

# LINZ Review of the Occupational Regulation of Valuers:

## Submissions of the Valuers Registration Board

August 2014

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### **1. Introduction**

This document contains the Valuers Registration Board's (the **Board**) collective submissions in response to the "proposals" and "other issues" contained in the Review of the Occupational Regulation of Valuers Discussion Document (the **Discussion Document**), answers to the questions outlined in that document, and sets out the Board's thoughts and comments regarding the content of the Discussion Document and the Review in general.

In preparing these submissions the Board understands the concerns raised by Land Information New Zealand (**LINZ**) and is aware of the problems with the current occupational regulation scheme. The Board has focused its responses around the explicit aims of the Proposals contained on page five of the Discussion Document.

However, before addressing those issues, the Board considers it important to note that the Discussion Document raises many issues on which there will be a wide divergence of views – e.g. from NZIV, PINZ, RICS, local branches and focus groups within these associations. The Board believes that, if the Review is to proceed and be successful, then it will need to address all issues and views. For example, the issue of whether registration will require mandatory membership of a professional association inevitably leads to further questions such as; which association, what standards does that organisation impose on its members, and who assesses the appropriateness of those standards? For this reason the Board asks that, before finalising its recommendations, LINZ provides the Board with a further opportunity to comment on any proposed recommendations to ensure all issues the Board considers relevant have been addressed.

### **2. Introductory comment**

Despite the age of the Valuers Act 1948 (the **Act**), the Board and its functions are a culmination of years of evolution which has developed into the system in place today. The Board understands the desire to align its operation and administration with other similar professional bodies but cautions that these bodies are different to the valuation industry as they have single professional institute representation. This is relevant because the proposals contained in the Discussion Document will inevitably produce fragmentation between the various bodies and, in the Board's view this will be to the detriment of the public protection. Given the pressure for sustainability of the profession, a "one size fits all" model is unlikely to be suitable, especially in light of the aims of the proposals contained in the Discussion Document.

It is important that a broadly functioning, highly specialised and experienced Board is retained. Although the Board is small in number, for the large part the current system works and is cost effective. The profession recognises that the matters under the control of the current Board comprising the qualification, experience, examination, consistency and certainty of the system is working effectively. In short, the profession and the public are broadly satisfied with the Board's operation with the exception of

the administration of the complaints system. In this respect, the Board agrees that the Act does not have the flexibility to deal with complaints in a timely manner.

The Board emphasises that the proposals should not be implemented purely on a cost reduction basis. Whether the proposed changes will actually make the operation more economically efficient or whether complaints will be handled in a timelier manner is questionable. That is because low level complaints could be dealt with quickly and effectively but more complex complaints require due legal process to occur.

The Board notes the lack of reference in the Discussion Document to the role of the Valuer-General. This will need to be more thoroughly examined in relation to the Proposals before any further recommendations are made.

### **3. The proposals**

#### **a. Governance structure proposals**

The governance structure of the Board will depend on the final direction taken with respect to membership of a professional body, and whether this is voluntary or mandatory membership.

In relation to the proposal of introducing lay-representation into the Board's constitution, in terms of reducing the cost of external specialist advice, the Board can see value in the addition of legal expertise, the Valuer-General, and perhaps someone with high level specialist knowledge. Currently, the Board encompasses wide valuation expertise with respect to geographical and specialist knowledge, which is relevant to carrying out its current roles and duties, and is necessary for its functional efficiency and protection of consumers.

The Board suggests that the Minister retains authority for appointing Valuers to the Board but that the Board makes recommendations as to the appointment of lay-people (if any), and on a co-operative basis.

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

The Board agrees that accountability and transparency would increase if reporting requirements were implemented.

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

No, however the Board could be enhanced by the appointment of a legal professional.

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

In addition to the submissions above, the Board emphasises the need to maintain the specialist professional knowledge that it currently has, because of the wide and varied work that it undertakes. To take away this level of "in-house" specialisation would be fatal to the Board's effective operation and would impact upon the delivery of its service to consumers. This is because valuation of property is a wide ranging discipline involving commercial, rural, and residential and specialist disciplines as disparate as valuation work within the retirement industry, infrastructure valuations, geothermal activity valuations, statutory and asset valuations, and dispute resolution of all kinds. It is on this basis that the Board believes it preferable that they have the authority to appoint lay-representation on a co-operative basis to bolster the panel where necessary.

