

# THE SOUTH AFRICAN VALUER



*SAIV meets with  
Indonesian delegation*

*MoU signed by GBCSA and SAIV*

*Fellow in focus*

# MPRA STANDARDS WORKING GROUP UPDATE: APRIL 2016

**I**n our last update to the members we outlined an optimistic overview of the way forward for the Technical Task Team chaired by the recently appointed Valuer-General Chris Gavor.

The second meeting of the Technical Task Team held on 17 February 2016 was not as constructive. The purpose of this session was to set out the Standards Development and Finalisation programme going forward. The professional bodies, including representatives from IMFO, identified a number of serious and significant shortcomings in the draft standards V7.1 which, unless remedied, will lead to the failure of the project. Among these there are over 70 clauses in the draft which were flagged for review in V7.0 but which have not been addressed. In contrast, the SACPVP representatives on the Technical Team believe the Standards are ready to be finalised. This is playing out against escalating pressure from government that if the SACPVP is unable to deliver then government will exercise its mandate to regulate.

## STATUS QUO, REPORT BACK BY A THIRD PARTY

In order to formulate an objective view of the situation the Institute approached Professor Nic Olivier, a well known constitutional lawyer. Our objective was to better understand the Standards development process and to formulate an informed strategy for the way forward. Our questions to Prof Olivier were threefold:

1. In his opinion, is the content of version 7.1 adequate for enforceable standards or rules?
2. Did Version 7.1 meet the required drafting conventions required for standards or rules?
3. In his opinion was due process complied with in terms of the consultative processes required for such standards or rules to be enforceable?

His response having considered the present documentation was 'No' on all counts.

## POSSIBLE SOLUTION: INTEGRATED APPROACH

If we are to succeed, the SAIV and professional stakeholders must promote an integrated approach for dealing with what has become the 'elephant in the room'. This approach will shift from the 'us', the valuer profession, and 'them', the SACPVP and government. The overriding objectives of all parties must be to work together with Standards which ensure that the preparation and maintenance of valuation rolls is accurate and complete and compliant with the procedural requirements of the legislative framework.

This includes:

- adequate planning, budgeting, and compliance with the required business processes by municipal officers and valuers alike;
- the development of an equitable rates base for all property owners.

As they currently stand, the draft Standards are not ready to be finalised nor launched. It is crucial that the SACPVP acknowledge that there is substantial work still to be done and make the commensurate investment in securing resources to achieve this. The SAIV, together with the other voluntary associations, has expressed its concerns with the approach and the progress of the initiative. We remain committed to developing appropriate standards to provide a minimum benchmark to evaluate the performance of municipal valuers. We are further committed to developing practice notes/operational guidelines which, together with the relevant case law, will provide valuers with a reference for consistent interpretation of both the legislative framework and the business processes

REQUIREMENTS	PURPOSE	RESPONSIBILITY	STATUS
MPRA Standards	To provide Council with a minimum benchmark to evaluate the performance of municipal valuers	SACPVP & Stakeholders (TTT)	Initiated by KZN CoGTA, handed to SACPVP; to be published by the SACPVP
MPRA practice notes/operational guideline, relevant case law	To provide municipal valuers with a reference for consistent interpretation of the legislative framework and business processes	Valuer profession CoGTA	Incomplete set of guidelines to be prepared by the profession
MPRA monitoring framework, s82(a); this would include the prescribed reporting templates.	To provide municipalities with a prescribed monitoring framework for procedural compliance.	CoGTA	Not yet disclosed by DCOG