

Mutual Recognition Review – Submissions from Valuers Registration Board of Queensland

1. *What have been the costs of implementing and maintaining mutual recognition under the MRA and TTMRA, and to what extent are those costs outweighed by the benefits?*

The direct cost of mutual recognition of valuers from NSW, WA and NZ (the only other jurisdictions that register valuers) is minimal. The Secretary deals with the administrative tasks¹¹ as part of her job description.

The direct cost of maintaining mutual recognition is no greater than the administrative cost of maintaining the registration of valuers in Queensland.

However, the indirect cost has been a lowering of the standards applicable to valuers in Queensland as standards for registration in other jurisdictions are lower than standards in Queensland.

2. *Do you consider that occupations registered under co-regulation should continue to be outside the coverage of the MRA and TTMRA, and if so why?*

Valuers are caught in the co-regulation dilemma because in some jurisdictions they are required to be registered by a statutory body (Qld, NSW, WA and NZ) and in other jurisdictions there is no registration requirement. At the same time the Australian Property Institute provides an Australia wide system of professional recognition outside the operation of the *MRA* and *TTMRA*.

It is not the function of this paper to address issues of national regulation of the valuation profession, however the Valuers Registration Board recognises that persons who wish to value land in Queensland may be subject to 2 'registration' regimes and that inevitably leads to valuers wishing to move jurisdictions incurring additional costs and facing 2 sets of red tape.

An Applicant is required to complete an application form (VRB2) and forward to the Board with the appropriate application fee and a certified copy of their current Licence.

The Secretary then seeks confirmation of the registration from the Home State. When confirmation has been received, the application will be tabled at the next Board meeting.

Providing there are no limitations on registration in the Home State, registration in Qld will be granted. However, if an applicant has been the subject of disciplinary action, the Board may seek further particulars before granting registration

3. *Should negative licensing arrangements for occupations be explicitly covered by the MRA and TTMRA? If so, how would this be achieved and what would be the benefits and the costs?*

While the Valuers Registration Board recognises that it may be seen as unfair that persons able to value in SA (which has a negative licensing scheme) cannot value land in Queensland because they cannot take advantage of the mutual recognition scheme; nonetheless there is nothing to prevent those persons from making an application for registration in the same way a Queenslanders would make an application.

The Valuers Registration Board does not see a negative licensing situation as an equivalent occupation as the comparison is between an apple and a fruit of unknown species.

The Valuers Registration Board cannot see any option for mutual recognition but that jurisdictions with negative licensing schemes change to positive licensing. The Valuers Registration Board recognises that the cost would have to be borne by those jurisdictions. The benefit would be that persons from jurisdictions with positive licences can take advantage of the mutual recognition scheme.

4. *Are registration bodies assessing the equivalence of occupations between jurisdictions in markedly different ways, and if so, what impact is this having on cross-border labour mobility?*

Despite the very significant differences between the qualifications and experience of persons registered in Queensland (at a minimum an undergraduate degree) and persons registered in NSW (at a minimum a TAFE qualification) the Valuers Registration Board understands that it has no option but to recognise equivalence of occupations.

In order to be registered in Queensland an applicant must meet the requirements of section 30 of the *Valuers Registration Act 1992*. This requires:

‘that the person--

(a) is of good fame and character and is a fit and proper person to be registered as a valuer; and

(b) either--

(i) holds a certificate of competence recognised by the board and issued by a prescribed institute; or

(ii) has passed an examination approved by the board; and

(c) has had sufficient practical experience over a period of at least 3 years since starting an approved course of study to enable the person to competently value land in Queensland. ‘

In NSW persons are registered if they are fit and proper and have approved qualifications (including a TAFE Diploma); with no practical experience.

This difference is having a significant impact on cross border mobility as it allows persons with significantly less educational and no practical experience in valuing land in Queensland to come to Queensland and hold themselves out to the public as a registered valuer. It also allows Queenslanders who do not meet the high requirements for registration of first time applicants to be registered in NSW and then mutually recognised in Queensland.

5. *How often do occupation-registration bodies impose conditions on people registering under mutual recognition? In which occupations or jurisdictions does this most often occur, and what conditions are imposed?*

The Valuers Registration Board does not impose conditions on people registering under mutual recognition as it has been advised it cannot do so.