4. *Do you agree that it should not be mandatory for Registered Valuers to join NZIV or any other professional association?*

The Board considers that the answer to this question is dependent on whether membership to a professional body was mandatory or voluntary and the Board requests the opportunity to make further comment on this once further direction on this issue has been provided. Irrespective of this, the Board is of the view that the welfare of the profession is dependent upon being a strong cohesive unit, as opposed to being fragmented among various professional bodies.

Mandatory membership would see greater cohesiveness and consistency of the profession. It would enable the Board to communicate to the members of the profession through the professional body/bodies rather than trying to communicate with the individual practitioners. Further, sustainability of the profession will be protected if membership to a professional body was mandatory as it would see consistency in the application of standards, education and CPD, branding, event management (conferences and seminars), and areas where development relies on economies of scale.

If membership was voluntary then the process of developing standards within the profession would be problematic and would require the Board to seek the advice of individual members of the profession rather than making direct contact with the various professional bodies. Application of international valuation standards would also be difficult as these standards require international connection and cohesion. If membership was voluntary, then the Board would be reliant on the individual professional bodies to develop and administer the relevant standards. This would likely cause conflict between the professional bodies. Further, the Board could not guarantee the consistency of standards across the profession, which would impact negatively on consumer protection.

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

If professional membership was voluntary the following issues would need to be managed:

1. Implementation, management, monitoring and quality assurance of CPD;
2. Requirements for registration and maintenance of registration;
3. Compliance with standards; and
4. The development of a Code of Ethics by the Board which would need to be implemented consistently across the profession.

#### **b. Disciplinary process proposals**

The Board accepts that there are some inherent problems in the current disciplinary process and that these are mainly caused by a slow and consequently expensive inquiry process. However, to ensure natural justice, all parties need to have the opportunity to employ legal representation even though this subsequently increases the potential for delays in the process. The Board supports the imposition of a cost-effective, flexible complaints system.

The Board believes that the complaints process could be facilitated by the inclusion of a standardised complaint format made easily accessible by the public. The provision of targeted information would also enable the Board to understand the basis of the complaint. There would also be a requirement to forward copies of any supporting documentation referred to within the complaint correspondence prior to the Board considering a complaint.

At the lowest level of complexity and if the parties agree, the Board suggests that complaints would go before an adjudicator who has a degree of power to enforce some finality in the matter. Whether or not an opportunity for appeal is given will need to be discussed further. Obviously the lack of an appeal right

at this level will mean that only very low level remedies/punishments should be available to the adjudicator.

The Board through its current activities is mindful that complaints occur at different levels of complexity and this requires further consideration but is not considered in the LINZ document. One important consideration is how to deal with an initially low level complaint escalating to a complex one. Low level complaints where a Valuer enters a plea of no contest at anytime, could be dealt with quickly and at a low cost.

The Board expects that the complaint's complexity will be based on the remedies/penalties available which will in turn depend on the seriousness of the complaint (with a sliding scale of remedies/penalties being available) but recommends further investigation into how a new disciplinary system will work. The Board has concerns regarding the apparent lack of investigation in the Discussion Document into the various options for penalties/remedies, and when and on what basis an appeal would be available.

The Board recommends retaining the use of retrospective (check) valuations for their significance in the maintenance of consumer protection, public confidence, and accountability of the profession. The Board also requires the ability to address issues of methodology with respect to a valuation, before dealing with quantum and loss issues. In this respect peer reviews and/or retrospective, valuations are important as they enable investigation into a Valuer's actions in the case where methodology appears appropriate but the result is incorrect.

6. *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?*

It is important that flexibility in the wording governing any disciplinary system is retained so that the Board has various disciplinary powers available to it to deal with complaints of varying complexity. This is especially poignant given the fact that different standards apply to the various areas of valuation work.

