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Sustainability & the Environment

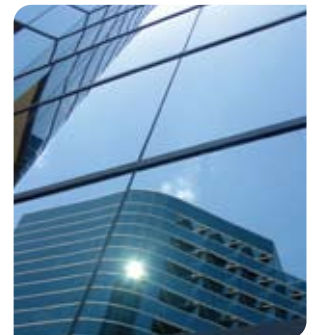
The API National Council has established the Sustainability and the Environment Standing Committee with the aim of developing a multi-faceted approach to educate members on issues relevant to property professionals on sustainability and the environment.

This includes matters pertaining to the built environment and other environmental issues such as water rights, carbon rights and the impact of climate change on property (values).

The initial approach will be to provide information addressing Green Building and Sustainability issues via E-News bulletins including information about:

- definitions contained within the Green Star rating system,
- issues that Valuers should be cognisant of in valuing "Green Buildings", and
- other relevant information.

"We hope to raise awareness with API Members and to lead the industry debate on environmental issues affecting the economics of property," said Grant Warner, API National Director. ■



CONTACT DETAILS

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China Working Mission

Following a visit by the delegation from the National Peoples Congress and the China Appraisal Society (CAS) in September, the Institute will be organising a working mission to China in April 2008.

The purpose of the Mission is to facilitate business to business relationships between API members and members of the China Appraisal Society. It is envisaged that the API and CAS will sign a Memorandum of Understanding.

A brochure will soon be released detailing a draft itinerary, seeking expressions of interest and deposits from those members wishing to participate in the China Working Mission.

Members interested in participating in the China Working Mission are invited to contact the API National Office: Tel: 02 6282 2411 | Email: national@api.org.au ■

API Submission to ASIC: Consultation Paper 89 unlisted, unrated debentures – improving disclosure for retail investors

The Institute has lodged a submission with the Australian Securities & Investments Commission (ASIC) in response to its Consultation Paper on unlisted, unrated debentures – improving disclosure for retail investors.

ASIC's Consultation Paper was based around the following principles:

Principle 1: Benchmarks (Credit Ratings, Equity Capital, Liquidity, Lending Principles Loan-to-Valuation-Ratios, Loan Portfolio Diversification and Security, Valuations, Related Party Transactions and Rollovers) should be provided to help retail investors assess the risk and risk-reward prospects of unlisted, unrated debentures.

Principle 2: Issuers of unrated, unlisted debentures should include these benchmarks in their disclosures on an 'if not, why not' basis.

Principle 3: Those involved with issuers (e.g. trustees, advisers, valuers and auditors) should use the benchmarks and the 'if not, why not' explanations in carrying out their responsibilities.

Principle 4: Additional education will assist investors and potential investors in the unlisted, unrated debentures sector, including helping them to understand and use the benchmarks and the 'if not, why not' responses in their investment decision-making.

The Institute's submission was prepared following discussions with ASIC in mid-September on a range of matters including the requirement for a single national valuer registration system.

The submission was prepared by G. Preston (National President), C. Harris (Chair NPB), J. Pledge (Sen. Vice President) and G. Warner. ■

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Valuation Required For Mining / Industrial Site

New Islands Produce Company Limited is seeking Expressions of Interest for Valuation Firms to value a 1,800 Hectare coconut and cocoa estate that is currently being assessed for the purposes of building the following:

1. A Concentrator to process ore that is to be mined from the sea bottom nearby,
2. A wharf that would handle 50,000 tonne ships,
3. Storage and ship loading facilities, and
4. Up to 3 tailings dams.

The valuation is to be determined on the basis of "Value to the Owner" taking into account approval for the proposed development.

The company has a locally based valuer that could act as an agent for an Australian domiciled valuer with experience in valuing international mining/ industrial sites.

The area to be valued is at Lassul Bay, East New Britain.

