

INTRODUCTION TO VALUATION AND PROPERTY STANDARDS

1.0 The Australian Property Institute & The Property Institute of New Zealand

The Australian Property Institute and the Property Institute of New Zealand have both enjoyed a long and proud history representing property professionals in Australia and New Zealand.

The Australian Property Institute is the successor to the Commonwealth Institute of Valuers formed in 1926. The Property Institute of New Zealand was formerly the New Zealand Institute of Valuers established in 1942.

The two Institutes today represent the interests of more than 11,000 property specialists throughout Australia and New Zealand.

The primary role of the two organisations is to set and maintain high standards of professional practice, education, ethics and discipline.

Members include experts in property such as valuers, property advisors, property managers, property analysts and facilitators. Membership of either organisation has become synonymous with qualities of integrity, experience, professionalism and specialist expertise.

The two Institutes are committed to maintaining a strong professional base to ensure the future of the property professions through education and broadening of the expertise and knowledge of the Membership.

The clients of members are also considered to be clients of the Institute. Both Institutes are interested in assisting their members to provide high quality professional services that are relevant to the current and changing needs of clients and the community at large.

Both Institutes recognise their roles as guardians of the status and standing of the property profession and of their duty to protect and further the public interest.

The Australian Property Institute and the Property Institute of New Zealand acknowledge that the privileges accorded to professional persons by the community are accompanied by responsibilities to client and community, which cannot be waived.

For more information about the Australian Property Institute (API) and Property Institute of New Zealand (PINZ)

please visit their websites: www.api.org.au or www.property.org.nz

2.0 Valuation and Property Standards Manual

This Manual sets out the duties, responsibilities and professional standards of members of the Australian Property Institute and of the Property Institute of New Zealand.

2.1 Scope

This edition adopts the International Standards and Guidance Notes of the International Valuation Standards Committee (IVSC) in their entirety. Where there are departures or differences in application in either Australia or New Zealand, an appropriate note has been included in the IVSC documents in this Manual.

Areas of practice not covered by the IVSC standards and guidance notes are covered by Australian and New Zealand standards and guidance notes.

Australia and New Zealand have both been closely involved with the development of IVSC standards and guidance notes. These documents represent world best practice and very few departures are included in this edition of the Valuation and Property Standards Manual.

This edition also retains the Business Focus papers, which were in the previous professional practice publications.

2.2 Copyright

The following sections (excluding material interposed by the Australian Property Institute and the Property Institute of New Zealand) are copyright by the International Valuation Standards Committee:

The International Valuation Standards Committee,

- IVSC Code of Conduct,
- IVSC Valuation Standards 2007,
- International Valuation Standards,
- International Valuation Applications, and
- International Valuation Guidance Notes.

INTRODUCTION

All rights are reserved, subject to permission having been granted to the Australian Property Institute and Property Institute of New Zealand to reproduce the 8th Edition of International Valuation Standards in their Valuation and Property Standards Manual.

No responsibility is accepted by the IVSC for the accuracy of the information contained in the Manual text as republished by the API & PINZ.

The full text of the official version may be obtained from the IVSC International Headquarters, 12 Great George Street, London SW1P 3AD, UK. www.ivsc.org

2.3 Amendments and Updates

Amendments and updates to this edition of the Valuation and Property Standards Manual will be published by the API and PINZ on their websites.

2.4 Date of Application

This edition of the Valuation and Property Standards Manual becomes operative from 1 August 2008.

3.0 Development of Practice Standards & Guidance Notes

3.1 Process before Release

The two most important elements in the Manual are practice standards and guidance notes. From the initial identification of the need for a particular issue to be addressed, these elements go through an extensive development process.

Potential practice standards and guidance notes may be proposed by a number of sources but require the consent of the National Professional Board (NPB) prior to development. Initial development will often be through a particular state, branch, professional board or ad-hoc committee before being examined by the NPB. The NPB will establish the requirement for a practice standard or guidance note and if satisfied that such a document is required, will formulate any policy and professional aspects, which must be addressed in the practice standard or guidance note.

The initial brief requesting development of a practice standard or guidance note along with the policy requirements are then forwarded to the Australian Valuation & Property Standards Board (AV&PSB), which is responsible for managing the development and review process of practice standards and guidance notes.

Once the draft document reaches a standard that satisfies the AV&PSB it is then forwarded to the NPB, which must satisfy itself that the draft document adequately addresses all of the requirements established by the Board.

At least 50% of the AV&PSB is made up of API Members, the balance comprising representatives of invited organisations such as:

- The Australian Accounting Standards Board
- The Property Institute of New Zealand
- The Australian Bankers Association
- The Law Council of Australia (Property Law Group)
- The Financial Services Institute of Australasia
- The International Valuation Standards Committee
- Mortgage Industry Association
- State Valuers General
- Commonwealth Government

If satisfied, the AV&PSB will then issue the draft document as an Exposure Draft within the API and PINZ and to appropriate organisations inside and outside of the profession. Comments are then forwarded to the authors and assimilated where appropriate.

After consideration of the comments received, a final draft will be presented by the AV&PSB to the NPB, and if no further amendments are required, it will be released for issue. This representation and external exposure process is designed to ensure that practice standards and guidance notes are consistent with the requirements of the Corporations Law, Australian and New Zealand Accounting Standards, Statements of Accounting Concepts and, where applicable, circulars from the Insurance and Superannuation Commission. It is also intended that all standards are to be consistent with the concepts and definitions contained in the International Valuation Standards, except where Australian or New Zealand law and practice requires otherwise.

The National Secretariat administers the process of the production of practice standards and guidance notes.