| ALLOWANCE | DEFINITION  | EXPLANATORY NOTES   |  |  |
|-----------|---|---|--|--|
| Access    | Access to the property relative to the standard for that market area.     | The District Standard for access in many of the pastoral areas is formed earth/gravel (Nil Allowance). Historical s             |  |  |
|           |   | evidence has indicated the premium for all weather bitumen access varies depending on the location and land types/soils.        |  |  |
|           |   | In locations where there are areas of black soil there is a clear market preference for bitumen and this is often represented   |  |  |
|           |   | by a positive allowance of up to 10% above the District Standard. In other areas where the soils are predominantly well         |  |  |
|           |   | drained and not greatly impacted by periodic rainfall the market preference will probably be less. In many of these locations   |  |  |
|           |   | a positive allowance of up to 5% has proven appropriate. Regardless of the quantum of allowance applied, it is also             |  |  |
|           |   | generally accepted that these percentages be graduated or shaded from the "District Standard" over a 50 km distance.            |  |  |
|           |   | The following is a guide for access disabilities where the District Standard is formed earth/gravel.                            |  |  |
|           |   | Bitumen access <u>is standard</u> +50%  |  |  |
|           |   | <ul> <li>Formed earth and/or gravel but within 10 km from bitumen+++</li></ul>  |  |  |
|           |   | <ul> <li>Formed earth and/or gravel but within 20 km from bitumen+3-2%</li> </ul>   |  |  |
|           |   | <ul> <li>Formed earth and/or gravel but within 30 km from bitumen+2-3%</li> </ul>   |  |  |
|           |   | <ul> <li>Formed earth and/or gravel but within 40 km from bitumen</li></ul>   |  |  |
|           |   | <ul> <li>Formed earth and/or gravel &gt; 50 km from bitumen</li></ul>   |  |  |
|           |   | <ul> <li>Formed earth with significant areas of black soil – frequently cut in wet2.5%</li> </ul>                               |  |  |
|           |   | <ul> <li>Formed earth or black soil frequently cut for long periods by flooded creeks5.0%</li> </ul>                            |  |  |
|           |   | • Cut off periodically e.g. during wet season   |  |  |
|           |   | Poor access for long distances, isolated and poorly maintained7.5%  |  |  |
|           |   | 4WD access required or gazetted access but not formed/practical. Accessed via property tracks through adjoining                 |  |  |
|           |   | property7.5% to -10%  |  |  |
|           |   | <ul> <li>No dedicated access (May need to consider as added value)Up to -20%</li> </ul>   |  |  |
|           |   | • No dedicated access (iviay freed to consider as added value)  |  |  |
|           | ishe  | Internal access issues are generally addressed using the "Working/Broken" allowance.  |  |  |
| Erosion   | The property is susceptible to a level of erosion significantly above the | Whilst the slope of arable land will generally be considered as one of the limitations in establishing the broader arable class |  |  |
|           | District Standard.  | and therefore gross starting values, in some instances it may be necessary to apply an allowance for erosion where the          |  |  |
|           |   | hazard is not widespread. This can be quantified by reference to the additional cost of soil conservation and/or remediation    |  |  |
|           |   | works required. It is applied to the affected area only, generally as an allowance on the classification line.                  |  |  |
|           |   |   |  |  |
| Flooding  | The property has a probability of being partially or fully inundated by   | This allowance is to reflect the need to de-stock large areas for significant periods because of the extreme risk of stock      |  |  |
|           | detrimental flood or tidal water.   | losses or the adverse impact on cultivation. Where possible this should be inherent in the gross rate for flooded land types.   |  |  |
|           |   | Generally -10% to -20% for the affected areas only is considered appropriate. Convert to an overall percentage. Not             |  |  |
|           |   | applicable in areas or land types where the flooding is an overall benefit (e.g. Channel Country).                              |  |  |
|           |   |   |  |  |

