

VALUERS REGISTRATION BOARD**IN THE MATTER OF**an Inquiry under
Section 32(2) of the Valuers Act 1948**AND****IN THE MATTER OF**Charges under Section 31(1)(c) of the
Valuers Act 1948 concerning a
complaint against Valuer T**BOARD OF INQUIRY:**Evan Gamby - Chairperson
Phillip Curnow
Victoria Murdoch**COUNSEL:**Ms Sally Carter for the New Zealand
Institute of Valuers
Ms L. Costello for Valuer T**HEARING:**

5 October 2020

ORAL DECISION:

5 October 2020

WRITTEN DECISION:

25 January 2021

Background

1. In an email dated 1 July 2019, the complainant, forwarded a copy of a valuation report to the Valuers Registration Board (Board). The report was signed by Valuer T as the registered valuer. Valuer T is the director of a valuation company. Although Valuer T was the registered valuer who signed the valuation

report they did not undertake the valuation. That valuer was Valuer Y who is not a registered valuer. Valuer Y also signed the report.

2. The complainant's concern was that, in the report, both the unregistered valuer Valuer Y, and Valuer T the registered valuer, certified they had carried out a full site and internal inspection of the improvements on the subject property, with the following statement under the Executive Summary:

"This valuation has been undertaken by unregistered Valuer Y (under the supervision of registered Valuer T). We confirm that a full site and internal inspection of the improvements on the subject property has been carried out by each of the signing valuers at the inspection date stated above. The valuation report has been completed by Valuer Y and reviewed by Registered Valuer T"

3. A further statement in the report with respect to the 'Registered Valuer Role' is as follows:

'The valuer has internally inspected the subject property, viewed the sale properties and assisted in the preparation of this valuation.'

4. In her letter of complaint, the complainant outlines her concerns, having received a complaint from their customer. The complainant had commissioned the valuation through a valuation ordering system, which acts as an intermediary between the bank and the valuer. At the time Valuer T was on the bank panel.
5. It is perhaps useful to outline how this system operates. A number of trading banks lend funds to their customers based on valuations organised by intermediaries. The intermediary arranges valuations for the banks from registered valuers who are on the bank's panel. The process is competitive, driven by agreed fee levels and timeframes. Although fees are normally within set levels imposed by the intermediaries and agreed in advance based on value levels, time frames imposed can be very tight.
6. The borrower, in this case, would initially have had little, if any, contact directly with the valuer, although this is not always the case. The borrower in this case started the complaint proceeding by referring his concerns to the bank about the two valuers who inspected the property, neither of which, as it transpired, was Valuer T.
7. The borrower and the bank are both clients of the valuer. The intermediary who instructs the valuer attempts to stand outside the process as a client but is at least a quasi-client and becomes more involved in the process if there is a complaint about the valuation. The intermediary monitors the performance of valuers.
8. Valuers who accept instructions through an intermediary are obliged to comply with what are termed Residential Valuation Standing Instructions (RVSI) when completing a valuation, which is addressed to

the bank. The customer or borrower is also a client nominated in the report. A copy of the valuation is provided by the intermediary to the bank and the borrower, not by the valuer. This unwieldy system works well enough if things go smoothly but, when they do not, the valuer is left in the position of being responsible to three parties, any one of which, or all, may express dissatisfaction with the valuation or the report. The valuer, at least initially, may have had no direct communication with the customer, (the borrower) but, if there is dissatisfaction, it is not uncommon for the borrower who pays for the report to challenge the valuer's assessment both through the bank and directly, most probably because the report did not come up to expectations of value level.

