

Break-down of Responses

Proposals to address problems and concerns

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

Agree: 41 submitters (85%)¹

Partially agree (lack of transparency): 4 (8%)

Disagree: 2 submitters (4%)

Don't know: 1 submitter (2%)

No answer: 15

Comment: Those who partially agreed said transparency rather than accountability was the problem. A number of submitters commented that the board was "an old boy's club" and membership should be time-limited.

Q2 Do you agree that the composition of the Valuers Registration Board is problematic? If so, how?

Agree: 38 submitters (81%)

Disagree: 6 submitters (13%)

Don't know: 3 submitters (6%)

No answer: 16 submitters

Comment: Some submitters say the lack of non-valuers means conflicts of interest arise frequently.

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

Agree: 47 (90%)

Partially agree: 1 (2%)

Disagree: 4 (8%)

No answer: 11

Comment: Many submitters from the valuation profession stressed that valuers should make up the majority of the board. The few people who oppose the proposal thought valuation was too specialised and the board should be made up solely of valuers.

¹ Percentages do not include people who didn't answer the question.

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

Agree: 16 (29%)

Partially agree: 1 (2%)

Maybe: 1 (2%)

Disagree: 36 (65%)

Don't know: 1 (2%)

No answer: 8

Comment: Among the two-thirds of submitters who opposed voluntary professional association membership, some specified that it should be compulsory but valuers should have a choice about which association they choose to join. Opposition to voluntary membership came largely from valuers, valuation firms, and valuers' professional associations.

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

No answer: 17

Of the **46 submitters** who answered this question, common responses included:

- developing, funding and enforcing standards
- controlling 'rogue' valuers
- funding and providing CPD
- monitoring CPD
- preventing non-members from 'free loading' or 'coat tailing' off the standards and CPD developed by the professional association(s)
- ensuring the profession speaks with one voice, maintains public confidence and credibility
- the NZIV post-nominal.

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?

Agree: 50 submitters (94%)

Disagree: 2 submitters (4%)

Maybe: 1 submitter (2%)

No answer: 10 submitters

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

Agree: 23 submitters (47%)

Disagree: 20 submitters (40.5%)

Maybe: 5 submitters (10.5%)

Don't know: 1 submitter (2%)

No answer: 14 submitters

Comment: Nine submitters suggested "peer reviews" might be one way to reduce reliance on check valuations, and others thought you could judge a valuation purely on the process. Those opposed to reducing reliance usually said a check valuation is the only way to see whether the valuer correctly found and used local sales data. Several submitters noted that check valuers get more time and get paid more than the original valuer, creating an uneven playing field.

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

Agree: 29 submitters (60%)

Disagree: 18 submitters (38%)

Don't know: 1 submitter (2%)

No answer: 15 submitters

Comment: Three of those who disagreed with the sanctions felt that \$20,000 was an inadequate maximum fine. Another common theme was 'supervision' or ongoing peer review for valuers who are subject to complaints. Two submitters suggested a 'three strikes' or demerit point system for repeat offenders.

The VRB said valuers' careers are disproportionately damaged by sanctions like reprimands. When the VRB makes a finding of fault, the valuer in question can have some difficulty getting work with banks or finance companies.

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

Agree: 41 submitters (92%)

Maybe: 2 submitters (4%)

Disagree: 1 submitter (2%)

Don't know: 1 submitter (2%)

No answer: 18 submitters

Comment: Seven submitters specified that the board should carry out compliance monitoring. Sixteen submitters thought the PINZ Quality Assurance and Accreditation Scheme (QAAS) (or something like it) should be mandatory for all valuation firms. Many, including NZIV, thought compliance monitoring could be difficult in a voluntary membership environment. Only a few submitters said a body other than the board or professional association should be responsible for compliance monitoring.

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

Agree: 43 submitters (92%)

Maybe: 2 submitters (4%)

Disagree: 2 submitters (4%)

No answer: 16 submitters

Comment: While this proposal is overwhelmingly popular, there was some concern about the cost it would add. One submitter suggested universities or another body should be responsible for this.

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

Agree: 41 submitters (82%)

Disagree: 9 submitters (18%)

No answer: 13

Comment: The view of NZIV and others is the terms 'valuer' and 'valuation' for real property valuations should be reserved for registered valuers. A non-registered practitioner should be required to use another term like 'appraiser'.

Others thought public valuer (or another term) should be used to distinguish registered valuers who are practising from those who are not practising.

Q12 [Part One] Do you think it necessary or desirable to change the existing registration period...

Of the 28 submitters who specified a preference, most thought competence to practice needs to be assessed each year. Only five submitters expressed any desire to renew either registration or annual certification on any basis other than annually (three- or five-yearly renewal). There was some confusion about whether this question referred to full registration or renewing annual practising certificates.

No answer: 35 submitters

Q12 [Part Two] ... and/or registration renewal requirements? Why/why not?

Yes: 40 (87%)

No: 6 (13%)

No answer: 17 submitters

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.

21 submitters (50% of people who responded to this question) said renewal of registration should be linked to CPD and should include a statutory declaration. Other suggestions included requiring renewal of those who have been subject to complaints and requiring valuers to actively prove their competence.

No answer: 21 submitters

Q14 Should CPD be mandatory? Why/ why not?

Yes: 52 submitters (100%)

No answer: 11 submitters

Comment: Reasons for compulsory CPD usually related to the fast pace of change in the sector and the need to protect the public.

Q15 Do you agree with the proposal for setting practice standards? Why/why not?