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

As outlined above, the Board approves the use of retrospective valuations for creating and maintaining consistency, accountability, integrity and professionalism. The Board submits that the use of retrospective checks is an important tool during the inquiry process in the event of a dispute or complaint, especially in relation to assessing methodology (or audit trail) of a Valuer. A check Valuer may also be required to comment upon or peer review a complained of valuation report. It is necessary that the Board have the same degree of ability to determine how a valuation has been prepared as it does into quantum. In explanation, flexibility with respect to an investigation is an essential component for ensuring consumer protection.

Further, the Board believes that authority to deal with monetary reparation should remain with the Courts and not the Board.

#### *Further questions posed by the Board in reply*

The Discussion Document provides little information as to how LINZ sees a tiered complaints system working in practice. The Board requests more information in relation to the breakdown of the tiers and the possible remedies/penalties available at each level.

Further, how will cost savings be achieved by reducing the reliance on check valuations?

### **c. Insufficient tools concerns**

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

The Board agrees that a broader range of sanctions should be developed and will be a useful benchmark against which the various complexities of complaints could be categorised.

With respect to sanctions available to the Board, the ability to reprimand poses some problems within the profession in relation to Valuers being able to maintain their reputation and ability to be instructed to carry our work for banks or finance companies (some of which will not engage a Valuer who has been reprimanded even if the Valuer has corrected their previously reprimanded behaviours/actions or a substantial period of time has passed). The Board suggests the implementation of a scaled discretionary approach in relation to remedies/penalties available and that the Board should be able to use their discretion to implement a “clean slate” penalty system to expunge a Valuer’s record after certain requirements, as set by the Board in respect of CPD or otherwise, have been met by the Valuer and an appropriate period of time has passed. This may also assist in securing the sustainability of the profession in the future and assist in its retention as research has shown that Valuers are less likely to stay in a profession with high cost, high disciplinary and litigation exposure, and low rewards.

With respect to the “clean slate” system, the suggestion is that this would help ensure that disciplinary decisions don’t blemish a record indefinitely or restrict a Valuer’s client base. One of the Board’s mechanisms/powers could be to require the Valuer to engage in a CPD activity as a remedy which once completed would be final and Valuers would not have any negative mark registered against them on a formal record. It would be at the Board’s discretion as to whether the complaint was at a sufficiently low level and whether the resulting punishment was formally recorded on a Valuer’s registration record. This would ultimately be more beneficial to the Valuer and the profession in the long run than imposing a public notified sanction.

Flexibility in sanctions will protect the public but also increase Valuer competency and the integrity of the profession.

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

The Board is unsure of what is meant by “compliance monitoring” in this circumstance. If the Review is referring to the fact that there is currently no way of ensuring compliance with standards, aside from the complaints process, then the Board suggests that a focus on the development of CPD would deal with this issue and that the areas of concern would be illustrated by increased auditing and reporting. A Valuer would also need to confirm compliance with the Board’s requirements prior to the issue of an annual practising certificate.

However, if the Review is referring to a lack of monitoring of Valuers who have been sanctioned/reprimanded after the incident, the Board suggests that their recommendations as to a flexible disciplinary system and the ability to use discretion to impose CPD requirements as opposed to sanctions/reprimand would act as appropriate compliance monitoring in this area.

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

Yes, as this is important for protection of the public, integrity of the profession and ensuring cost effectiveness, but further information is needed in respect of this Proposal. The Board envisages that reporting should include the nature of complaints, results of complaints, actions the Board has taken, issues to be further addressed, and that the report would be publicly available on an appropriate website.

Further questions posed by the Board in reply

The Board request further information relating to the Proposal that the Board undertake more analysis of complaints and outcomes.

**d. Concerns regarding title protection**

The Board agrees that there is no need to retain title protection for “public valuer”.

*11. Do you agree that “Registered Valuer” should be the only protected title? Why/Why not?*

The Board believes that the multiple titles that currently exist are confusing for the public (registered valuer is the issue that should be focused on) The Board also recognises that “registered valuations” and “valuations of property” are unprotected terms and that these can potentially be carried out by non-registered Valuers which is problematic for ensuring consumer protection.

