

Submission - Review of the Occupational Regulation of Valuers

Lincoln University is one of eight government universities in New Zealand, with a history stretching back more than a hundred and twenty five years. The University continues to achieve international recognition for its teaching and research activities. It is renowned for its entrepreneurship, relevance and as a catalyst for new and diverse approaches to stimulate the development and transfer of knowledge. The University fosters alliances with the users of research information both nationally and internationally and has established a number of significant alliances with other research organisations. The faculties of the University are: Agriculture and Life Sciences; Agribusiness and Commerce; and Environment, Society and Design. Staff from the University's three academic faculties deliver teaching and research.

Property Studies at Lincoln University are undertaken through the Faculty of Agribusiness and Commerce. Lincoln University offers students the option to study urban property and/or rural property – providing graduates with a well-rounded knowledge-base upon which to begin a career in property, whether in New Zealand or internationally. In recent years demand for both urban and rural property graduates has far outstripped supply so most of our students have had a wide variety of career options available to them on completion of their of their studies. Our newly developed Bachelor of Land and Property Management – a four year degree - is accredited with both the Valuers Registration Board (VRB) (through the New Zealand Institute of Valuers (NZIV) and the Property Institute of New Zealand (PINZ), and Royal Institution of Chartered Surveyors (RICS). This follows Lincoln's substantial history and involvement in property studies over many decades which has been previously delivered through its three year degrees being the Bachelor of Commerce (Valuation and Property Management) for urban specialisation, and the Bachelor of Commerce (Agriculture) for rural specialisation. In addition, Lincoln University offers a small range of complementary graduate-postgraduate programs.

Lincoln University is proud to work closely alongside the PINZ, NZIV and RICS. We engage regularly with the profession to ensure that Lincoln graduates are educated to a world-class level and fully equipped with the competencies needed for their careers. As such, we are concerned by the NZIV's comments in their submission around New Zealand universities. We clearly cannot speak for other universities, but we are extremely confident in the skills of the graduates produced by Lincoln. Specifically, Section 19 point (i) in the submission is ambiguous and open for misinterpretation. It states that *"There was a strong sentiment expressed during the consultation process, that New Zealand's universities are not sufficiently meeting the needs of the industry in the valuation sector"*. However, there is no expansion or detail provided on this point. One interpretation of point (i) could be that universities are simply not graduating enough students, a point which we would generally be in agreement with. On the other hand, if the interpretation of it relates to educational quality or pedagogy, then in view of our foregoing comments you would appreciate that we could not agree with this.

That said, we would like to submit our general support of the thrust of the NZIV submission. In particular, the proposals around continuing professional development and the requiring of a formalised education program between graduation and registration would be positive additions to the profession. Education should not be viewed as something that ends at graduation, and it is vital that members of the profession have continued educational support both for registration and throughout their careers. We would also endorse and support the PINZ submission's views on transparency, practice standards, and capping liability.

Furthermore, Lincoln is intimately involved with continuing professional development for the valuation community - for example, we are the lead sponsor and venue for the Lincoln Mainland Seminar, the premier South Island educational event for valuers which spans two days. One of our lecturers, Dr. Gary Garner, also sits on both the education committee and the Board of the Property Institute.

We also share the concerns of the NZIV around whether the profession will be able to fund its own educational resources in a non-mandatory membership environment.

Our final point relates to the matter raised in LINZ's Review of the Occupational Regulation of Valuers, specifically Q29 *"Are the valuation qualifications offered by the accredited universities fit for specialist purposes? If not, what are the problem areas?"* It is suggested in the LINZ review that specialisation or the lack thereof relates to concerns about the lack of expertise in some specialised areas of valuation and the lack of specialisation within any of the approved academic qualifications. An example is given with the Bachelor of Property degree offered by the University of Auckland which does not cover rural property valuation. We would agree with commentary by the LINZ reviewers that the small size of the valuation profession in New Zealand means there might be too few valuers to make a specialist system workable. This is consistent with an observation that up until 1968 the Act did allow for specialisation by providing for rural and urban valuer classifications - but for various reasons this became unworkable. Our view is that removing the demarcation between "urban" and "rural" Valuer (both terms having been repealed in the Valuers Act) acted to facilitate rather than inhibit the development of other areas of specialisation. This has been achieved by the repeal working in concert with the NZIV Code of Ethics which states that: "A member should not undertake any work for which the member is not qualified or where the member is in any doubt or ought to be in any doubt as to the adequacy of the member's professional competency and or experience to undertake the work unless such work is completed under the supervision of a person of adequate competence." The closest comparable inclusion in the International Valuation Standards may be seen in S12 of their Code of Ethics (Fundamental Principles) which states that *"It is fundamental to the integrity of the valuation process that those who rely on valuations have confidence that those valuations are provided by valuers who have the appropriate experience, skill and judgement, who act in a professional manner and who exercise their judgement free from any undue influence or bias."* The Land Act 1948 itself provides a narrative in several of places concerning "competent valuers", but it does not provide a definition of what that actually means.

Therefore, it is submitted that there is now an opportunity for the new Valuer regulations to be legislated in a way that is complimentary to the Land Act. In other words, it is our view this principle (i.e. that a Valuer does not undertake any work for which they do not have the correct qualifications and experience) should be formally enshrined in the new legislation. Similar wording has been instigated in legislation elsewhere (e.g. in some state-wide Australian jurisdictions) for similar reasons.

We are available to assist with any further questions you may have particularly around the education sector as it relates to valuation. You can contact Associate Professor John McDonagh, or Dr Gary Garner whom would be pleased to provide any further assistance or clarification.



Associate Professor
In Property Studies
John McDonagh

John.McDonagh@lincoln.ac.nz
+64 3 4230204



Dr Gary Garner
Senior Lecturer in
Property Studies

Gary.Garner@lincoln.ac.nz
+64 3 4230274



Mr P. Brent Nahkies
Senior Lecturer in
Property Studies

Peter.Nahkies@lincoln.ac.nz
+64 3 4230203