Agree: 31 submitters (63%)

Partially agree: 2 submitters (4%)

Disagree: 16 submitters (33%)

No answer: 14 submitters

Comment: The main reasons for opposition were that practice standards should be completely left to the profession with no board involvement; voluntary membership makes the proposal unworkable; and the cost.

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

Agree: 31 submitters (63%)

Disagree: 18 submitters (37%)

No answer: 14 submitters

Comment: The predominant view among opponents to the proposal was that valuation ethical standards are not generic, and the profession should set them. Four submitters thought the board should do it.

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

Agree: 43 submitters (90%)

Disagree: 5 submitters (10%)

No answer: 15 submitters

Comment: REINZ suggested that only people who have attained the age of legal competence (18 years) be allowed to register.

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

Submitters tended to cite expected improvements to transparency, efficiency, and competency. 15 submitters (35% of those who responded) expect cost increases.

No answer: 20

Other issues

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.

Yes: 13 submitters (31%)

No: 29 submitters (69%)

No answer: 21 submitters

Comment: Of the 12 submitters who specified an area that impedes competition

- six thought the amount of time it takes to qualify deters people from entering the profession
- three thought the clearinghouse is impeding competition
- one thought rating valuations should be open to non-registered valuers
- one thought the profession was not well promoted
- one thought compulsory NZIV membership impeded growth of the profession.

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?

Yes: 6 submitters (16%)

No: 30 submitters (79%)

Maybe: 1 (2.5%)

Don't know: 1 (2.5%)

No answer: 25 submitters

Comment: Four of the six submitters favouring liberalisation thought the registration requirements could be loosened. One thought CPD should be liberalised and another submitter thought voluntary professional association membership would have a liberalising effect. Where opponents stated a reason for their opposition, it was usually because a liberalised scheme would insufficiently protect the public.

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?

Yes: 15 submitters (29%)

Maybe: 3 submitters (6%)

No: 34 submitters (65%)

No answer: 11 submitters

Comment: Of the 15 submitters who thought the period was too long

- three suggested two years
- one suggested 18 months
- one suggested one or two years
- and the rest didn't specify an amount of time.

Four submitters (two 'yeses' and two 'maybes') suggested registration be based simply on competence, meaning a graduate can apply for registration when they think they are experienced enough to pass the exam. On the other hand, four submitters said three years wasn't long enough.

Q22 Do you favour a tiered registration system that provides for provisional registration (with less experience and other requirements) as well as full registration?

Yes: 10 submitters (21%)

Maybe: 4 submitters (8%)

No: 35 submitters (71%)

No answer: 14 submitters

Comment: Submitters tended to oppose provisional registration because it would be unworkable: for example, 'residential only' is hard to define. Others said it would be confusing and that residential property is still difficult and subject to many complaints. Young valuers shouldn't be exposed to that kind of risk before being fully qualified.

Q23 Should the requirement for overseas valuers to have at least one year's practical experience in New Zealand be retained?

Yes: 42 submitters (94%)

No: 1 submitter (2%)

Maybe: 2 submitters (4%)

No answer: 18 submitters

Comment: One person in the maybe category suggested six months experience; the other suggested a flexible approach depending on the valuer's competence.

Q24 Do the existing degree courses and post-graduate training requirements provide registered valuers with the expertise required to do sum insured valuations?

Yes: 9 submitters (19%)

No: 32 (68%)

Maybe: 1 (2%)

Don't know: 5 (11%)

No answer: 16 submitters

Comment: Five submitters said quantity surveyors are better placed to do sum insured calculations.

Q25 Is there a need for practice standards covering sum insured valuations?

Yes: 38 submitters (83%)

No: 7 submitters (15%)

Maybe: 1 submitter (2%)

No answer: 17 submitters

Comment: Some submitters noted there is a guidance note already in place, and four submitters said this guidance note is sufficient.

Q26 Could registration requirements be reduced for some types of valuation?

Yes: 10 submitters (21%)

No: 34 submitters (72%)

Maybe: 3 submitters (7%)

No answer: 16 submitters

Comment: Most of the opposition to reducing requirements for residential valuations related to the difficulty of defining 'residential property' (e.g. mixed use developments). Also, it was said that valuers need to be equally schooled in all areas – 'highest and best use' valuation requires knowledge of various scenarios.

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: 9 submitters (20%)

No: 35 submitters (74%)

Maybe: 2 submitters (6%)

No answer: 17 submitters

Comment: Some of the comments were similar to the ones described above (Q26). Others said allowing residential-only registration would lead to risks.

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

Yes: 32 submitters (82%)

No: 4 submitters (10%)

Maybe: 2 submitters (4%)

Don't know: 1 submitter (2%)

No answer: 24 submitters

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

Yes: 13 submitters (30%)

No: 27 submitters (63%)

Don't know: 3 submitters (7%)

No answer: 20 submitters

Comment: Some said that, while university courses weren't fit for specialist purpose, this didn't matter as learning is done on the job. Four specified that students are not taught about building construction matters.

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

Yes: 23 submitters (49%)

No: 17 submitters (36%)

Maybe: 7 submitters (15%)

No answer: 16 submitters

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

Of the 30 submitters who stated 'yes' or 'maybe' in response to question 29, 29 specified their preferred approach.

Disclosure statement: 11 submitters

Mandatory insurance: 7 submitters

Capped liability: 7 submitters

Mandatory or disclosure statement: 1 submitter

Mandatory and capped liability: 2 submitters

Mandatory and disclosure of amount: 1 submitter

No answer: 34