Although the Board agrees with protection of the term “registered valuer”, greater public education/awareness of the various terminologies may be required. For example, the public should be warned that valuations can only be referred to as a “registered valuation” if carried out by a registered Valuer (the current Act makes it clear that a Valuer cannot give a consumer the impression of being a registered Valuer when they do not hold that title).

In order to reduce public confusion, the Board believes that, rather than changing the current terminology, the terminology of the profession should be linked with what is defined and contained in the Act.

**e. Insufficient system checks proposals**

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

The Board does not think it necessary or desirable to change the existing registration period or renewal requirements as this is an aspect of the current system that is working well and changing it would not assist in achieving any of the aims outlined in the Discussion Document. The Board believes that the profession is satisfied with the current requirements for registration.

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

N/A

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

The Board agrees that a continuing professional development (CPD) programme should be implemented within the profession. However, the Board is of the view that it is in the best position to monitor the effectiveness of any such programme. Further, any CPD requirements should be assessed on an annual basis, and more than a short statutory declaration signed by the Valuer should be required. The Board recommends that it sets various categories of compulsory CPD for Valuers to meet such as ethical requirements, standards, technical ability and legal requirements, and that these categories are to be complied with and signed off by a supervising body (the Board). For the issue of an annual practising

certificate the level of CPD and other Board requirements could be more extensive than those to maintain registration, the intention being to enhance consumer confidence in the profession.

The Board recognises the on-going problems in relation to competency and that a CPD system overhaul is required.

The Board agrees that CPD within the profession should be mandatory as it would increase public confidence and assist in improving the profession's integrity. As a by-product, mandatory CPD would hopefully result in fewer complaints which would assist in achieving cost efficiency goals.

The CPD issue would be more cost effective and workable under a professional body/bodies. This is, however, dependent on the earlier issue of whether membership of a professional association is voluntary or mandatory.

#### **f. Insufficient government oversight concerns**

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

The Board believes that the industry's practice standards should be established by the profession/professional body/bodies but that the Board is in the best position to confirm practice standards relevant to New Zealand and to develop and administer the profession's ethical standards. Further, the Board is of the belief that there should be no ability to impose standards over and above these professional standards.

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

The Board believes that it is in the best position to set ethical standards for the profession, in light of its long-standing knowledge and experience of the profession, its membership, and its complaints' history and because of the fact that this arrangement has worked well. The most recent Code of Ethics of 1996 have stood the test of time, developed by the NZIV and approved by the Minister. This should be the case whether professional membership is voluntary or mandatory. The Board is prepared to accept that any proposals it makes in this area be subject to Ministerial sign off.

#### **g. Minimum age requirement proposals**

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

The Board agrees that the minimum age requirement for registration should be removed.

#### **h. Benefits and costs of the proposals**

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

The Board considers that the benefits and costs of the proposals can only be determined once LINZ has decided on a particular course of action. As the Board has raised throughout its submissions, the proposals have various costs and benefits but it is too early to judge the ultimate benefits and costs of the proposals at this stage as these will depend on the path followed i.e. whether mandatory or voluntary membership of a professional body and the inclusion of a low level complaints system. The costs and benefits will flow from whichever proposals are implemented.

Irrespective of this, the Board considers that the costs may well be greater under a non-mandatory professional membership system because the Board will effectively have to exercise more control over a fragmented profession and hold greater authority/responsibility especially in respect of administration and ensuring consistency of practice standards and ethics due to the complexities of dealing with different bodies.

#### **4. Submissions of the Board relating to Other Issues raised**

##### **a. The future supply of Valuers**

The Board, like LINZ, does not see an immediate future supply problem for the profession. If an issue relating to the future supply of Valuers does arise, this could be dealt with through education channels such as the accreditation of more institutions and ensuring the profession remains up to date with technological advances and other developments in the market. At page 30 of the Discussion Document it is observed that many graduates take on a valuation role to use valuation as a “fall back” career and later look for a more lucrative property career. The Discussion Document goes on to recognise that this approach is usually very successful as valuation is viewed as a strong base for any property career. The Board suggests that this may be one way to attract young people into the profession if emphasis was placed on this during university enrolment and professional recruitment.

