

# Senate Select Committee on Superannuation and Financial Services

## Main Inquiry Reference (a)

**Submission No. 235**

**Submittor:** Australian Property Institute  
Tasmanian Division  
Mr Paul Wilson, FAPI, Dip Val  
Divisional President  
25 Davey Street  
HOBART TAS 7000  
 - (03) 6224 1324  
 - (03) 6224 3441



61 3 6224 2331



*Australian Property Institute*

ABN 49 007 505 866

**Tasmanian Division**

25 Davey Street  
Hobart Tas 7000  
GPO Box 745 Hobart Tas 7001  
Tel : (03) 6224 1324  
Fax : (03) 6224 3441  
Email : sandrakemp@bigpond.com

**Executive Officer  
Sandra Kemp**

19 July, 2001

Fax No. (02) 62 773130  
Ref: pgw2007pgw:jh

The Secretary  
Select Committee on Superannuation and Financial Services  
Parliament House  
CANBERRA ACT 2600

Attention: Ms Sue Morton

Dear Madam,

Re: **PROOF TRANSCRIPT OF EVIDENCE AND ADDITIONAL  
MATERIAL  
HOBART HEARING – 15 JUNE 2001**

I refer to your letter regarding the above.

I do not have any corrections for the proof transcript of evidence.

Pages SFS 1235 and 1236 of the transcript referred to additional material that may be required from the Australian Property Institute. This related to items raised by Mr Worrall in his evidence on pages 1075 and 1076 of the 18 May, 2001 transcript.

I have met with Mr Worrall who advises that he intends to pursue his investigations through the Valuers Registration Board. He believes that this is the appropriate action since the relevant valuer has not been a member of the Australian Property Institute since December 1995 but has maintained his status as a Registered Valuer under the jurisdiction of the Valuers Registration Board.

As a general comment the Australian Property Institute (Tas Division) recommends that as a minimum the following mortgage lending practices are implemented.

- All mortgage valuations should be undertaken in accordance with the API Professional Practice Manuals 1999 and 2000 (Copies of which can be provided – if required).

.../2

*Leading the Property Profession*

RECEIVED TIME 24. JUL. 15:50

PRINT TIME 24. JUL. 15:51

61 3 6224 2331

- Mortgage finance lenders should develop their own "Panel of Valuers" from which to source their property valuations.
- Mortgage finance lenders should develop a set of standing instructions for their "panel valuers" which outlines the format, criteria, standards and fees for valuations – as per The Professional Practice Manuals.
- Mortgage finance lenders should instruct the valuer – not the borrower.
- Instructions to valuers should be in writing.
- Panel valuers should meet at least the following criteria:
  - be 'Certified Practising Valuer' members of the Australian Property Institute
  - provide annual evidence of their Continuing Professional Development compliance
  - provide annual evidence of their Professional Indemnity Insurance cover

The above criteria would provide a sound footing for mortgage valuations – it is the method adopted by many of the large financial institutions and it has been refined over many years.

I would be pleased to provide further detail if required.

Yours faithfully,



Paul Wilson FAPI, Dip Val  
Divisional President

AUSTRALIAN PROPERTY INSTITUTE (TAS DIVISION)