

## Objection to purchase price when purchasing Crown leasehold land

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### Policy Statement

The integrity of purchase price determination, in line with “Policy Number IND-0-242 - Purchasing Crown leasehold land to obtain freehold title”, requires the trust and confidence of all stakeholders. This is achieved by:

- Where **Land Value** is utilised, it has been determined correctly in accordance with the Valuation of Land Act 1916 NSW
- Where **Market Value** is utilised, it is supported by appropriate market evidence, is transparent and lease holders are provided with procedural fairness in contesting the purchase price.

This policy will ensure that Department of Industry's objection review process in relation to setting a purchase price under Schedules 1, 2, 3 and 4 of the *Crown Land Management Act 2016* (the Act):

- is consistently applied
- affords procedural fairness to landholders
- minimises unnecessary disputes from the tenure holder
- minimises unnecessary appeals from the tenure holder, where available
- complies with provisions of the Act and administrative law principles.

This policy outlines the requirements for lodging an objection under the Act to the purchase price for land where a lessee has a right under the Act to purchase the land or to apply to purchase the land.

This policy applies to the Department of Industry - Lands and Water Division (the department).

### Scope

The policy is relevant to objections to the purchase price for new purchase applications pursuant to Schedules 1, 2, 3 and 4 of the Act.

This policy is not relevant to objections lodged prior to the commencement of Western Lands lease conversions provisions, or the balance of the Act (as relevant). These objections will be dealt with in the manner set out in the legislation under which the application was lodged, subject to any changes to that process made by the Act.

### Requirements

#### 1. *Determination of purchase price*

As set out in the policy “Purchasing Crown leasehold land to obtain freehold title”, the purchase price for successful applications will generally be the Land Value as determined by the Office of the Valuer General (OVG) in accordance with the *Valuation of Land Act 1916* (VoL Act).

Market value may be used at the discretion of the Minister for Lands and Forestry to determine the

purchase price for leases and crown properties where:

- a relevant Land Value under the VoL Act is not available, or
- the lease has unique characteristics and uses, and relatively high value.

Market value will be determined having regard to relevant principles of the VoL Act or the *Australia and New Zealand Valuation and Property Standards* published by the Australian Property Institute, as appropriate.

## 2. *Valid reasons to object*

An objection can be lodged where the leaseholder considers there to be an error in the determination of the purchase price, such as the:

- Assessment of land value or market value
- Area, dimensions or description of the land used, and/or
- Lease type.

Objections for any other reason will not be accepted. Objections must be accompanied by supporting information establishing the basis for the objection.

## 3. *Supporting information requirements*

The following information will be required in support of an objection (as relevant):

- A market valuation undertaken by a Certified Practising Valuer
- Sales evidence
- Survey information, and/or
- Certificates of Title.

## 4. *Costs*

While there are no departmental charges for lodging an objection, the leaseholder will be liable for any other costs they may incur in support of their objection, such as when obtaining:

- An independent market valuation
- A survey, subdivision or plan registration, and/or
- Amendments to Certificates of Title.

## 5. *Process*

One objection can be lodged for each determination and the application must be lodged within 60 days of the date advised to the applicant by the department under clause 12 of Schedule 4 to the Act. Late objections may be accepted if a valid reason and supporting information is provided.

Where the purchase price has been determined based on the land value the leaseholder can object under Part 3 (and in particular section 34) of the VoL Act. All objections to purchase price based on land value provided by the OVG will be dealt with by the OVG.

Where the purchase price has been determined based on the market value the leaseholder can object under clause 12 of Schedule 4 of the Act. All objections to purchase price based on market value provided by the department will be dealt with by the department.

The leaseholder will be advised of the outcome of the objection and the impact (if any) on the purchase price or application process within 90 days of lodgement.

## **Roles and responsibilities**

- *The department*: determine market value and consider related objections.
- *The Office of the Valuer General (OVG)*: determine land value and consider related objections.
- *Leaseholder*: provide accurate and timely information to support any objection.

## **Delegations**

This policy does not change, remove or add delegation for any officer. Staff must comply with all relevant delegations, such as those established under the Act and VoL Act.

## **Definitions**

Definitions relevant to this policy are detailed in the Purchasing Crown Leasehold Land to Obtain Freehold Title Policy.

## **Legislation**

- *Crown Land Management Act 2016*
- *Crown Land Management Regulation 2018*
- *Valuation of Land Act 1916*

**Related policies**

- Purchasing Crown Leasehold Land to Obtain Freehold Title Policy IND-O-242 V1.0
- Delegations of Authority for Crown Lands (Interim) Policy IND-O-179 V3.0

**Other related documents**

- Guidelines – Objecting to Purchase Price When Purchasing Crown Leasehold Land
- Australia and New Zealand Valuation and Property Standards

**Revision history**

<b>Version</b>	<b>Date issued</b>	<b>Notes</b>	<b>By</b>
1.0	19/03/2018	New policy to support the <i>Crown Land Management Act 2016</i>	Valuation Services Manager, Department of Industry – Lands & Water
2.0	01/07/2018	Technical amendment to the referencing of the <i>Valuation of Land Act 1916</i>	Valuation Services Manager, Department of Industry – Lands & Water

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