

November 2014

# LAND VALUERS

NEWS

A newsletter from the Consumer Protection  
Division of the Department of Commerce

## Certificate of Title – clarification

The Department of Commerce’s Land Valuers Newsletter for May 2014 contained an article with the following statement:

*“This will include information on the Certificate of Title (CoT) such as the dimensions, area and location of the land”*

The department’s statement needs to be clarified as Current Digital Titles do not include spatial information by way of a dimensioned sketch.

The Smart Register based digital titling system has been used in Western Australia since 2001. From this date, spatial information (dimensioned sketch) was no longer included. The digital title does include the legal land identifier such as lot on plan and an address for the property (if allocated) in the Statements section of the title.

The former titling system did include a sketch on the title for non-strata titles with area and dimensions and street name (if applicable). The legality of the sketch would

be overridden by the relevant survey for that particular title and was/is the preferred source for accurate information about angles, dimensions and area. It is still possible to obtain sketch titles either separately as a manual request to Landgate or when ordering the current digital title through Landgate’s online Land Enquiry application.

Name	Initials

## PROACTIVE VISITS FOR LAND VALUERS

Since December 2011, officers from the department’s Proactive Compliance team have visited over 310 land valuers in both metropolitan and regional locations.

While land valuers working solely by themselves receive an individual visit, many do work in partnership or within a firm. This means proactive compliance officers often ‘set-up shop’ in corporate offices for a day or more.

For further details on some of the issues land valuers have raised during proactive visits, please see the article on ‘Issues raised during proactive visits’ on page 2.

The department looks forward to continuing the land valuer proactive compliance program for the remainder of 2014 and into the future. We welcome any contribution by land valuers to the program. We can be contacted directly by email at: [proactivecompliance@commerce.wa.gov.au](mailto:proactivecompliance@commerce.wa.gov.au) or by telephone on (08) 6552-9592.

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# Issues raised during proactive visits

During proactive visits land valuers raised several issues, which have a number of common threads and relevance to the Licensed Valuers Code of Conduct 2012 (the Code):

- Clients' instructions are often inadequate. The client may not understand or may omit to clearly state the purpose for which they require the valuation. They might provide a potentially inaccurate and even misleading estimate of a property's worth (see Rule 2.3 of the Code). They may also fail to provide the land valuer with sufficient information to complete an accurate report (see Rule 1.4 of the Code).
- Difficulties in obtaining sufficient information included clients not providing or being willing to pay for copies of current Certificates of Title, strata plans and encumbrances on the title and/or strata plan (see Rule 1.4 and 1.14 of the Code). Other documents included copies of Offer & Acceptance contracts, leases, or full copies of building contracts and clearly legible plans. Land valuers also complained of clients or circumstances limiting them to a 'restricted' or 'kerbside' inspection (see Rule 1.5 of the Code).
- The cost of professional indemnity insurance (PI) has risen considerably. Many land valuers had limited awareness, particularly where the insurance is paid by their employer, of the extent of the cover for individuals and any relevant exclusions -many land valuers hold PI as part of the risk management program they maintain under Rule 1.2 of the Code.
- When valuing commercial property, it is often difficult to clarify whether amounts stated in sales agreements are GST inclusive or exclusive or if the margin scheme applies (see Rule 1.3 and 1.4 of the Code).
- Clients often place pressure on land valuers to underquote on fees for potentially complex valuation work. On occasion this may pressure land valuers to act near or even beyond the limits of their competency (Rule 1.14 and 2.7 of the Code). Another aspect of undue pressure by clients is addressed in '*Undue pressure by clients*' below.

## Undue pressure by clients

The department reminds land valuers they must not complete valuations that are influenced by undue pressure from their clients. This issue raises serious concern regarding a land valuer's responsibility to meet their obligations under Rule 2.3 of the Licensed Valuers Code of Conduct 2012 (the Code) and s.29 of the Australian Consumer Law (WA).

