



Speech by

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VALUERS REGISTRATION AMENDMENT BILL

Mr SHINE (Toowoomba North—ALP) (6.34 p.m.): I was interested to hear the member for Mackay refer to the original legislation being brought in by other states around the time of the gold rushes in the 1870s. Queensland did not follow suit until about 1915, when the Ryan Labor government brought in reforms in this area. It is pleasing to see that Labor governments continue that reform process in this area.

I was disappointed to hear some of the remarks of my colleague the member for Darling Downs and his criticism of the act. I feel that he failed to understand that what the government is trying to achieve is the establishment and maintenance of minimum standards to protect the consumer, who in his area would be the ordinary farmer more than anyone else. By maintaining minimum standards, valuers in his area will have more credence, particularly when giving evidence in court hearings.

I have much pleasure in supporting this bill. Its objects are to ensure greater community input and greater confidence in the competency of valuers, and to update and improve the efficiency and the administration of the act. This bill has principally been drafted following the Department of Natural Resources' review of the Valuers Registration Act 1992 and regulation prompted by national competition policy. As with other occupational registrations, each agency was required to undertake an assessment as to whether its legislation restricted competition in any way. The review was completed in accordance with guidelines from the Queensland Treasury.

In October 1997, the Department of Natural Resources advertised in the national newspapers that—

...a review of the Valuers Registration Act and regulations was being carried out to assess whether the legislation contained any restrictions on competition. If it did contain restrictions, do the benefits of the restrictions outweigh the costs?

One hundred and eighty-two questionnaires were forwarded to registered valuers and firms of registered valuers, and some 58 responses were received. It would be interesting to determine whether responses were received from the valuers who spoke to the honourable member for Darling Downs.

Upon consideration of the responses from the public and targeted consultation with specific users of valuation services, a draft public benefit test was undertaken. This draft was again circulated to the main stakeholders and was refined following their further input. The extensive consultation undertaken is in keeping with the Beattie government's commitment to consultation with all stakeholders when considering reform issues.

As the minister highlighted in his second reading speech, this extensive consultation identified three main issues regarding the market for valuation services. Valuation is part of a wider market for properly related services, some of which are unregulated. Some of the activities referred to include the development and leasing of property. The community is often the third party recipient of valuations while not being directly involved in appointing the valuers. Valuations for finance are carried out by firms of valuers or valuers appointed by the finance company or bank. Such organisations receive many valuations and are in a good position to judge the competency of valuers and may argue that registration is not really necessary.

However, valuations are used for many other purposes, with the resultant figure varying according to the instructions given. For example, in divorce cases there is often a wide divergence of

valuations, depending on whether they are submitted on behalf of the husband or the wife. Of course, that is not unusual in any type of litigation.

On odd occasions individuals may need valuations of property for some particular purpose. They are not regular users of valuers so they simply have to rely on the fact that the valuer is registered and trust that they will get a professional service. This risk has been managed by introducing in this bill measures that will allow further community representation on the Valuers Registration Board of Queensland and which will bring in competency-based annual renewal of valuer registration. The board must protect the public interest.

I would like to briefly refer to a few matters raised in the review, or the *NCP Public Benefit Test Report*, to which I referred at the outset. The review itself was conducted in the context of a desire to lessen anti-competitive practices on market entry, a desire to meet consumer expectations of valuation services and an acknowledgment of the expected increasing role to be played by the Australian Property Institute to preserve and approve professional standards and competency.

The review referred to the fact that there did not appear to be any proper link between the ability to gain ongoing registration and the need to ensure up-to-date knowledge and competency. To remedy this situation was particularly necessary in the case of one-off users, unlike banks or, say, solicitors, who understandably might otherwise be inclined to rely on the fact of registration as if not a guarantee of, then at least a likely indicator of, an appropriate professional standard.

The review examined options, being deregulation, competency based renewal of registration, and negative licensing, that is, options other than registration that would still meet consumer protection ends. At the end of the day, the review suggested that a competency based registration was the better option over the next three to five years, with a review at that stage to consider a deregulation option.

Another matter apart from that relating to the maintenance of competency is the concern that the profession or industry in governing itself may not necessarily represent the interests of the community. The bill addresses this concern by providing for business and community input into the valuers board, raising its membership to five persons.

A further area of concern is that relating to disciplinary proceedings, that is, for professional misconduct or incompetence or negligence. Currently, a valuer may be subject to sanctions ranging from admonishment through to cancellation of registration. However, out of about 1,400 valuers only two have been deregistered since 1992. This I suggest has been a factor in the scandalous behaviour currently being revealed with respect to the apparent swindles on the Gold Coast referred to as marketeering. An ingredient in some of this is the supply by a valuer of either an intentionally inflated valuation or one produced so negligently as to constitute professional misconduct. Unfortunately, it would appear that those who until this time have had the responsibility of maintaining proper professional standards have most likely been less than ardent in the surveillance of their fellow valuers.

In the future, one would suggest that a prudent course to be adopted would be one which adopts a more proactive approach to the proper control of valuers. If not, one could foresee that function being taken over by some other body not so restrained in these matters.

Another issue that the NCP review identified through the consultation process was that there is currently a restriction in the act relating to the practice of specialist retail valuers. Clause 16 of the bill removes the geographical area restriction that may be applied by the board on a particular retail valuer. This will allow all valuers who meet the requirements for recording a specialist retail valuer to practise in that specialty throughout Queensland without the restriction which currently limits the areas in which some specialists may practise. This runs parallel to legislation governing general registered valuers who, with sufficient expertise, may practise anywhere in Queensland.

Wide consultation put the government in a position to make an informed decision earlier this year about maintaining and strengthening the registration of valuers instead of adopting the other options of deregulation or negative licensing. Confidence in the decision was further demonstrated during the consultation process on these proposed legislative changes in the bill.

The draft bill was distributed to all relevant government departments, including those employing valuers, the Valuers Registration Board of Queensland, the Australian Property Institute and the Real Estate Institute of Queensland. The professional bodies such as the Australian Property Institute, whose members often include registered valuers, fully support the proposed changes which will strengthen the standard of valuers in Queensland. To ensure that there are no surprises, the board will distribute to all of the 1,400 current registered valuers a newsletter advising of all of the proposed changes.

In closing, I applaud the wide consultation that has occurred in the development of these changes and commend the bill to the House.
