

January 2021

Property Institute of New Zealand

Infrastructure, Plant and Machinery Valuer
Examination/Interview Study Guide



**PROPERTY
INSTITUTE**

Knowledge Expected and Suggested Reading for Membership or Registration Candidates.

This information sheet is intended as a guide for candidates who will be undertaking the examination and/or interviews for Infrastructure, Plant and Machinery Membership and Registration. This sheet is not intended to have comprehensive information regarding questions a candidate would expect, rather to outline important areas of study beneficial for a candidate.

MEMBERSHIP EXAMINATION (MPINZ)

The time allowed for the written exam is **120 minutes**.

The pass mark for the exam is 70%.

Marking is carried out by two members of the Property Institute independently of each other. Any disagreement on the marks to be awarded for any individual answer is referred to a third member for adjudication. Papers will not be returned, nor will correspondence be entered into.

REGISTRATION EXAMINATION (MPINZ REGISTERED PLANT & MACHINERY VALUER)

The assessment is an interview style examination conducted by an interview panel comprising a minimum of two interviewers.

The time allowed for the interview exam is **30-60 minutes**.

The panel will ask questions as to whether the applicant shows good understanding of infrastructure, plant and machinery valuation. The structured interview is based on a variety of set questions regarding valuations and general questions relating to the valuation reports submitted by the candidate as part of the application. The applicant must satisfy the interview panel as to their sound knowledge of valuations to be credible for a pass mark.

IT IS SUGGESTED THAT THE CANDIDATE STUDY THE FOLLOWING:

1 PINZ Code of Ethics and Rules of Conduct

Suggested Readings: *Rules of the Property Institute of New Zealand*
(Obtain from PINZ Office or online at <https://propertyinstitute.nz/>)

2 New Zealand and International Valuation Standards and Guidance Notes

Suggested Reading:
[International Valuation Standards 2020](#)

The most relevant sections are:

- IVS 101 Scope of Work
- IVS 102 Investigation and Compliance
- IVS 103 Reporting
- IVS 104 Bases of Value
- IVS 105 Valuation Approaches and Method
- IVS 300 Plant & Equipment
- IVS 500 Financial Instruments

API and PINZ Technical Information Papers:

- [ANZVTIP 1 - Retrospective Valuations.pdf](#)
- [ANZVTIP 2 - Market value Of Property Plant and Equipment in a Business.pdf](#)
- [ANZVTIP 3 - Addressing the Concept of Forced Sale.pdf](#)
- [ANZVTIP 4 - Valuations for Insurance Purposes.pdf](#)
- [NZVTIP 2 - Valuations of Real Property, Plant & Equipment for use in New Zealand Financial Reports.pdf](#)

3 New Zealand Accounting Standards

(As issued by the External Reporting Board <https://www.xrb.govt.nz/>)

Suggested Reading: New Zealand equivalent to International Accounting Standards

Please refer to:

- [NZ IAS 16 Property, Plant and Equipment](#)
- [NZ IFRS 3 Business Combinations](#)
- [NZ IFRS 5 Non-current Assets Held for Sale and Discontinued Operations](#)
- [NZ IAS 36 Impairment of Assets](#)
- [NZ IAS 40 Investment Property](#)

The candidate will need a broad understanding of the criteria under which each of these standards apply e.g.

- NZIAS40 applies to Investment Property (held to earn rentals or for capital gain, or both),
- NZIAS16 to Property Plant and Equipment (held for long term use in the production or supply of goods and services)

In addition, a broad understanding of how historic cost accounting and accounting depreciation works, the concept and determination of fair value and how it can differ to market value, and how revaluations have an impact on the accounts.

4 General Valuation Principles

Suggested Reading:

[*The Valuation of Plant and Machinery by Chris Derry*](#)

(ISBN 978-1904388722)

[*Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets by American Society of Appraisers.*](#)

Valuation of plant and machinery: theory and practice by Kirit P.Bhudbatti

(ISBN 81-901523-8-6, email emma@property.co.nz or kirit_budhbhatti@budhbhatti.com to purchase book)

5 Relevant Statutes and Case Law

Suggested Reading: Knowledge of valuation related provisions of;

- [Property \(Relationships\) Act 1976](#)
(Parts relevant to relationship property valuations)
- [Earthquake Commission Act 1993](#) *(what assets are covered)*
- [Fire and Emergency New Zealand Act 2017](#)
(Assessing indemnity for FENZ levy, and categories of property exempt from levy – Schedule 3)
- [Health and Safety at Work Act 2015](#)

Overview/ basic understanding of;

- [Privacy act 1993](#)
- [Consumer Guarantees Act 1993](#)

6 Other recommended research topics

- International freight terminology, costs and exchange rates
- Material Damage (Property Insurance), Business Interruption and Public Liability Insurance policy wordings
- Tax depreciation rules (see [Inland Revenue website](#) and [IR-260 guide](#))
- [National Asset Management Steering Group \(NAMS\) NZ Infrastructure Asset Valuations and Depreciation. Guidelines -Version 2.0, 2006.](#)
- The annual PINZ IPM Valuation conference, generally held each year in November.