**Rule 2.3 of the Code states:**

*A licensed valuer shall not accept instructions to undertake valuation work which is contingent upon obtaining a predetermined result or finding.*

In order to minimise the risk of civil proceedings and/or disciplinary action by the department, land valuers should complete their valuations in accordance with the relevant legislation and accepted principles and practises of valuation.

# Conflict of interest

The department reminds land valuers to be aware of the requirements under the Licensed Valuers Code of Conduct 2012 regarding conflict of interest.

Rule 2.8(b) provides that a licensee shall not adopt the role of advocate in a matter where it is the duty of another member of the same firm to exercise independence and impartiality in the same matter.

Rule 2.9 precludes a licensee from accepting an engagement, or continuing to be engaged, to exercise independence and impartiality in a matter where another member of the same firm has adopted the role of advocate in the same matter.

These rules exist because such arrangements may call into question a land valuer's independence and impartiality, which can give rise to potential conflicts of interest.

## Reminder:

For a full list of the Department of Commerce's new contact details please refer to the back page.

# The Department of Commerce has moved

As of 30 September 2014, Consumer Protection's main office, including the Property Industries Directorate, is now located at Gordon Stephenson House, 140 William Street,

Perth. The Licensing Branch is now located at The WestCentre, 1260 Hay Street, West Perth.

Our contact centre number, mail and email addresses have not changed but please note that the phone numbers of individual staff members have changed.

## Property Industries

### New office street address

Gordon Stephenson House  
level 2  
140 William Street  
Perth

The reception area for all visitors is on **Level 2** of the building - entry is via Railway Lane, Murray Street Mall.

## Licensing Branch

### New office street address

The WestCentre  
Level 5  
1260 Hay Street  
West Perth

The reception area is on **Level 5** of the building.

### Postal address

Locked Bag 14  
CLOISTERS SQUARE WA 6850

### Phone numbers

#### General enquiries

Please continue to call **1300 30 40 54**

#### Licensing application related enquiries

Please continue to call **1300 30 40 64**

## Contact details

### In order for your enquiry to be handled efficiently, please note the following:

- If your query relates to your licence or registration, licence or registration application or the structure of your business, please contact Licensing on 1300 30 40 64, Option 2.
- If you need to inform the Commissioner of a change to your details, please email [licensingenquiries@commerce.wa.gov.au](mailto:licensingenquiries@commerce.wa.gov.au). Please include your licence/ registration number.
- If your query relates to a proactive visit or a general enquiry about complying with legislation, please contact Proactive Compliance on (08) 6552 9592.
- For newsletter or e-Bulletin subscription enquiries, email [pinews@commerce.wa.gov.au](mailto:pinews@commerce.wa.gov.au)
- Consumer Protection's general contacts should be used for all other enquiries. You can telephone 1300 30 40 54 or email [consumer@commerce.wa.gov.au](mailto:consumer@commerce.wa.gov.au)

## E-Bulletins

The department publishes Land Valuer e-Bulletins which provide the industry and other interested parties with news and up-to-date information on the department's policy developments.

Our e-Bulletin archive can be found on the department's **website**.

If you would like to subscribe to our e-Bulletins, update your email address or if you have any queries, please email [pinews@commerce.wa.gov.au](mailto:pinews@commerce.wa.gov.au)

## Website

The department's new-look website, launched in June 2014 provides comprehensive education and advisory services to industry participants and the public.

The website has a dedicated land valuers section that covers a range of subjects including proactive compliance and licensing information. It also contains a wide range of application forms.

Comments on the website can be sent to: [pinews@commerce.wa.gov.au](mailto:pinews@commerce.wa.gov.au)

The website is located at:  
[http://www.commerce.wa.gov.au/ConsumerProtection/Land\\_Valuers](http://www.commerce.wa.gov.au/ConsumerProtection/Land_Valuers)