members.
- Other professions such as Architects have a statutory board set by the Government /Minister.

**Q4. Do you agree that it should not be mandatory for registered valuers to join NZIV or any other professional association?**

- It is likely that the negative impacts of not belonging to an organisation would in itself ensure low numbers of non-membership.
- At the moment if the organisation is not working satisfactorily a member may make a complaint but there is no option to walk.
- Will voluntary membership make the body more accountable?

**Q5. What if any issues do you think would need to be managed if professional association membership was voluntary?**

- Making the organisation smaller is going to make it more expensive to run?
- If there were more than one professional organisation there would need to be a separate body to do the disciplinary work made up of members of all/both organisations.
- If there were an option to not belong to a professional organisation then CPD would need to be self regulating, how would this be reviewed and who would be responsible for overseeing the availability of suitable CPD, would this then become a function of the Board?
- Strengthens the argument to review valuers registration on a 5 yearly basis.
- Part of the professions strength comes from the ongoing development and processing of information at a national level; by making membership optional is there going to be a watering down of the profession?

**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?**

- Any tiered system has got to be better than the present process.
- Speeding up the process, no need for the complainant to wait around for 3 years waiting on a decision.
- Is there the option to appeal a decision at the end of the complaints process?
- Many complaints are of a vexatious nature due to the client being unhappy with the value placed on the property, the complaint comes about as a method of avoiding payment of fee. There

should be a fee for lodging a complaint which can be refunded after the ruling if proved not to be vexatious.

- Stream line to speed up the process by dealing with complaints in a nature that suits the situation rather than full attention of the Board in every instance.

**Q7. Do you think it is possible to reduce the reliance on check valuations and, if so, how might this be done?**

- The complainant should provide their own evidential valuation in order to substantiate their case, as per legal proceedings if the complaint is upheld then the complainant should be rewarded costs paid by the valuer in the wrong.
- It is unclear why the costs should fall upon the VRB.
- How many of the complaints relate to the complainant being unhappy with the figure, then digging deeper into the report to find other errors?
- Levels of quantum should be decided by the VRB, so as not to take away the right of a fair defence.

**Q8. Is the range of sanctions proposed above adequate? If not, what other sanctions would be appropriate?**

- For those appearing in front of the VRB on a regular basis there should be a 3 strikes option giving the VRB the power to remove their registration status.  
ALTERNATELY
- Demerits system for valuers with multiple complaints, with increased membership fees for members with demerits. Published list of members points status.

**Q9. Is there a need for compliance monitoring and if so, by whom?**

- Some offenders have done their damage then disappear from the system before they can be caught.
- Tied up in some way to CPD?
- Monitoring would be expensive, but not necessarily a reason to say no to it.

**Q10. Do you agree with the proposal for the VRB to undertake more analysis of complaints and outcomes? Why / why not?**

- Detailed statistics were released by the valuer general in a single document.
- Yes they should - name and shame.

**Q11. Do you agree that "registered valuer" should be the only protected title? Why / why not?**

- Registered Valuer sufficient, additional wording is confusing.
- The annual practising certificate would need to relate to acting as a Registered Valuer rather than the term Public Valuer.
- Does it relate back to any documents? i.e. old leases.

**Q12. Do you think it necessary or desirable to change the existing registration period and/or registration renewal requirements? Why / why not?**

- The suggested monitoring of members needs to be carefully thought out particularly as it will apply to older long term members (possibly past retirement age) having a wealth of experience to offer to younger members, who are likely to leave the profession if the terms are made too arduous. There does need to be however a means of dealing with poor performers regardless of age.

- The renewal of registration should be linked to the annual practicing certificate - in relation to those returning to the industry the member should be required to prove that they have maintained the required level of competency before receiving their practising certificate.
- Some clarification is required around what is level of renewal requirements are proposed.

**Q13. If you have answered 'yes' to the above question, please indicate whether you prefer on or other of the suggested approaches or another approach.**

- Either 1 or 5 years depending on the circumstances - need more clarification

**Q14. Should CPD be mandatory? Why / why not?**

- YES - this is the normal process for other organisations.
- CPD is currently mandatory, has been for 2 years as change to rules, any suggestion otherwise is a step backwards.