Finally, as the Discussion Document points out, sustainability of the professions is a global issue. As such, it is likely that the issue should be dealt with on a global scale and is not something that could be tackled by this review.

*19. 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 Board sees two issues that have the potential to impede competition in the supply of valuation services. These concerns relate to the issues raised in the Discussion Document relating to changes in valuation requirements for lending purposes and the use of valuation ordering services. In particular, the Board is concerned by the emergence of “clearinghouses” and the development of an accreditation system of Valuers by banks and other finance companies. These concerns are outlined in more detail below.

The emergence of clearinghouses, which act as an intermediary party between Valuers and the instructing party (the consumer) while taking a percentage (possibly viewed as a commission) of the work completed, have the ability to impact competency standards as such valuations are for bank requirements only and seriously impede competition in the supply of valuation services. The Board is concerned by the development of clearinghouses and has misgivings about their benefit to consumers and the profession.

Banks impose restrictions on the use of valuations that may not be in the consumer’s interest. If the use of clearinghouses becomes the norm, this impedes the ability of the public to independently choose a Valuer and decreases the opportunity of Valuers to influence their own business. In turn this would affect public confidence, integrity of the profession, sustainability and the satisfaction of members. It creates a lowest cost denominator and many Valuers will not be able to compete and may go out of business altogether, thereby reducing the services available to the public and the registered Valuers who are available to perform them.

The Board is aware that in a similar discipline in the United Kingdom, difficulties have arisen as to the sustainability of the profession. Serious concerns have been raised as to the fees that are charged under the control of lenders and the limitation of the information that purchasers (the consumer) need about the property that they wish to purchase.

There have also been concerns that the use of “panels” (clearinghouses) may limit the ability to attract young people into the profession and, for residential valuations, the profession may be unsustainable in the future. This links in with the issue of professional indemnity insurance and, in a market downturn, “confetti” litigation which may limit the ability of practitioners to operate at all.

Banks and some finance companies are becoming more and more prevalent in their use of clearinghouses to select Valuers and have developed an accreditation system which determines which Valuers they will engage.

*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, the occupational regulation of Valuers should not be liberalised. Most complaints stem from the area of residential valuations due to the confusion as to what actually constitutes “residential” and the complexities of undertaking this type of work.

The Board recognises that as a Valuer’s career progresses the Valuer will be more likely to develop a specialisation. Valuers should initially be trained and registered in all areas of valuation and it is important not to limit the training available. In doing this consumer protection is amplified, costs are saved as complaints are likely to decrease in number, and the integrity of the profession and public confidence is maintained.

#### **b. Experience requirements for registration**

*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?*

The Board believes that the current system is operating well. The Board appreciates the problem facing valuation firms in taking on trainee Valuers and that the ability of trainees to generate revenue would increase the likelihood of firms agreeing to employ and train entrants to the profession.

The Board believes that a mandated Registration Manual would be useful in dealing with education and registration issues on an on-going basis. Finally, the Board stresses the importance of section 19 of the current Act. The Board values retaining control in relation to education and registration and endorses the continued existence of that section. In this respect, the Board submits that a further useful development in relation to the issues raised in the Proposals would be to grant the Board a mandate in terms of the operation of section 19 to regulate the education and registration of the profession.

*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, see above.

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

Yes.

#### **c. The need for additional training and/or practice standards for Valuers undertaking sum insured valuations**

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

The Board understand the obvious risks associated with sum insured valuations and the problem that they pose with respect to consumer protection. As the Discussion Document points out, sum insured valuations are undertaken by various professions which are subject to varying degrees of occupational regulation and professional indemnity insurance.

As the prevalence and preference for sum-insured valuations is a relatively new development it is unlikely that existing education courses adequately deal with training in this area. This is an area that both the profession and universities are aware of and are addressing and the Board expects that an improvement in quality of standards will result.

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

Yes, the Board anticipates further developments in this area.