The Board would like to impose a condition similar to that required by section 30(c) of the Act, ie sufficient practical experience over a period of at least 3 years since starting an approved course of study to enable the person to competently value land in Queensland.

6. *Are registration bodies applying their prerequisites for initial registration to people seeking registration under mutual recognition? If so, what is the extent of this problem and how can it be addressed?*

The Valuers Registration Board cannot impose the same statutory requirements for education and practical experience on applicants under mutual recognition as it does on first instance applicants for registration. As a consequence applicants from mutual recognition jurisdictions are likely to be significantly less qualified (and in some instances not qualified) than Queensland applicants.

7. *Is jurisdiction hopping and shopping occurring for occupations? If so, to what extent is it occurring and what are the costs (such as race to the bottom) and benefits (such as regulatory competition and innovations between jurisdictions)? What specific examples and other evidence do you have to support your arguments?*

Jurisdiction hopping is occurring, particularly between NSW and Queensland. Since 2003 the number of applications for mutual recognition has more than doubled (see annexure 1) while there has only been an increase of 44% in first instance applications. In the vast majority of cases the first instance jurisdiction of registration is NSW, which has the lowest entry standards for registration of the jurisdictions which require registration. The Board perceives this as the race to the bottom.

The Valuers Registration Board believes that there is a significant cost to the community through the inevitable lowering of standards within the valuation profession. A member of the general public

who seeks the service of a valuer in Queensland ²has no way of telling whether the registered person with whom they are dealing has a tertiary degree and has had years of experience under the supervision of a more senior and experienced valuer or has a NSW Diploma and not one day of experience in valuation.

8. What are the costs and benefits of moving from mutual recognition to national licensing for registered occupations and is there a net benefit from doing so?

A national scheme has significant benefits for registrants in terms of uniformity and cost saving. In the valuation profession in effect the Australian Property Institute performs a national role. However, the Valuers Registration Board does not believe that this paper is the appropriate forum for discussion of questions of regulation of the valuation profession.

Currently consumers are protected by operation of each jurisdiction's procedures for the discipline of registered professionals. If there was no mutual recognition and no state registration bodies, either consumers would lose consumer protection benefits provided by the registration bodies or the states would incur the cost of providing consumer protection within another government agency.

9. To what extent do policy makers and regulators encounter difficulties in maintaining expertise on mutual recognition obligations? How, if at all, should this be addressed?

The Valuers Registration Board has a working knowledge of mutual recognition. It is very difficult for the Valuers Registration Board (with a limited budget and a permanent staff of 1.5 persons) to maintain knowledge and currency of its mutual recognition obligations without incurring additional expense. It engages external legal advisors to provide advice if any issue arises.

Conclusion

While the Valuers Registration Board accepts and embraces the fundamental desirability of professional mobility throughout Australia it is concerned that the regime of equivalence has led to a reduction in standards of the valuation profession in Queensland. Prior to mutual recognition Queensland consumers could be confident that any registered valuer with whom they dealt met minimum standards prescribed by legislation. Since mutual recognition consumers have no way of differentiating between valuers who meet that minimum standard and those whose only basis of registration is a lesser qualification from another jurisdiction.

The Valuers Registration Board recognises that the Australian Property Institute performs a valuable role in the regulation of diverse property professionals. We acknowledge that we rely on the API for

² All contracts for the sale of land recommend that the purchaser seek the advice of a valuer.

providing accreditation of courses and providing a guideline for professional practice. However, we do not think that this paper is the appropriate forum for consideration of national regulation of the valuation profession.