Members seeking further information in relation to this opportunity should contact:

John Nightingale (Managing Director)

New Guinea Islands Produce Company Limited
PO Box 1921
Kokopo, East New Britain, PAPUA NEW GUINEA
Email: njn@agmark.com.pg

API response to IVSC Discussion Paper: Determination of Fair Value of Intangible Assets for IFRS Reporting Purposes

The aim of the Discussion Paper was to seek views from interested parties, regarding standardisation of the approach to take in the determination of the fair value of intangible assets for the purpose of reporting under International Financial Reporting Standards (IFRS).

The Discussion Paper was published with a view to the future development of improved and more robust guidance on the valuation of intangible assets for financial reporting within the overall IVS framework.

The International Valuation Standards Committee (IVSC) has stated that it is aware of the need for guidance to:

- act as a bridge between the requirements of IFRS to measure the fair value of intangible assets and the practical performance of such exercises,
- address valuation issues not covered by IFRS,
- codify existing best practice,

- clarify areas where there are differing interpretations in practice,
- address the strengths and weaknesses of different valuation methods, and
- improve the consistency and reliability of valuation results.

The Discussion Paper addresses the extent to which fair value measurements of intangible assets are required for IFRS and works through a consideration of technical valuation issues and available valuation methods. The Paper then sets out a proposed approach to the selection of valuation methods and provides practical application guidance.

The Institute's response was prepared by R. Farthing (Chair AV&PSB), J. Gibson (AV&PSB rep and specialist valuer of intangible assets), F. Kelly (API Business Valuer) and G. Warner. ■

API response to IVSC Critical Review of the International Valuation Standards

The Institute's National Professional Board (NPB) provided a response to the International Valuation Standards Committee's (IVSC) critical review of the International Valuation Standards. Following discussion, the NPB concluded that the international valuation standards must meet the following objectives:

- The standards must be of the highest quality, understandable (by both experienced practitioners and recipients of valuation reports), clear and capable of consistent application, thereby serving to enhance the quality and uniformity of valuation practice worldwide,
- The standards must be seen as a body of standards in their own right to meet the needs of the global market place and to provide a basis for the convergence of national standards to international valuation standards. The development of the

standards should not be focused on the demands of one particular group of valuation professionals over another (e.g. Business and Intangible Valuations over Real Property Valuations), and

- The standards must encompass requirements for the valuation of all assets, liabilities and businesses including emerging class assets such as Carbon Rights and Water Property Rights.

The requirement that valuation reports should comply with all IVS requirements or else be non-compliant is not supported. The critical issue here is the ability for local national standards to be able to either harmonise with the International Standards or provide further guidance for valuers to adhere to, without necessarily being in breach of the International Standards. There remains the requirement for national organisations to be able to develop their own standards which reflect local legislative requirements and custom and practice. ■

API Property Legend Victoria



Mr William Shelton was inducted as an 'API VIC Property Legend' at the Victorian Fellows Luncheon on 18th September.

During the seventies, Mr Shelton was responsible for the office for sales and leasing apartments in the first high rise residential building in Victoria.

Mr Shelton joined the API as a Provisional Member on 18 July, 1974 and was recommended for advancement to Fellow Membership at a meeting of Council on 5 October 2000. ■

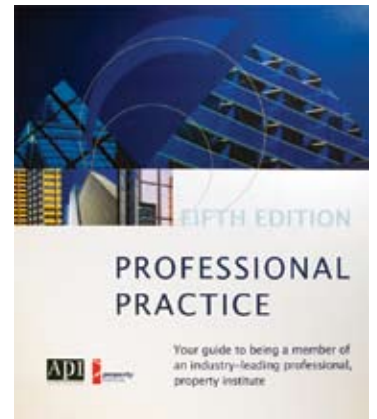
National Office Closure

The API National office will be closed over the Christmas period from 24 December 2007 - 01 January 2008. The office re-opens on Wednesday 02 January 2008. ■

API Publications for Sale

API produce publications on a range of subjects concerning the property industry, including:

- The Valuation of Real Estate
- Valuation Principles & Practices (2nd edition)
- Valuer's Liability
- Specialist Valuations in Australia & NZ
- Court Decisions for Examination Study
- Legislation Affecting Property Profession
- Readings in Property Economics
- Professional Practice 5th edition (hard copy)
- Glossary of Property Terms.



