

Valuer General's Policy

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Valuation of land subject to a conservation agreement

What

This policy guides valuers on the factors to consider, when valuing land subject to a conservation agreement under section 69B of the *National Parks and Wildlife Act 1974*.

How

Under this policy, valuers assess the value of the land only, without including the value of structures or other improvements on that land. The effect of, or value of, having a conservation agreement is not included in the land value.

Why

This policy will ensure that the Valuer General's valuations of land with conservation agreements are:

- consistent and accurate
- transparent
- in line with the *Valuation of Land Act 1916* (Valuation of Land Act).

Contents

1 Policy	1
1.1 Scope	1
1.2 Assumptions and considerations	1
2 References	2
2.1 Definitions	2
2.2 Laws and policies	2
3 Context	3
3.1 Role of the Valuer General	3
3.2 Background	3

1 Policy

1.1 Scope

Land subject to a conservation agreement

Land subject to a conservation agreement has a registered conservation agreement on the title of the land.

Land subject to a conservation agreement can be privately or publicly owned or leased from the Crown.

Conservation agreement

Conservation agreements are legal agreements between landholders and the Minister for the Environment covering identified areas of land with significant conservation value. They are established under Division 12 of the *National Parks and Wildlife Act 1974*.

1.2 Assumptions and considerations

Valuation assumptions

The effect of, or value of, having a conservation agreement is not included in land values.

highest and best use environmental planning instrument

Land subject to a conservation agreement will be based on the highest and best use of the land allowable under the applicable environmental planning instruments unless it is Crown lease restricted land.

You must value Crown lease restricted land in accordance with the use of the land required by the lease (refer to the Valuer General policy for the valuation of Crown lease restricted land).

2 References

2.1 Definitions

environmental planning instrument A legal document that regulates land use and development under state environmental planning policies and local environmental plans.

highest and best use Valuation concept that refers to the possible use of a property that would give the highest market value. The use must be lawful, physically possible and financially feasible.

2.2 Laws and policies

Governing NSW law *Valuation of Land Act 1916* (Valuation of Land Act) section 6A
National Parks and Wildlife Act 1974 Division 12

Related Valuer General Policy *Valuation of Crown lease restricted land*

3 Context

3.1 Role of the Valuer General

The Valuer General for NSW

In NSW, the *Valuation of Land Act 1916* establishes the Valuer General as the independent statutory appointment responsible for ensuring the integrity of land valuations in NSW.

Valuation Services, Property NSW manages the valuation system on behalf of the Valuer General, outsourcing the majority of valuation services to private valuation firms.

The Valuer General is committed to maintaining an open and transparent valuation process that is easy for landholders to understand.

3.2 Background

Conservation agreements

Conservation agreements are voluntarily entered into and provide permanent protection for the special features of the land. Once entered into, they are legally binding on both current and future landholders.

The range of significant conservation values that may be protected under a conservation agreement is broad and includes natural and cultural heritage values such as native vegetation, wilderness, wildlife habitat, Aboriginal sites and historic places.

Rating and taxing

Land subject to conservation agreements is exempt from rates and taxes under both the *Local Government Act 1993* and the *Land Tax Management Act 1956*.

Under section 555 (3) of the *Local Government Act 1993* landholders' rates are proportionately reduced if part of their land is subject to a conservation agreement.

Land tax concessions, where part of the land is covered by a conservation agreement, are also available under section 10 of the *Land Tax Management Act 1956*.

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Any enquiries relating to the policy may be addressed to the Office of the Valuer General at valuergeneral@ovg.nsw.gov.au

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Document control

Approval

Name and position	Signature and date
Simon Gilkes, Valuer General	 05/05/2017

Version

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0.3	Final	03/06/2019	Rachael Burn	Administrative update
0.2	Final	05/05/2017	Rachael Burn	Administrative update
0.1	Final	02/08/2016	OVG	Stakeholder consultation and review undertaken. No changes required
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Next review

Date	Comments
July 2020	May be reviewed sooner following release or as needed