

Submission By:

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Submission To:

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, in response to the Productivity Commission Draft Research Report. The Board confirms its previous submission.
- 1.1 The submitter on behalf of the Board is Neill Sullivan, 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.

Issues with TTMRA - 1997

- 2.0 The Valuers Registration Board of New Zealand supports the principle of TTMRA and to the extent that equivalent registration for valuers exists in Queensland and Western Australia, the system operates well. There is however an increasing trend for:
 - o jurisdiction shopping to find the lowest quality option
 - o strategic exploitation of the loopholes within TTMRA
 - o undermining of the intent of the Act

- 2.1 The academic and practical experience requirements in New South Wales are significantly lower than those of Queensland, Western Australia and New Zealand. A one year Polytechnic Diploma is considered an acceptable academic qualification and there is no requirement to complete any practical experience prior to practising as a licensed valuer.
- 2.2 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. Registered valuers in New South Wales cannot obtain Certified Practising Valuer (CPV) status in API without achieving a higher level of education and demonstrating experience over a minimum of 2 years. If a valuer were not entitled to CPV status in Australia, there is not, in our view, equivalency of occupation. If we are forced to accept all New South Wales valuers we are being asked to:
- o import the risk of substandard work from inexperienced practitioners
 - o risk undermining the proven criteria for registration in New Zealand
- 2.3 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.

Imposition of Conditions

- 3.0 As the regulator responsible for setting and monitoring the entry level standards for registered valuers, we submit that it is essential that there is a mechanism to address the issue of differing standards between jurisdictions.
- 3.1 Representatives from the various professions in attendance at the COAG meeting emphasised the need for the legislation to allow the ability to impose reasonable conditions on registration. The requirements for local registrants should be applicable to those under TTMRA.
- 3.2 Notwithstanding the issues with qualifications and experience, there is currently no ability to enforce continuing professional development. The legislation should be amended to include local requirements. Pursuant to the New Zealand Institute of Valuers Code

of Ethics, the completion of CPD on an annual basis is mandatory for all registered valuers in New Zealand.

- 3.3 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.
- 3.4 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.
- 3.5 If the residency requirement is considered to be too costly and administratively difficult, at the very least the regulators should have the ability to impose on applicants the completion of any such additional university papers as deemed necessary to ensure the consistent application of the legislation.
- 3.6 As the analysis of detailed property information, report writing and communication are all fundamental to the role of a registered valuer, the Valuers Registration Board of New Zealand supports the proposal that applicants under TTMRA should be required to demonstrate a reasonable level of written and spoken English.

Conclusion

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.

N A SULLIVAN
Chairman
Valuers Registration Board of New Zealand

17 December 2008