#### **d. Need for more Valuer variety and choice for consumers**

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

With respect to registration and education requirements the Board does not see the value in implementing a limited standard for say, residential valuing. If anything, there should be a focus on increasing the education, training and registration qualifications of Valuers. Limited certification standards would impact on consumer confidence and protection, increase the number of complaints against the Profession, and would therefore result in an increase in costs.

The Board is concerned that a limited certification standard would not work in practice. Valuers living in small towns are expected to undertake a broad range of work. Giving consumers the option to “trade-off quality for price” with limited certification is not in line with the Review’s aim of ensuring an increase in consumer protection.

For the reasons noted above, the Board warns against reducing registration requirements for any type of valuation.

*27. 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?*

The Board believes that there should be no difference in the training, education and registration requirements for a residential Valuer. The Board sees little benefit in this Proposal and the risks to consumers are identified throughout this document.

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

As rural valuations are a specialist area in themselves, they require the same level of qualification and understanding of ethical and practical issues. Consequently, there is risk involved in allowing registered Valuers who have not passed degree courses in valuation to do rural valuations. Requiring the same level of education and training increases consumer protection and maintains integrity of the profession.

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

The qualification provides a general urban and rural valuation background. It is only after working for some period that Valuers specialise.

Concerns have also been raised in the Discussion Document about the lack of specialised expertise within the profession. While the Board believes that the training of Valuers is something that needs greater examination (in terms of consistency in subjects across all universities) it does not agree that a lack of speciality within the profession is a concern because Valuers do, with experience, tend to become more knowledgeable and are therefore competent to specialise in certain areas over the course of their career. The Discussion Document also recognises that there might be too few Valuers to make a specialist system workable. The Board agrees with this assertion and suggests that a limited certification standard would only lead to an increase in complaints (and therefore costs).

#### **e. Changes in professional indemnity insurance**

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

The Board has no view on professional indemnity insurance arrangements and believes it is a matter for the individual practitioner concerned and the consumer.

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

N/A

### **5. Concluding comments**

The Board considers this review provides an opportunity to recommend substantive changes aimed at improving the occupational regulation of Valuers for the benefit of both the profession and the wider public. Success in that aim is most likely to be achieved if the recommendations address both the divergent views of stakeholders and all related issues.

The Board is of the opinion that it is important to retain a degree of flexibility in relation to its constitution and, if the current governance structure was to change, there would need to be a greater investigation of the roles and duties of the Board. Maintaining functional efficiency of the Board is essential and this is currently achieved through the high degree of flexibility in the governance structure by the interpretation of section 6 of the current Act. The overarching structure of the Board will require greater personnel for a more flexible disciplinary scheme than presently exists and the Board would prefer a make-up of four registered Valuers with diverse experience and specialisation, the Valuer-General, and one or two other lay people (one legal and one co-operative with specialist knowledge as required). The governance structure should enable separation of powers in relation to investigating and hearing and/or adjudicating complaints throughout the disciplinary system.

Future sustainability of the profession is a concern and any structure put in place must firmly keep in mind that Valuers are perceived as an important professional body. The role of Valuers impact on all parts of the economy and the Board believes that continued registration of Valuers is in the interests of the public. In the Board's view, the Discussion Document does not resolve the issue of sustainability of the profession given the level of costs, legal exposure, and fee structure that currently exist. In the Board's opinion, it is important that this issue be addressed and emphasises the importance of the implementation of a "clean slate" system to encourage retention of experienced practitioners.

Another important and linked issue, which relates to the sustainability of the profession, is the implementation of a flexible disciplinary structure which, in accordance with natural justice, allows for the Board to utilise their discretion to remove certain disciplinary issues from a Valuer's record after further training and/or a requisite period of time to create a "clean slate" in respect of that Valuer's registration record.

The ultimate direction of the legislation with respect to mandatory or voluntary membership to a professional body/bodies inevitably leads to differing Board governance requirements which can only be dealt with once further decisions have been made in this respect. The ultimate benefits or costs of the proposals will also depend on the final directions made as a result of the Review.

Because of the nature of the questions posed by the Discussion Document, the Board would appreciate a further opportunity to comment on any draft recommendations before they are finalised. Contact with the Board can be maintained through the Registrar.