9. In this case, the borrower was not in occupation but had talked with the owners. There was likely a conditional Sale and Purchase contract in place. From their discussion it became immediately obvious to the borrower that of the two valuers who did inspect the property, neither was the registered valuer. One was the unregistered valuer who signed the report, Valuer Y, and the other an un-named unregistered valuer from elsewhere who, it was said in correspondence had some knowledge of the type of valuation to be undertaken. They did not sign the report.
10. The email complaint to the complainant said to be from the customer, states:

"I trust that you are well. Just wondering how do we go about getting errors fixed in this report? In the commentary it talks about five bedrooms, but there are only four (this is an error twice on Page 9). We know the owners aren't going to like this report. It didn't help when the valuer turned up and said they'd never done a rural property before. I also note that they are not a registered valuer. The owner also said that it was another Valuer that accompanied Valuer Y - so not sure how Valuer T could have supervised the valuation if they weren't there.

We are very concerned that we've paid for a valuation by someone that we are unsure had the appropriate valuation skills (we note they are unregistered and have never valued a rural property).

As such we're in a pickle- the arena and barn haven't been included and we would have expected this to be in there - it's very difficult to tell from the valuation if this has been included (perhaps the valuers could clarify this). We think, based on this, the owners are most likely going to get their own valuation done.

Some advice here would be greatly appreciated (obviously we're glad it didn't come in really high - but this isn't going to cut it). The last thing we want to do is upset them with a very low valuation and then miss out on the opportunity.

Look forward to hearing from you (as soon as possible please).

Cheers”

11. From correspondence in the bundle of the investigator's report, the complainant then contacted Valuer T to ascertain the background to the claims by the customer (borrower) that an unregistered valuer inspected the property. The complainant apparently asked Valuer T who the two people were that are mentioned, and they are said to have responded that they were their graduates. They were then asked if they inspected the property to which they were said to have responded “Yes”, as they have to regarding the RVSI. They were also asked how they had undertaken the inspection to which they were said to have responded, “that they drove up the driveway but did not inspect the property internally, just from the outside.” The complainant said she advised them, as referred to in her complaint to the Board, that she would be removing Valuer T from the valuation panel.
12. A few days prior to the complainant’s formal complaint to the Board dated 1 July 2019, there had been a series of emails between the valuation ordering intermediary, the complainant and Valuer T who admitted to what they describes as a “breach of the standards set by our industry”. Valuer T was endeavouring to avoid suspension of the services contract between the intermediary and their valuation company.
13. In a later email, the valuation ordering intermediary, advised the complainant on 20 July that they will retain the services of Valuer T and put Valuer T “under review” with restrictions set for them. Had the valuation ordering intermediary not decided that the matter was worthy of a complaint to the Board and removed Valuer T from the residential panel, the matter would have just simply blown over, with commercial practises out-weighing the responsibility of a valuer in terms of the Code of Ethics of Registered Valuers.
14. For clarification, although the Board is aware that there are commercial relationships entered into between registered valuers and intermediaries on behalf of the banks, it is not a party to the agreements and has no involvement in the preparation of what are termed the Residential Valuation Standard Instructions (RVSI). The Board's responsibility is to the public. It has regard to the standards set by the International Valuation Standards Board, standards of the New Zealand Institute of Valuers administered by the Property Institute New Zealand and the New Zealand Institute of Valuers Code of Ethics.
15. As will later be outlined in greater detail, Valuer T was more concerned with commercial practises and loss of work than the New Zealand Institute of Valuers Code of Ethics, which Valuer T breached when they signed as a registered valuer without inspecting the property. They acknowledged the deception but the thrust of the email below was to be retained on the valuation panel.

“From: Valuer T

Sent: Thursday, 27 June 2019 9.29 PM

To: Valuation Intermediary

Suspension of Service Contract

As a Registered Valuer who has practised proudly for the past 3 years since becoming Registered in 2016, I proudly carried out my role in this industry.

Realising my dream of going into business as a Director/Shareholder of a Valuation Company has been challenging but incredibly rewarding, and I have been so grateful of the opportunities that I have received.

This is a fast-paced industry with competing deadlines, and strict guidelines and rules to protect the best interests of the public and the integrity of our profession, and it is this fast pace and responsibility that has resulted in my error of judgment most recently.

I unequivocally accept that I have breached the standards set by our industry, the trust that has been placed in me by you, for which I am sincerely sorry.

