

**Review of Valuers Act 2003
Submissions Due 25 June 2009**

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This submission responds to the Review of the Valuers Act 2003 Position Paper of March 2009. It must be noted that this review was only made known to the AVI within the last 7 days by one of our members and therefore our response remains brief. The Office of Fair Trading NSW has been dealing with the AVI for many years and we were surprised that this review was not sent to AVI to provide a response. The AVI provided input when the Valuers Regulations 2005 was at draft stage and the AVI in 2008 provided input at all COAG meetings regarding National Licensing. The AVI was surprised to find that we were not included in your position paper as one of the peak professional associations.

The AVI is the only valuation body in NSW that provides a Valuers Scheme through the Professional Standards Council operated under the jurisdiction of the Attorney Generals Department. This has been in place for 7 years. Other professional valuation bodies are now coming up to speed in this regard for the protection of both consumers and valuers. Unfortunately they are likely to be years away from having a similar scheme in place. We take consumer protection very seriously. In the 70 years of the AVI serving the valuation profession the AVI membership has virtually been 99% claims free.

At the conclusion of the position paper, two questions are posed for comment and the Australian Valuers Institute responds to these two questions.

Question 1: Are the policy objectives of the Act still valid in today's marketplace?

Question 2: Could these policy objectives be met by other means?

The AVI is of the opinion that the policy objectives of the Valuers Act 2003 are still very valid in today's marketplace and these policy objectives should be met by retaining valuation registration. All property valuation services in NSW should be undertaken by NSW registered property valuers. Protection for the consumer, statutory bodies, lending institutions and other users of valuation services from unqualified, unprofessional practitioners is paramount.

Consumers of valuation services need a regulatory body under Government control to which all valuers in NSW are answerable. Whilst each of the respective professional bodies have compliance requirements which encourage higher professional standards, the professional bodies cannot stop a

valuer from practicing outside of the influence of these bodies. Loss of registration to practice remains our only control.

Great importance is placed on the use of registered qualified valuers when making decisions about property assets. In most cases property remains the biggest asset of the consumer and there are many types of reports for particular requirements and uses. Whilst the four various NSW valuer related institutes (professional bodies) maintain standards, the Valuers Act 2003 forms a most important role.

Whilst there is no requirement for valuers to join a professional body, the registration of valuers plays the most important part in minimising risk to those that rely on valuation assessments knowing that the valuer has been registered by a government authority. Knowing that a valuer has met the Government authority requirements and that Valuers are bound by Rules of Conduct and Requirements contained within the Valuers Regulation 2005 under the Valuers Act 2003 provides a foundation for the valuation consumer to rely on.

Extremely low complaint or disciplinary action by the Office of Fair Trading is one of the direct results of the effectiveness of the Valuers Act 2003.

It is the recommendation of the AVI that only valuers so qualified and registered to practice in NSW should be allowed to undertake valuations. In this regard architects, engineers and surveyors should be excluded from performing valuations in any form.

In the last 5 years the term or definition of “property” has expanded to include more than just land and buildings. In this respect, a review of the application of the word “property” should be undertaken. Other than the two recommendations in both paragraphs above, the AVI recommends no change to the Valuers Act 2003 and the retention of its objectives within its current form.

The AVI would like to be involved in any further future discussion in relation to the Valuers ACT 2003 review and correspondence can be forwarded to David Viarella at the Institute.

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