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MRA Review
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**Trans Tasman Mutual Recognition Act (TTMRA)
Mutual Recognition Act (MRA)**

- 1.0 This submission is prepared on behalf of the Valuers Registration Board of New Zealand operating under the Valuers Act 1948.
- 1.1 The submitter on behalf of the Board is Evan Gamby, Deputy Chairman, appointed by the Minister for Land Information. The Valuers Registration Board of New Zealand is responsible for the registration of all valuers of real property (land and buildings) in New Zealand. Broadly comparable Registration Boards in Australia are:
 - + The Queensland Registration Board
 - + The Real Estate Licensing Authority of Western Australia
- 1.2 Registration in Australia that is not broadly comparable is:
 - + Registration in New South Wales
- 1.3 There is no Valuers Registration system in:
 - + Victoria
 - + Northern Territory of Australia
 - + Tasmania
 - + ACT
- 1.4 South Australia has a system of negative licensing that enables a person to perform valuations until a

disciplinary procedure directs that the valuer cannot practice.

- 1.5 TTMRA therefore applies only in respect of Queensland, Western Australia, New South Wales, and New Zealand.

2.0 Issues with TTMRA - 1997

- 2.1 The main issue with the current legislation concerns the limited ability to apply conditions on registered valuer applicants from New South Wales. The academic and practical experience requirements in this jurisdiction are significantly below those of Queensland, Western Australia and New Zealand. In this circumstance the pathway to achieving registration needs to be considered not just the final destination of being a registered valuer. The Registration Board of New Zealand does not accept that registration of valuers in New South Wales gives rise to an equivalent occupation to that of other states in Australia or New Zealand and would prefer a clear legislative statement that allowed wider provisions for imposing conditions.
- 2.2 The New Zealand public have an expectation that a registered valuer has attained a degree equivalent academic qualification and has at least 3 years practical experience in accordance with The Valuers Act 1948. Public protection is likely to be compromised due to lack of competency if the New South Wales applicants are able to leverage off TTMRA to side step the minimum requirements for New Zealand registration.
- 2.3 There is increasing evidence that New Zealand valuers are looking to go to New South Wales to take advantage of the "fast track" opportunity. This will have the effect of undermining the New Zealand standard, which has served the country well for many years and severely dilute the effectiveness of the Valuers Registration Board.
- 2.4 To the extent that equivalent registration for valuers exists in Queensland and Western Australia, the Valuers Registration Board of New Zealand has and continues to support TTMRA.

3.0 Process for handling TTMRA applications

- 3.1 The New Zealand Valuers Registration Board has in place a detailed procedure for the administration of applications in accordance with TTMRA. There is an internal manual for Board members and the Registrar,

and guidelines for applicants. This system has been in place for the past 10 years.

- 3.2 The Registrar of the Valuers Registration Board of New Zealand is in contact, as and when required, with the Registrar equivalents of Queensland, and Western Australia. There is no equivalency of registration in New South Wales. The New South Wales Act is administered by the Fair Trading Department and is at a level that has no equivalency in New Zealand or Australia.

4.0 Property Institute New Zealand (PINZ) and Australia Property Institute (API)

- 4.1 There is a reciprocity agreement between the two dominant valuer property organisations. A Certified Practising Valuer (CPV) in Australia is equivalent to an Associate of the New Zealand Institute of Valuers (ANZIV) embodied within PINZ.
- 4.2 Registered Valuers from Queensland and Western Australia in Australia and New Zealand can join their respective institutes and obtain a status that entitles them, subject to certain requirements, to practice across states in Australia, and within New Zealand.
- 4.3 The Valuers Registration Board of New Zealand notes that the Australian Property Institute (API) does not recognise the registration system of New South Wales other than at a very restricted level. That is because the registration system in New South Wales accepts valuers with low qualifications and no experience. Registered valuers in New South Wales cannot obtain CPV status in API without achieving a higher level of education and demonstrating experience over a minimum of 2 years.
- 4.4 The Valuers Registration Board of New Zealand is of the opinion that because any registered valuer applicant from New South Wales with low qualifications and no experience would not be entitled to CPV status in Australia, there is not equivalency of occupation and conditions should be able to be imposed to reflect this.

5.0 Valuers Registration Boards' Disciplinary Powers

- 5.1 Complaints of competency against registered valuers in New Zealand generally arise because valuers

complete market valuations for mortgage security purposes outside their areas of expertise. In this respect areas of expertise relate to:

- (i) A geographical location within which they are familiar.
- (ii) A type of property valued with appropriate valuation experience.

5.2 Valuers registered under TTMRA are not required to reside or work continuously in a particular geographical location or perform valuations within an area of property expertise. Valuers registered under TTMRA can reside in one country and operate as registered valuers in another, without knowledge of that country's laws or markets.

5.3 There is a wide range of specific legislation to each of Australia and New Zealand that affects the valuation of property. For example, there is no equivalent in Australia of the Resource Management Act or the Treaty of Waitangi. There is no requirement under TTMRA for a registered valuer to become conversant or to remain conversant with changes to legislation.

6.0 Deregistration

6.1 A registered valuer from one country is deemed to be registered in the other under TTMRA. There is no recourse against the non-equivalent valuer for work undertaken during the deemed registration period, even if registration is refused because the valuer's registration is not considered to be equivalent.

6.2 The Valuers Registration Board of New Zealand has no right of appeal. Section 5 of the TTRMA overrides the Valuers Act 1948.

7.0 Scope of Mutual Recognition

7.1 The Valuers Registration Board of New Zealand suggests that a federal system of registered valuer mutual recognition could be beneficial as it would enable consistency throughout Australia and the ability of the Valuers Registration Board of New Zealand to determine equivalency of occupation on:

- + a consistent basis
- + a basis that is equivalent to the occupation of a registered valuer practising in New Zealand.

8.0 Valuers Registration Bill

- 8.1 The New Zealand Institute of Valuers (NZIV) as part of Property Institute New Zealand (PINZ) was invited by New Zealand Government to prepare and submit a Registered Valuers Act Bill for New Zealand.
- 8.2 The Bill has been prepared, circulated amongst registered valuers in New Zealand and submissions have been received.
- 8.3 The Bill is in the process of being amended and will be submitted to the Minister for Land Information (LINZ) later this year.
- 8.4 The Bill is likely to apply conditions on registration.

9.0 Conclusions

- 9.1 The Valuers Registration Board of New Zealand supports the principle of TTMRA.
- 9.2 There is currently no equivalency of registration between all states of Australia or between Australia and New Zealand.
- 9.3 New Zealand and Australia valuer based institutes have a highly developed and harmonised reciprocity and partnering system between the Australia Property Institute (API) and the Property Institute New Zealand (PINZ). This far exceeds the objectives of TTMRA and meets the stringent requirements of commerce.
- 9.4 The Valuers Registration Board of New Zealand respectfully requests the ability to impose conditions where either or both of the academic requirements and the extent of practical experience do not meet our own minimum standards for registration in New Zealand.
- 9.5 It is our belief that a number of other professions would favour a similar clause to prevent jurisdiction shopping and likely undermining of the local standards.

We look forward to the opportunity of receiving the review document and meeting with the Productivity Commission Review Panel.

M E GAMBY
Deputy Chairman

Valuers Registration Board of New Zealand

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