This deviation from the high standards I expect of myself and my team has caused me to examine my actions and the circumstances which, in a moment of human weakness, overcame the high standards that I strive to achieve in my work.

I want to state and assure you that of all the 28 full market valuations I have completed, I have fully inspected the properties internally and externally. All Valuations have been completed by myself, and those which I've had assistance on have been scrutinised and fully reviewed.

I understand my conduct is a breach of the Residential Valuation Standing Instructions Version 1.3 and your Policies and Procedures, and that I deserve any censure and performance management obligations that may be placed upon me.

By only completing the external inspection, and not the internal inspection of the lifestyle block was a massive error in judgment. I allowed the stresses of the day and the travel distance to site to override my professional processes which has tarnished my reputation and by association the reputation of my team and company.

If you can accept this single act of misjudgement and allow me to attempt to redeem myself, I will never allow this situation to ever happen again as I will always follow best practice and conduct a full inspection both externally and internally- non-negotiable.

All future client contact will be made personally by me as the Registered Valuer, and I will not allow the confidence in my team and their abilities as junior unregistered valuers to overcome the required codes of practice that must be followed.

I sincerely apologise for my misconduct and error of judgement. I fully understand the potential ramifications but hope that they will not affect my Registration as a valuer.”

16. The Board notes that there is little reference in this email to their breach of their responsibilities to the public, which includes the borrower, or their serious breach of the Code of Ethics in undertaking a valuation for which, it transpired, they had little or no experience. Nor is it acknowledged that they placed their unregistered valuers in a position of undertaking valuations for which they were equally unqualified. There is little doubt Valuer T had more concern about the impact on their reputation and their company with the intermediary and the complainant than their obligations under the Valuers Act.

The Valuation Report

17. The Valuation report is dated 20 June 2019, prepared for the complainant, noting the borrower. The report was issued on the 25th of June, five days after the inspection by the unregistered valuers. The Executive Summary confirms the “REGISTERED VALUER ROLE: The Valuer has internally inspected the subject property, viewed the sale properties and assisted in the preparation of this valuation.”
18. Under the heading 1.0 SCOPE OF WORK the valuer statement is “This valuation has been undertaken by unregistered Valuer Y (under the supervision of registered Valuer T), who provides this objective and unbiased valuation. The valuer has no material connection or involvement with the subject property, nor the instructing party and has the appropriate qualifications, experience and knowledge to undertake a valuation of this nature.”
19. Under Section 11 VALUATION RATIONALE the report describes the approach used to value the property as the "DIRECT SALES COMPARISON APPROACH" in the following words: “*Assessing a market value for the subject property, we have adopted the sales comparison approach.*”
20. It is of continuing concern to the Board that valuers confuse ‘approaches’ and ‘methods’. At the time the report was prepared, the International Valuation Standards 2017 were applicable.¹ The Market approach is explained at General Standards IVS 105 Valuation Approaches and Methods at Section 20. At Section 30, the Comparable Transactions Method is outlined, which is sometimes referred to as the Prior Transactions Method with further detail at 30.6 of the key steps in the Comparable Transactions Method from Sections 30.6 - 30.7. Valuer T stated in their report that they complied with the International Valuation Standards 2017, but did not do so.

¹ IVS 2017 Operative 1 July 2017, General Standards-IVS 105 Valuation Approaches and Methods

21. Whilst appropriately acknowledging the paucity of direct comparable prior transactions, it is immediately apparent from his report that, for a rural/residential valuation of this type, there have been no sales in any way comparable over a period of at least one year and arguably longer. It may well be possible to link the sales noted in the report to the final total value assessed on an holistic basis, but it is not possible to do so in a way which indicates an apportionment of the value into its component parts which Valuer T and Valuer Y, did.
22. There is no indication how the nominated land value of \$570,000 has been derived. There are no land sales quoted or referred to in the report. The figure adopted for land, which is the same as the rating valuation figure of \$570,000 as at 1 September 2018, does not inspire confidence in Valuer T's valuation. No explanation is provided. There is also no indication of how the improvements either of the subject property or the sales, have been compared to one another. Put simply, there is no method application within the market approach that would give a reader confidence of the Comparable Transactions Method of analysis of the sales, to arrive at an assessment of value.