**Q15. Do you agree with the proposal for setting practise standards? Why / why not?**

- YES - There is still a need to set appropriate standards for valuers.
- If membership is not mandatory and there is more than one organisation, then neither organisation should set the standards individually, they would need to be set by the board.

**Q16. Do you agree with the proposal for setting ethical standards? Why / why not?**

- NO - The profession should set appropriate ethical standards.

**Q17. Do you agree that the minimum age requirement should be removed?**

- Age is superfluous.

**Q18. What so you consider are the benefits and costs of implementing any or all of the proposals?**

- There needs to be some sort of change to the status quo, costs are going to follow the changes what ever they are.
- There should be a cost benefit to the tiered complaints system.

**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.**

- The image of registered valuers is not necessarily appealing to the new valuers coming through.
- The current 3 years study plus 3 years experience is quite daunting for new comers, and expensive for businesses who wish to take on a graduate.
- More flexible approach - suggest a hybrid system of 4 years consisting of, 2 years university study and 2 years of practical work, combined with the option of provisional registration for certain valuations.
- More practical aspects to university study.
- Registration - workshop with 5 or 6 applicants and panel members. Get to know and speak to the applicants on a one on one basis rather than the current system.
- Supply in UK and US has already dropped - if not a problem in New Zealand now it will be problem in 10 years time.

**Q20. Do you think the occupational regulation of valuers should be liberalised? If so, what aspects of the scheme should be liberalised and benefits should this have?**

- Require further clarification of question.

- 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?**
- The period of three years can be too strict, the time frames around registration should relate to the competency of the applicant and their selected specialisation.
  - Registration requires the support of fellow valuers in the way of referees who would be aware of the applicants ability and would be able to guide the applicant around timeframes. Furthermore there is then the option for the registration board to deny registration and apply a restriction to timing of future attempts.
  - The range and volume of work should be considered - who decides this?
  - Check through the complaints statistics, what is the age range of complaints - are young people actually the problem?
- Q22. Do you favour a tiered registration system that provides for provisional registration (with less experience and other requirements) as well as full registration?**
- If there is an option for provisional registration based on specialisation then that should be less than three years.
  - If open registration then stick to three years, then this should be three years or any other process which is in place.
  - Provisional registration should be recorded on reports, and signed off by a registered valuer.
- Q23. Should the requirement for overseas valuers to have at least one year's practical experience in New Zealand be retained?**
- YES - this is no different to an NZ valuer working overseas.
  - New Zealand's markets, construction methods and building materials are different to what is found in other countries.
- Q24. Do the existing degree courses and post-graduate training requirements provide registered valuers with the expertise required to do sum insured valuations?**
- NO - Sum insured should be included in tertiary education.
  - if you are not competent then don't do it - relates back to ethics.
  - Guidance notes outlining details, i.e. GST, inclusions, exclusions.
  - Many insurance companies are not interested in seeing the report only the cover letter/ certificate. Responsibility for ensuring the property is sufficiently covered comes back to the person insuring the property.
- Q25. Is there a need for practise standards covering sum insured valuations?**
- The existing standards should be amended.
- Q26. Could registration requirements be reduced for some types of valuation?**
- See answer to Q21.
- 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?**
- YES

**Q28. Are there any risks in allowing registered valuers who have not passed degree courses in valuation to do rural valuations?**

- YES - but you the skills are not learnt at University, they are learnt it in practice.
- Refer to Code of Ethics / competency requirements.
- Registration used to relate to specialisation i.e. Rural or Urban.

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

- There needs to be some standardisation across the different universities on theory and practical requirements.
- Quality of education has slipped.
- Increased practical training.
- Current graduates lack basic valuation skills - report writing, inspection processes, identifying materials, measuring buildings.

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

- There is no need for change, banks won't use those without PI cover.
- Would a compulsory requirement reduce the cost based on such a small proportion of uninsured valuers?

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

- No compulsory requirement, but disclosure of PI insurance on register so that clients are aware of risk.