



Speech by

Hon. KEN HAYWARD

MEMBER FOR KALLANGUR

Hansard 13 September 2001

VALUERS REGISTRATION AMENDMENT BILL

Hon. K. W. HAYWARD (Kallangur—ALP) (6.07 p.m.): In supporting the Valuers Registration Amendment Bill I think we need to go back to the second reading speech of the minister, when he said—

... its objective is to ensure greater community input, greater confidence in the competency of valuers in Queensland and to update and improve efficiency in the administration of the Valuers Registration Act 1992 by the Valuers Registration Board of Queensland.

I wish to outline the benefits of adopting competency-based renewal of registration—the member for Darling Downs spoke about that—as opposed to the other options canvassed in the review. The explanatory notes set out very clearly that that is one of the objectives of the bill. I hope I can go some way to allaying the fears of the member for Darling Downs. If I cannot—that is certainly possible—I am certain the minister will be able to when he replies to the debate.

Requiring a registered valuer or a specialist retail valuer to submit a statement of continuing professional development each year when paying their annual fee creates a real incentive for a valuer to undertake some updating or some reskilling in valuation practices. In general, everybody here would support that—although the member for Darling Downs might have some objections to it.

This is nothing new for the majority of registered valuers who are members of professional institutes, because those professional institutes already require annual continuing professional development compliance. Most valuers are members of such an institute. This bill recognises this and accepts that the continuing professional development required for a professional membership will satisfy the continuing professional development required by this legislation. Because a member of a professional institute must undertake continuing professional development in order to remain a member of that institute, the legislation recognises that and requires the same.

Whereas the details of recognised continuous professional development are to be prescribed in a regulation and will be tabled as part of that process in the future, I am led to believe that it is expected to be modelled on the professional institute's requirements. As I understand it—and I am sure that the minister will clear up this matter completely—there will not necessarily be any difference between the continuing professional development as required by the legislation and the continuing professional development as required by the professional institute's requirements.

Basically, continuing professional development will amount to at least 10 hours attending appropriate valuation seminars and conferences. I understand in a sense what the member for Darling Downs was saying. I think he was saying that people in rural or remote areas—particularly remote areas—may not be able to get to those conferences without being seriously inconvenienced in respect of time or the money required to do that. But part of that 10 hours of continuing professional development may be allowed in presenting papers on property matters. Whether people live in rural or remote areas, I do not see why they could not do that.

The 10 hours could include undertaking formal education on property matters—and again, I do not see why anyone would be excluded because they live in a rural or remote area—and undertaking informal education such as reading journals or using appropriate audio or visual tapes. I do not want to underscore what continuing professional development can mean, but whether one lives in a rural or remote area, in the heart of Brisbane or wherever, it seems to me difficult to understand why they could not undertake informal education such as reading journals or using some sort of appropriate audiovisual tapes.

In lieu of this, the Valuers Registration Board of Queensland may accept two recent valuation reports for consideration as to whether they meet acceptable standards. So if someone is unable to read some journals, or they are unable to listen to some tapes, or they are unable to watch some sort of videotape on television, or they are unable to present some sort of paper on property matters—and I would have thought that would be an easy thing for a local councillor, a farmer or whoever to do in a rural or remote area—all they have to do is have two recent valuation reports for consideration by the Valuers Registration Board of Queensland as to whether they meet an acceptable standard. As I have said before—and I hope I am covering the point made by the member for Darling Downs—this may assist compliance by practitioners in remote areas who may have limited access to formal professional industry seminars or educational facilities. I listened closely to what the member said, and I understand the points he made. But we really have to be sure that, when people hold themselves out to be valuers of properties—whatever those properties are—they do have some competence because the person for whom they are doing the valuation has an expectation that they actually know what they are valuing.

If a registered valuer fails to provide this statement of continuing professional development, then the valuer's name will be removed from the roll and it will not be legal for that person to practise until their registration is restored. Apart from all that, if the person did not do all those things—and I am talking about reading some journals or listening to a tape or watching a videotape on television for 10 hours—that person is then not legally able to practise until their registration is restored.

The bill then allows for registration to be restored if the required statement is provided within a year from when it was due. So if a person does not get the message that they have to read a few journals and do some things for 10 hours in a whole year, they then get struck off. But provided they read a few journals in the next year, they will be reregistered. Unless I am missing the point completely, I struggle to understand how onerous that is, given that people are depending on that valuation for all sorts of things—for bank purposes in order to get loans, to increase their loan or their commitments, or whatever. This is very important. Given that a farmer who needs a valuation from a bank or whatever is actually paying for that valuation, he or she must have an expectation that the person who is doing that valuation at least has some standard of competence. And I do not believe that the standard of competence required to maintain that continuing professional development is at all onerous in any way, shape or form.