To purchase any of the above titles, download an order form from the API website: www.api.org.au ■

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Property Valuer

AVS Property Valuers operates in the Pilbara region of Western Australia and is currently seeking the services of a Licensed Valuer.

An opportunity of a lifetime exists for an eager person with a strong work ethic. Based in Port Hedland/South Hedland, WA, the position will focus on efficiency, professionalism and service.

The lifestyle is relaxed and open. The Town's location on the ocean provides for a variety of aquatic leisure activities including superb fishing, with Karijini National Park also within driving distance.



If you consider yourself in need of taking the next step in your property career; would welcome a change of scenery, and possess the urge to become financially successful, then AVS strongly recommends that you apply for this position. The Pilbara region is going through a very exciting and dynamic period with regards to developments and experienced gained will encompass a wide variety of valuations.

In the first instance please signal your interest and provide details by email to avs@avsproperty.net.au.

Conferences and Events

API-PINZ INTERNATIONAL PROPERTY CONFERENCE

Building on the success of the first two International Conferences, the **3rd Annual API-PINZ International Property Conference** is to be held at the Christchurch Convention Centre, New Zealand over **26-27 June 2008**. Members will be advised of further information as the program is developed.

VICTORIA

29 Nov: Victorian Christmas Cocktail Function

For further information contact the APIVIC Division:
Tel: 03 9646 1977 | Email: registration@vic.api.org.au
www.vic.api.org.au

SOUTH AUSTRALIA

08 Nov: Valuation of Development Projects

15 Nov: Residential Field Trip

28 Nov: Risk Management Module

For further information contact the API SA Division:
Tel: 08 8132 0092 | Email: api@sa.api.org.au
www.sa.api.org.au

AUSTRALIAN CAPITAL TERRITORY

08 Nov: 2007 ACT Excellence in Property Awards

For further information contact the API ACT Division:
Tel: 02 6282 5541 | Email: act@api.org.au
www.api.org.au

NEW SOUTH WALES

02 Nov: Property Technology Forum

07 Nov: Proportional Liability and the Property Industry

08 Nov: Trade Practices – Decisions Effecting the Property Industry

09 Nov: OHS – Green Card for the Property Industry

14 Nov: Acting As an Expert Witness – Land & Environment Court

15 Nov: Family Law and the Role of the Valuer

16 Nov: Child Care Investment Forum

23 Nov: Risk Management Module

23 Nov: Public Sector Property Conference

26-30 Nov: Advanced Professional Certificate in Business Valuations

28 Nov: Estate Master – Property Advisors Seminar

29 Nov: API Property Network for Young Property Professionals End of Year Function,

12 Dec: API Annual Christmas Cocktails

For further information contact the API NSW Division:
Contact Kirsty Nargar or Vicki Leddin on
Tel: 02 9299 1811 | Email: knargar@nsw.api.org.au or vleddin@nsw.api.org.au | www.nsw.api.org.au ■

Valuation requirements

Members are advised that Valuers licensed pursuant to the Western Australian Land Valuer's Licensing Act 1978 (this may also include interstate valuers who have chosen to be licensed in Western Australia for reasons of occasionally working here or who may be availing themselves of mutual recognition advantages but operating elsewhere) may be misled by the words:

“encouraged” to report the value of the asset “as is” and the value of the asset in the “as if complete” state”.

It is mandated for Western Australian Licensed Valuers by Section 26 (styled “Licensed valuer’s code”) of the Land Valuer’s Licensing Act and concomitant Code of Conduct that:

- 1.11 where a valuation is to be undertaken on a proposed development, include in the valuation report the definitions of “as if complete” valuation and “as is” valuation that are provided in the Interpretation section of this Code;
- 1.12 where a valuation is to be undertaken of a proposed development, include an “as is” valuation immediately following the “as if complete” valuation in the body of the valuation report and also in any certificate of valuation or other valuation summary in the report or attached to it.

Also, it is mandated that where there is a valuation required for a proposed development, the two values, “as is” and “as if complete” must be clearly stated in any Executive Summary (Summary Valuation) attached to the report. ■