Written Statement to Investigator

23. Valuer T prepared a detailed written statement to the investigator, which is set out at pages 69 - 72 of the investigation bundle.
24. In that statement, Valuer T acknowledged their grave error of judgement, by making a false statement regarding the valuation in question and stating they had made a full external and internal inspection of the subject property.
25. Having acknowledged the grave error of judgement and that the error was considered by them out of character, they explained their state of mind at the time to provide context for their behaviour in the following words:

"I have conducted a thorough review of the circumstances in which this error occurred, with the sole intention of preventing any further occurrences. This has also provided a timely learning opportunity for me in relation to the management of my team, as this situation has helped me to understand the pressures that my team may also be under and my responsibility to recognise these factors and to assist my team when work pressures may become overwhelming.

My personal circumstances at the time of the complaint:

- *I had just started a new valuation practice and was trying to come to grips with the high level of demands and responsibilities that come with it*

- *Working long hours to establish the valuation practice which included the pressure to obtain new work and providing advice and guidance to my team*
- *Pressures to meet existing valuation deadlines for my work and the peer review demands of my team's work*
- *I have a young family and share the load for the demands of two young children aged 2 and 4*
- *Inherent lack of sleep due to my workload and the nature of parenting young children; and*
- *My wife had just started a new career at the same time as I started my valuation practice, placing further stresses on our family.*

The last four months have been extremely hard on my family and myself as I have had to deal with the shame of my behaviour, the censure of my profession and the loss of income to a fledgling business.

I have been fortunate to have the support of my family and colleagues, who are obviously disappointed in me but understood how out of character my actions were, which has helped me cope with this situation and the uncertainty of the consequences including the threat to my livelihood.”

26. Valuer T then outlined how they intend to prevent further occurrences. It is as an indication of the way Valuer T views their professional responsibilities.

To provide ongoing confidence to the Valuers Registration Board, our profession my company, I have implemented the following changes:

- *Since the incident my company has recruited a Practice Manager to ensure staff comply with the International Valuation Standards 2017, Australia and New Zealand Valuation and Property Standards, and NZIV Code of Ethics;*
- *We have completed an audit of all of our processes; job process list, daily work reporting, signing off on peer reviews for each and every valuation, and are constantly looking at ways to improve these systems.*
- *Twice weekly practice meetings have been implemented, one with the practice manager and one with the core team, as well as encouraging a collegial environment where all input is valued.*
- *Relevant discussions regarding standards and expectations of Valuers, with full review and understanding of the NZIV Code of Ethics; Encouragement of CPD (Continued [sic] Professional Development)*
- *I have completed the Valuers Ethics Roadshow 2019- Wednesday 15 October 2019 with one of my colleagues (our remaining team member was overseas at the time); and*

- *I am to enrol in a management/time management course to help with managing my business responsibilities and workload.”*

27. The Board makes the observation that the practices Valuer T proposed to adopt are laudable, but largely related to business practices not ethical obligations. Valuer T had clearly put themselves under extreme pressure and strain in their business and, by their statement to the investigator, accepted that their business practices need attention. It is not, however, clear how they proposed to address their standards and ethical obligations.
28. Valuer T noted at paragraph 1 that the Practice Manager is to ensure compliance with International Valuation Standards, New Zealand Valuation and Property Standards and NZIV Code of Ethics. It is not the responsibility of a practice manager to ensure compliance with the standards and ethics of valuers unless that practice manager is also a registered valuer and fully understands all of the detail of ever-changing standards and the obligations of the NZIV Code of Ethics, which clearly Valuer T does not.
29. It is not clear from paragraph 2 who would undertake the audit process, the peer reviews and the signing off of valuations. It was the understanding of the Board that Valuer T employs unregistered valuers. There is no indication otherwise. It is therefore Valuer T’s responsibility to ensure that the full peer review process is adequately undertaken by them, unless it was their intention to employ a registered valuer colleague.
30. Paragraph 3 is just good business practice in a professional environment. As far as the Board is aware, as noted above, Valuer T is the only registered valuer and therefore they are the only party who should be qualified to implement the practices to which their company aspires. The same comment applies with respect to paragraph 4.
31. Continuing Professional Development (CPD) is an obligation of all registered valuers and an expectation of the Valuers Registration Board in accordance with the Valuers Registration Board ‘Registration Requirements Manual’ and NZIV CPD requirements.
32. It is alarming for the Board to learn that Valuer T apparently first attended a valuers ethics roadshow on 15 October 2019, having been registered for three years. The Valuers Registration Board has held roadshows throughout New Zealand on a number of occasions prior to 2019, including the period during which Valuer T would have professed to have complied with their CPD ethics and standards obligations.