Applications for Registration & Applications under Mutual Recognition													
	QLD Application for Registration	Educational Qualification Queensland Applicant	Qld Valuation Experience - Years	Application Mutual Recognition	NSW	WA	NZ	Educational Qualifications	Valuation Experience - Years				
2003													
January	5			2	2	0	0						
February	2			2	2	0	0						
March	4			1	0	0	1						
April	1			3	3	0	0						
May	2			4	4	0	0						
June	6			2	1	1	0						
July	3			1	1	0	0						
August	2			4	2	2	0						
September	5			0	0	0	0						
October	5			4	4	0	0						
November	4			0	0	0	0						
December	2			3	2	0	1						
	41			26	21	3	2						
2004													
January	3			3	3	0	0						
February	4			4	3	1	0						
March	0			1	1	0	0						
April	2			3	3	0	0						
May	3			4	4	0	0						
June	4			4	3	1	0						
July	4			2	2	0	0						
August	3			6	6	0	0						
September	3			2	2	0	0						
October	3			5	4	1	0						
November	3			1	1	0	0						
December	4			5	4	0	1						
	36			40	36	3	1						
	QLD Application for Registration	Educational Qualification Queensland Applicant	Qld Valuation Experience - Years	Application Mutual Recognition	NSW	WA	NZ	Educational Qualifications	Valuation Experience - Years				
2005													
January	4			1	0	0	1						
February	2			0	0	0	0						

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July	9	B.Bus Mgmt Real Estate & Dev - UQ	2	7	7	0	0						
		B.Bus Mgmt Real Estate & Dev - UQ	2										
		B. App Sc - Property Economics - QUT	3.5										
		B. Bus Val & Prop - Massey NZ	2.5					B. Bus Val & Prop - Massey NZ	4				
		Grad Dip in Property - Uni SA	2					B. Com-Prop Econ-UWS	6				
		B.Bus Mgmt Real Estate & Dev - UQ	2					Adv Dip Val-Sydney Inst Tech	1				
August	3			5	5	0	0	Assoc Dip R/E Val-Qld Ag College	20				
								Adv Dip Prop Val - SIT	7				
		B.Bus Mgmt Real Estate & Dev - UQ	2					Adv Dip Prop Val - SIT	NIL				
		B. App Sc - Property Economics - QUT	2.5					B.Science (Estate Mgmt)	5				
		B. App Sc - Property Economics - QUT	2					Assoc Dip Bus (Val) - S Inst Tech	13				
September	1			5	5	0	0	Adv Dip Val-Sydney Inst Tech	3				
								Adv Dip Val-Sydney Inst Tech	3				
								B. App Sc - Property Economics - QUT	NIL				
		B.Bus Mgmt Real Estate & Dev - UQ	3					B.Bus Prop - Uni SA	3				
October		B. App Sc - Property Economics - QUT	3										
		Master Property Studies - UQ	2					B. App Sc - Property Economics - QUT	NIL				
		B. App Sc - Property Economics - QUT	2					B. App Sc - Property Economics - QUT	2				
		B. Business Property Studies - UQ	8					B. Comm (Prop Econ) - UWS	4				
		B. App Sc - Property Economics - QUT	4					Valuation Certificate	29				
		B. Business Property Studies - UQ	2					Advanced Val - NSW IT	29				
		B. App Sc - Property Economics - QUT	2					Cert R/E Mgmt & Val - RMIT	35				
	QLD Application for Registration	Educational Qualification Queensland Applicant	Qld Valuation Experience - Years	Application Mutual Recognition	NSW	WA	NZ	Educational Qualifications	Valuation Experience - Years				
October	10	Grad Dip in Property - Uni SA	3	9	9	0	0	B. App Sc - Property Economics - QUT	6				
		B. Bus (Real Prop Val & Admin) QAC	17					Master Property Studies	NIL				
		Master Property Studies - UQ	2					B.Science (Estate Mgmt)	30 UK				
November	3	B.Bus Mgmt Real Estate & Dev - UQ	2.5	2	2	0	0						
		B. App Sc - Property Economics - QUT	2					Master Property Studies - UQ	NIL				
		Master Comm (Valuation) - UWS	2.5					B.Comm (Land Econ) - UWS	7				
December	4			9	8	0	1	B.Comm Valuation - Lincoln Uni	12				
								B.Comm (Land Econ) - UWS	3				
								Master Property Studies - UQ	1				
								B.Comm (Val & Prop) - NZ	9				
								Assoc Dip Valuation	25				
		Bachelor of Property - CQU	5					B. Bus Val & Prop - Massey NZ	NIL				
		Bachelor of Property - CQU	5					B.Bus Mgmt Real Estate & Dev-UQ	NIL				
		Master Property Studies - UQ	5					Adv Dip Prop Val - SIT	1				
		B. App Sc - Property Economics - QUT	2.5					Adv Dip Prop Val - SIT	NIL				
	59			65	63	0	2						

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