



**Land Valuers Licensing Board**  
Government of Western Australia

31 July 2008

Our Ref: LV00077

Enquiries: Adrian Theseira – 08 9282 0414

Mutual Recognition Review  
Productivity Commission  
LB2 Collins Street East  
MELBOURNE VIC 8003

**MUTUAL RECOGNITION REVIEW**

1. As you are aware the Land Valuers Licensing Board ("the Board") is responsible for licensing land valuers in Western Australia under the *Land Valuers Licensing Act 1978* ("the LVL Act").
2. The Board has concerns in relation to the current operation of the Commonwealth *Mutual Recognition Act 1992* ("the MR Act") and appreciates this opportunity to provide a submission to the Productivity Commission ("the Commission") on the review of the current mutual recognition arrangements.
3. Under the LVL Act, persons must have appropriate qualifications and a satisfactory level of practical experience to obtain a land valuers licence.
4. The Board may grant a licence where the applicant is of good character and repute and who:
  - is a Life Fellow, Fellow or Associate member of the Australian Property Institute with designation as a certified practising valuer; or
  - is the holder of a designated degree qualification and has had, in the opinion of the Board, —
    - satisfactory practical experience in the valuation of land, for the period of 2 years immediately preceding the date of his application; and
    - a total of not less than 4 years' satisfactory practical experience in the valuation of land within the period of 10 years immediately preceding the date of his application.
5. The above requirements therefore necessitate a valuer having a minimum of 2 years practical experience prior to obtaining a licence.
6. Presently, the only other States that register land valuers are Queensland and New South Wales.

7. It is understood that Queensland has similar requirements to obtain a licence to those in this State. However, in New South Wales it is understood that persons may be registered if they are fit and proper and have approved qualifications (including a TAFE Diploma) with no requirement for practical experience.
8. It is of concern to the Board that persons can become licensed in another jurisdiction (e.g. New South Wales) with no experience and then obtain a licence in Western Australia under mutual recognition.
9. It is also understood that in New South Wales membership of the Royal Institute of Chartered Surveyors ("RICS") is recognised as an appropriate qualification for the grant of a licence and there are no additional requirements for practical experience.
10. In Western Australia persons applying for a land valuer's licence on the basis of RICS membership are also required to satisfy the Board that they have satisfactory practical experience in the valuation of land. Similar arrangements operate in Queensland.
11. The Board notes that in the 2007/2008 financial year, approximately 25% of new licence applications were made on the basis of mutual recognition. Anecdotally it appears that some of these applicants are based in Western Australia and have obtained a licence in New South Wales for the sole purpose of circumventing the licensing requirements under the LVL Act. One in four new licensees could therefore have entered the Western Australian market with no practical experience and the Board presently cannot prevent this from happening.
12. This suggests that jurisdiction shopping and hopping is occurring with applicants obtaining the lowest standard of registration from New South Wales and circumventing the experience requirements of the Western Australian legislation.
13. The Board believes that current mutual recognition arrangements, whereby licensing decisions must be based on the equivalence of what one is allowed to do under another registration, rather than the equivalence of qualification(s) required to obtain that registration, has the potential to undermine the existing legislative regime and put Western Australian consumers at significant risk.
14. To address its concerns the Board proposes the mutual recognition principle contained in the MR Act be amended to apply only to persons that can satisfy the relevant licensing authority that he or she meets all existing licensing requirements of that State or Territory including relevant experience requirements.

15. The Board has previously raised its concerns regarding mutual recognition with licensing authorities from other jurisdictions. While it is understood that the Valuers Registration Board of Queensland shares the Board's concerns, it does not appear that these concerns are shared by New South Wales. Consequently, a solution at a State level does not currently appear achievable. However, it has been considered that the Board's concerns could alternatively be addressed at the Commonwealth level through the mutual recognition legislation itself.
16. The Board is also aware that the Council of Australian Governments agreed to establish a national trade licensing system that will remove inconsistencies across State borders and that this system will also apply to land valuers.
17. While a nationally consistent scheme for the licensing of land valuers containing equivalent education and experience qualifications to Western Australia's current regime would be welcomed, it is unclear at this point how such a system would operate and when it would be implemented. Given this, the Board is of the view that it would be preferable to address the current deficiencies with the MR Act as a matter of priority.
18. The Board requests that you consider its concerns expressed above in the Commission's review and appreciates the opportunity to provide this submission.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bryan Gardiner', with a stylized flourish at the end.

Bryan Gardiner  
Chairman