The Charge

33. There is one charge against Valuer T dated 9 April 2020 as follows:

Section 31(1)(c) of the Valuers Act 1948

You have been charged with such incompetent conduct in the performance of your duties as a valuer as renders you liable to a penalty provided by the Valuers Act 1948 in that in compiling a valuation report dated 20 June 2019 with respect to a property you certified a statement which was known by you to have been false, namely you certified that you had internally inspected the valued property on 20 June 2019 when you had not internally inspected the valued property on that date, and therefore breached clause 1.4 of the New Zealand Institute of Valuers' Code of Ethics.

34. The charge was admitted by Valuer T at the hearing conducted on 5 October 2020.

Agreed Timetable, Facts and Materials for a Penalty Hearing

35. An agreed timetable and agreed facts and materials were submitted to the Board of Inquiry on 25 August 2020.

36. The Board was referred to pages 11, 13 and 26 of the investigation bundle of factors that contributed to the error of judgement occurring, as discussed above.

37. The Board was referred to page 8 of the investigation bundle which included the BNZ obtaining a second valuation report. The price paid for the property was noted. These matters were not in dispute at the hearing and were not relevant to the charge. They have not been addressed by the Board.

38. The Board has considered the peer review of Valuer 1. In Valuer 1's opinion, two certified statements breached clauses 1.4 of the New Zealand Institute of Valuers Code of Ethics and these were acknowledged by Valuer T. At page 92 of the investigation bundle, Valuer 1 discussed the International Valuation Standards and that these were departed from. His review was summarised at pages 93 - 95 of the investigation bundle. In summary, the agreed statement of facts and materials for the penalty hearing and Valuer 1's peer review supported the charge of a breach of Clause 1.4 of the Code of Ethics.

Submissions for the New Zealand Institute of Valuers on Penalty and Costs

39. Aggravating features are falsely certifying two statements in the subject valuation report and valuing a property for which Valuer T was not qualified. The single charge related only to the false certification. The decision has been dealt with on that basis. Valuer T was not present at the property inspection on 20 June 2019 which was conducted by an unregistered valuer, Valuer Y. Valuer T only inspected the property from the driveway.

40. Reference was made to a previous decision of the Valuers Registration Board.

41. In that decision, the Board stated:

“It goes to the heart of a registered valuer's obligations, where a valuer has certified that an inspection has been made of a property for valuation purposes on a specific date, there can be no excuse for this not having been undertaken.”

42. The valuer in that matter was fined \$4,000 and was required to pay costs of \$12,858.26 being 50% of total costs in the matter.

43. It was submitted for the NZIV there were no mitigating factors other than a proposed guilty plea and this matter was very similar to that of the decision quoted above.

44. Other comments were made with respect to Valuer 1's peer review, such as a time frame difficulty to complete the report, amendment to the scope of works and commitment to an inspection on the agreed date if that could not be complied with. These were not considered for the NZIV to be either aggravating or mitigating factors.

45. With respect to penalty, the powers of the Board were outlined, ranging from a reprimand through to a fine of up to \$10,000, suspension of up to 12 months and removal from the Register.

46. With respect to the valuer in the previous matter quoted above, the NZIV re-stated the concern of the Board in that decision that, certifying a misstatement was a serious matter, and noted that for the valuer concerned it was uncharacteristic.

