

# PORTFOLIO VALUATIONS POLICY

## Policy Statement

All valuations used to inform land transactions undertaken within the Environment, Planning and Sustainable Development Directorate (EPSDD), City Renewal Authority and Suburban Land Agency will be:

- based on considered and appropriate written instructions
- obtained through a professionally accredited valuer
- consistent with current Australian and New Zealand Valuation and Property Standards
- filed in accordance with the *Territory Records Act 2002*, and
- current at the time they are used to inform pricing recommendations.

For the purpose of this policy, land transactions are activities relating to the sale, acquisition and transfer of land between two or more parties.

Portfolio policies recognise areas of common guidance required across EPSDD, City Renewal Authority and Suburban Land Agency. Portfolio policies are developed collaboratively with Senior Executive representatives from each organisation who are vested with the authority to endorse on behalf of their organisation and are accountable to communicate and implement them within their respective entities.

## Purpose

This policy enables EPSDD, the City Renewal Authority and the Suburban Land Agency to conduct valuations for land transactions in accordance with the highest standards of probity, relevant legislation and ACT Government policy.

## Policy Requirements

Requests for valuations by staff within EPSDD, City Renewal Authority and Suburban Land Agency for the purpose of determining a market or commercial value of land must be sourced through the Panel Management Portal using the Territory Valuation Services Scheme.

Valuation reports are current for a period not exceeding 90 days or three (3) calendar months, unless a lesser period is specified in the report or new information becomes available that would materially affect the valuation. This time commences at the date the valuation occurred.

Valuations required for joint ventures, subsidiaries and trusts are to abide by the conditions of their commercial agreements, which should reflect the standards and principles outlined in this policy.

### Use of valuations

Minimum requirements for the number of valuations to be sought are outlined below. Additional valuations may be sought at any time when deemed necessary by management or a governing board.

Where more than one valuation is required, all valuers approached for a quote must receive identical instructions and supporting documentation.

#### 1. To establish a sale price

Land sales require a minimum of two valuations.

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## 2. Feasibility, due diligence expenditure and business case development

When approval for expenditure on feasibility and due diligence activities is being sought, a minimum of one valuation of the land in question will be obtained.

## 3. Acquisition

During an acquisition process, the seller may obtain a valuation. If this occurs, a minimum of one valuation will be sought by staff to inform decision making. If the seller has not obtained a valuation, then two valuations are to be sought.

## 4. Land Transfers from Commonwealth Government

Each party is required to obtain a minimum of one valuation to inform negotiations and decision making on the transfer.

## 5. Land Transfers within the ACT Government

When land transfers occur between ACT Government agencies, valuations will be obtained in accordance with related Memoranda of Understanding.

## Scope

This policy applies to land valuations:

- For the purpose of acquiring or selling land
- To inform business case development
- To support funding to undertake due diligence processes
- To inform transfers of land between ACT Government and Commonwealth Government.

This policy does not apply to valuations obtained for any lease conditions or accounting purposes.

## Records Management

Requests for valuations, instructions supplied to valuers, quotations and information exchanges related to the valuation request are required to be maintained as official records. Official files are to be maintained by the area requesting the valuation.

## Evaluation

Outcome Measures	Method	Responsibility
Land valuations are supported by documented valuation reports which meet the requirements of this policy	Annual sample review of land transaction records documentation across EPSDD, SLA and CRA	Governance, Compliance and Legal Team

## Related Documents

### Legislation:

*Financial Management Act 1996*

*Government Procurement Act 2001*

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*Government Procurement Regulation 2007*

*Lands Acquisition Act 1994*

*Planning and Development Act 2007*

*City Renewal Authority and Suburban Land Agency Act 2017*

*Territory Records Act 2002.*

**Policies and Procedures:**

CMTEDD Procurement of Goods and Services and Works

CMTEDD Records Management Policy

Memorandum of Understanding: Land Development Agency Pty Limited and Transport Canberra and City Services Directorate (previously Territory and Municipal Services Directorate)

Australian and New Zealand Valuation and Property Standards

International Valuation Standards (IVS).

## Version History

The following table details the published date and amendment details for this document

Version	Date	Amendment details
1.0	April 2017	Land Development Agency policy
2.0	September 2017	Document changed to reflect SLA and CRA.
2.1	6 October 2017	Scope amended
2.2	11 October 2017	Revised based on feedback received.
3.0	19 February 2018	Approved
3.1	31 August 2018	Reviewed to include Public Housing Renewal Taskforce and Direct Sales
3.2	18 September 2018	Reviewed to clarify land transactions definition and the scope
3.3	28 November 2018	Amended to reflect requirement for identical instructions when seeking more than one valuation
3.4	10 December 2018	Amended to reflect scope excludes valuations obtained for any lease conditions.
3.5	22 January 2019	Amended to include endorsement accountabilities