But just in case a person cannot watch a video, read some professional journals or undertake some study, or they cannot find their way to where a course is and they do get deregistered, and just in case they cannot find two recent valuations of an acceptable standard, in special circumstances there is another provision that allows exemption from providing continuing professional development for two years. That would not apply in the circumstances outlined by the member for Darling Downs, but I think that provision is important because it could be beneficial to a registered valuer who may be absent overseas for a period or who is currently not practising; they may be doing something else but, nevertheless, want to or are intending to return to valuing.

The continuing professional development and renewal process will also apply to those valuers wishing to be recorded as specialist retail valuers. No longer will they be put on the list and remain there forever and a day without meeting annual continuing professional development and paying the annual renewal fees. I am confident that, by strengthening the registration process for valuers and allowing the community to have a greater say in the board which administers the act, there will be greater public confidence in the activities of valuers. In the end, I think that is what everybody in Queensland—and, I would assume, everybody in this House—wants to see. Given the importance of the role that one plays as a valuer in undertaking to value someone's property—someone's farm, for example—I think it is important that we have confidence that the person who is undertaking that valuation has at least bothered to update their knowledge on what is currently happening in the valuation industry, so to speak.

People have an expectation that, if they are paying their hard-earned money to somebody to undertake a valuation, the person who is employed is at least competent and capable and that they can rely with confidence on the valuation that they provide. I am not trying to make a particularly picky point here, but I think that we underscore the competence of people who are in remote or rural areas in somehow saying that they are unable or unwilling to meet these continuing professional development requirements that are clearly required. I do not think it is difficult for them. The worst thing about it is that if we accept that those requirements are onerous and too difficult for them to undertake, we then put ourselves in a position where we are not being fair to the people for whom the valuations are being undertaken, that is, people who live in rural and remote communities. The parliament, particularly those members who represent rural and remote communities, should be aware of that problem.

Unlike South Australia, which has negative licensing, and Victoria, which has a system of deregulation, Queensland and Western Australia have opted to maintain registration for the time being. I understand—and the minister will probably speak about this in his reply—that at this stage New South Wales has not made up its mind as to which way it is going to go.

Negative licensing involves a commissioner carrying out the watchdog role on professional competence. If someone is found guilty of malpractice or incompetence, that practitioner may be listed as no longer able to practise. If that person continued to practise, the person would be liable for a criminal offence. However, this approach assumes that all valuers are competent. It would not help maintain the standards, except for the occasional removal of a valuer from practice.

Deregulation assumes that all persons acting as valuers are competent until proven otherwise by the courts. Although this avenue may be regarded as suitable and affordable—and, again, I think that this is an issue for the member for Darling Downs—for large companies, it does not appeal to people who are infrequent users of valuations; in other words, people who may have a farm, or who may be considering purchasing a house, or whatever, in a rural or remote community, or just an ordinary person who may not, as I said, engage in this practice on a very regular basis. I do not think that deregulation would appeal to them at all.

I am led to believe that, over recent years as a result of deregulation in Victoria, the number of cases for damages against valuers in that state has increased. Importantly for a state parliament—or any parliament, for that matter—the interests of the consumer must be protected. That consumer is paying for that service and has an expectation that when that service is provided it is going to be provided in a competent and timely way.

That increase in cases highlights the risks associated with a system of negative licensing, or a deregulation regime in Queensland. The state government believes that it is preferable to manage those risks until the public can be confident that valuers are able to self-regulate. One only has to look at the need to overhaul the auctioneers and agents legislation in Queensland, which we spoke about when debating the bill that was passed previously, to combat marketeering. One can only wonder at the opportunities that might present themselves for valuers to engage in such practices if there was the immediate deregulation of the valuation industry. I am not suggesting that valuers in Queensland would fall to temptation, but in a deregulated environment, certainly I think the risk could exist. As this parliament has heard so very recently, shonky valuations can do untold damage in the investment industry.

The Commonwealth's Managed Investment Act provides for the independent valuation of property assets in trusts. I think that ensuring that valuers are competent through continued registration will assist in boosting public confidence. The important thing is public confidence in the role that valuers play in the investment of people's savings. It is clear that maintaining registration is a much safer option than immediately going to those other methods about which I spoke previously. I commend this bill to the House.