47. The NZIV submitted that the appropriate penalty would be similar to that of that valuer with a reprimand of Valuer T, a starting point fine in the vicinity of \$4,000 and a cost award.

48. A full schedule of costs was attached to the submissions summarised as follows:

Legal fees	\$6,118.29 (including GST)
Investigations/Prosecution – (witnesses, VRB and staff)	\$5,409.37 (including GST)
Boards Expenses	\$3,920.55 (including GST)
<u>Total Costs Incurred</u>	<u>\$15,448.21 (including GST)</u>

49. The normal statements to the Board regarding the burden of funding the investigation were outlined, citing the *Canterbury District Law Society Complaints Committee No. 2 v Losefa* and in *Gurusinghe v*

Medical Council of New Zealand in the High Court and also in *Cooray v Preliminary Proceedings Committee* in the High Court.

50. Decisions of different preliminary tribunals have adopted the direction that, in assessing costs, a starting point of 50% is considered appropriate. In the submission of NZIV this was the appropriate starting point, increasing by aggravating factors or decreasing for mitigating factors.
51. The NZIV submission did not require the Board to deviate from the accepted 50% starting point. The NZIV therefore submitted that total costs awarded should be \$7,724.11, which represents 50% of total costs.

Submissions for Valuer T on Penalty and Costs

52. For Valuer T it was submitted that their position was similar to that for the NZIV inviting:
- a. A reprimand of Valuer T
 - b. A starting point fine in the vicinity of \$4,000; and
 - c. A costs award against Valuer T amounting to \$7,724.11.

Decision of the Board on Penalty and Costs

53. The Board has considered the submissions for the NZIV, for Valuer T and other Board decisions. The severity of the offence is, in the Board's opinion, greater than that in the matter of the previous decision referred to above. This valuation required a full internal inspection of the dwelling and a full inspection of the whole property including the large area of land and its related building and site improvements. These were not undertaken by Valuer T.
54. In the matter noted above, the Board noted that the valuer had passed the property on many occasions, it was a vacant site, they were very familiar with the property, the valuation was within their area of expertise and they had valued it in the past.
55. The valuer in this previous decision was remorseful, accepted it had a serious impact on their professional life and their obligations to mentor and support valuers under their direction. It was truly uncharacteristic on their part. They were a valuer who had served over many years in support of both the profession and their colleagues. In the Board's view there were mitigating circumstances and the matter of their penalty was addressed on that basis. There is no doubt that they had the qualifications to perform the valuation they undertook.

56. The Board noted that there was only one charge preferred against Valuer T. It could be said that they breached other clauses of the Code of Ethics, notably their fundamental requirement under Clause 1.1 to render service with absolute fidelity and to practise the profession with devotion to high ideals of integrity, honour, courtesy and loyalty to the Institute and in a spirit of fairness and good will to fellow members, employees and subordinates.
57. It could also have been said that they breached Clause 2.4. Valuer T should not have undertaken the work as it appeared to the Board, they were not qualified to carry out a valuation of a rural residential property. That was evident to the Board from reading the valuation report and their later admission that they no longer undertook that work. That said, the Board can only deal with the matter on the basis of the charge laid.
58. The Board has also considered other previous potentially comparative decisions.
59. In the Board's opinion, set against other Board decisions, the offending of Valuer T is generally to a greater extent. It is best aligned to, but more serious, than that of the matter referred to above, which is the most relevant in recent times.
60. After a careful consideration of all the matters before the Board, the Board confirms its oral decision, reprimands Valuer T and imposes a penalty of \$6,000 inclusive of GST.
61. It is accepted that the starting point of costs is now 50% of total costs. The Board has accepted the submissions for both the NZIV and Valuer T that the sum of \$7,724.11 is the appropriate level of costs payable by Valuer T.
62. The Board confirms its oral decision of 5 October 2020 in this final decision which, for completeness, is set out in full below:

Oral Decision of the Board of 5 October 2020 Confirmed

'In the matter of a complaint against Valuer T, concerning the valuation of a property, dated 20 June 2019.

This matter arose out of a complaint by the complainant in a letter by email dated 1 July 2019 to the Valuers Registration Board.

The complainant received a complaint from the customer which included an allegation that Valuer T did not supervise the valuation as they were not present when two unregistered valuers in their teams inspected on 20 June 2019. Valuer T confirmed to the complainant and later to

the investigator that they drove up the drive but did not inspect internally which is in contravention of valuation standards.

They stated at Page 2 of their valuation report:

'The Valuer has internally inspected the subject property, viewed the sale properties and assisted in the preparation of this valuation'

The property is a lifestyle property. The graduate who valued had never valued a lifestyle property. That much is obvious from the report which contains no analysis of sales that would confirm the basis of value said, at page 14, made using the 'Direct Sales Comparison Approach'. This is a 'method' under the 'Market Approach'. The terminology is wrong in terms of Valuation Standards. Additionally, there is no way a reader of the report could understand how the sales were analysed or compared, other than on a holistic basis. That said, despite the valuation likely being low based on a comparative assessment, the one charge relates to a breach of Clause 1.4 of the New Zealand Institute of Valuers Code of Ethics which in respect of a false statement requires of a valuer not to make: '... any statement which is known to be false, incorrect, misleading, deceptive or open to misconstruction by reason of a misstatement omission or suppression of a material fact, any deceptive act or otherwise.'

To their credit Valuer T promptly owned up to the deception both to the complainant and then later to the New Zealand Institute of Valuers Investigator, citing amongst other comments an acknowledgement on their part that this was: '... a grave error of judgement.; in making a false statement regarding the valuation by confirming:

'... I made a full external and internal inspection of the subject property.' This was wrong.

What then follows in explanation as to Valuer T's state of mind is to the Board concerning as they then goes on to state in their reply to the investigator, this being a: '... timely learning opportunity for me in relation to management of my team ...'

As will be explained in more detail in the Board's full decision the emphasis on responsibilities that Valuer T has since imposed on 'their team' infers that Valuer T considers a valuer's ethical responsibilities can be resolved by team management and control of workloads, as their states in the final sentence of their reply:

'... I am to enrol in a time management course to help with managing my business responsibilities and workload'

This echoes earlier statements in their written statement about “assisting my team” and “work pressures” but says nothing about ethical responsibilities that they have to the public or the profession. Despite their acknowledgement of fault Valuer T appears to treat this matter as one requiring “better team management” which is not the point at all. They have failed to recognise that the pressure they put themselves and their team under lead to a serious Breach of the Code of Ethics. Valuer T made the false statement, not their team and they did not properly supervise “their team”.

It is obvious to the Board that the unregistered valuer was not equipped to undertake the valuation assigned to them as they had never valued a small rural holding and Valuer T has stated to the Board: ‘... they no longer undertake lifestyle valuations’.

To make a false statement in such circumstances where it appears to the Board Valuer T also is not qualified is a further concern.

Clause 1.4 is the charge to which they have admitted. However, Valuer T has additional Professional Responsibilities to the Public, notably under Clauses 1.1 and 2.4. The Board has grave doubts about Valuer T’s approach to their professional responsibilities and standards.

The Board has considered alternative decisions and measured the seriousness of this matter against those decisions. In the Board's opinion this matter is more serious, particularly by comparison with other decisions in which a valuer, was fined \$4,000 with 50% of costs awarded against them.

Penalty

The Board reprimands Valuer T and imposes a penalty of \$6,000.

Costs

Although there are aggravating features in this matter, the Board acknowledges Valuer T’s willingness to accept their mistake, their preparedness to appear and give evidence and their remorse. The Board imposes costs of 50% of Total Costs against Valuer T, being the sum of \$7,724.11. These matters have been dealt with in Costs, not Penalty.

A written decision will follow that expands on its concerns over Valuer T’s apparent attitude to Professional Responsibilities.

Evan Gamby
Inquiry Chairperson
25 January 2021