| Lease Conditions | Application of Section 33.  | Whilst all land is taken to be granted in fee simple, as per section 33 of   |
|------------------|---|--|
|                  |   | allowance must be made for any limitation or restriction in use. The p       |
|                  |   | considered.  |
|                  |   | For the leases over Unallocated State Land (USL) where the purpose o         |
|                  |   | the lease does not specifically exclude the construction of a dwelling,      |
|                  |   | considered to be any restrictions in use.                                    |
|                  |   | For permits to occupy over stock routes or leases /permits over reserves     |
|                  |   | best use is the added value to the adjoining land or they are tied by con    |
|                  |   | on that basis. This is undertaken on a standard classification approac       |
|                  |   | valuation. Where the lease adjoins an aggregation the valuation should b     |
|                  |   | so the adjoining land will be defined as the smallest saleable "Stand a      |
|                  |   | aggregation would be traded as a single entity this should be adopted a      |
|                  |   | 25% is applied to recognise the fact that you cannot build on the area an    |
|                  |   | public.  |
|                  |   | The valuations for large leases or Stock Grazing Permits over State Fo       |
|                  |   | specific conditions. Where the lease stipulates the stocking rate, this is a |
|                  |   | Over and above this, a -25% allowance is usually applied to recognise the    |
|                  |   | residential use and intensive development.                                   |
|                  |   |  |
|                  | Y I I I I I I I I I I I I I I I I I I I                                     | The valuation of smaller stand-alone leases or permits in the closer set     |
|                  |   | using these set allowances. In some cases where primary production           |
|                  | 6   | allowance may not be sufficient to off-set the fact that the lease can't be  |
|                  |   |  |
| Location         | The location of the property relative to the standard for that market area. | The District Standard location is considered the typical or most common      |
|                  |   | established by first identifying the best locations and the worst location   |
|                  |   | Typically the best location will be around the administrative centres and/   |
|                  |   | adjacent larger towns or markets/processing facilities. In many cases the    |
|                  |   | not simply a case of measuring a distance from one central location. Of      |
|                  |   | market area. These are established by drawing concentric 10 km – 20 km       |
|                  |   | is considered the best locations radiating to the worst more remote areas    |
|                  |   | The District Standard (zero allowance) is then represented by the ban        |
|                  |   | Where possible this band should represent the middle of the location ra      |
|                  |   | that need to be applied.   |
|                  |   |  |
|                  |   |  |

3 of the LVA, this right must be considered and an e purpose and condition of the right/lease must be

e of the lease is Grazing, or Business (Grazing) and ng, no allowance is generally made as there is not

ves for grazing purposes only where the highest and ondition to the adjoining land they should be valued ach but using the size of the adjoining land/parent d be approached on a "Highest and Best Use" basis, d alone" component of the aggregation. Where the d as the adjoining land. An additional allowance of and there is potential use by travelling stock and the

Forests will vary to some extent depending on the s adopted as the carrying capacity for the land type. the restrictive conditions including those that prevent

settled areas can be more difficult to accommodate ion values are similar to the site values the -25% be used for residential purposes.

nonly occurring in that market area. This is generally tions in terms of the grazing or farming enterprise. Ind/or the edge of the LGA closest to the coast or any there are multiple locational factors at work so it is Often it is best to establish locational bands for the 0 km rings on the main arterial shire roads from what eas. These are then merged to form bands.

and or bands that encompass the most properties. range. This will minimise the maximum allowances

|        |   | <ul> <li>Historical evidence in many of the larger pastoral areas suggests that a the District Standard may be a useful starting point for modelling.</li> <li>Once you get within 50 km (school bus range) from major settlements With the smaller western townships where there is not a significant rural identified by using a "Town Proximity" allowance.</li> <li>Where there is a recognised rural home site market, this merge become whether or not it is location or size at work. In many cases it will be size, up a new SMA and QCALC basis that loads the smaller properties by a were there value per hectare is only slightly higher than the larger properties by a boundary.</li> </ul>  |
|--------|---|--|
| Mining | The use or rights of the property are impacted by mining or the extraction of petroleum or gas and/or the registration of mining or petroleum leases. | Whilst there is a material difference in the approach to valuations under mining and petroleum leases and the impact of mining and petroleum   |
|        | perocean of gas and/of the registration of mining of perocean reases.   | <ul> <li>Initial and periodean reases and the impact of mining and periodean property, in the absence of unimproved cases, these compensation component only) can be used as a broad guide on a percentage basis from an unburdened gross value.</li> <li><u>Mining Leases</u></li> <li>In terms of unused mining leases issued over large grazing properties, t an allowance.</li> <li><i>Barrett v Weir and Gregcarbil Pty Ltd (2009) QLC 0182</i> provides some gerelating to the renewal of a 71.2743 ha mining lease over a grazing a determined compensation for the diminution of the use of land and improved 25% of the land value for the 15 ha that would be disturbed/used as per the to approximately 0.3% overall of the unimproved value at that time. Basiargue that an allowance should be made for similar mining leases in the properties.</li> </ul> |
|        |   | In instances where there is an operational mine, the historical approach<br>the mine (worsement) area and associated infrastructure excluded free<br>allowance for the diminution in value/impact on the balance. This is essent<br>injurious affection in a compensation context.   |
|        |   | In this regard, some direction can be gleaned from <i>Smith v Cameron (19 (No.2) (1998) 19 QLCR 297.</i>   |

a 1% adjustment for location for every 10 km from

ts most models will need some form of adjustment. ural home site market, this superior situation can be

mes more complicated. The question to ask here is ze/total money and this is best addressed by setting a higher percentage than those in remote locations perties.

iven to the appropriateness of that Sub Market Area

dertaken for compensation in relation to the issue of um leases on the unimproved valuation of a parent on cases (land, severance and injurious affection sis for establishing a diminution in value / allowance

the market evidence has historically not supported

general support for this. It was a compensation case aggregation (6,458 ha) near Clermont. The Court provements at \$3,750 which was based on a loss of the Operation Plan if mining did occur. This equated Based on the nominal value involved, it is difficult to in the unimproved valuation struck for large grazing

ach has generally been to allow a nominal value for from grazing use and then an overall percentage sentially quantified in a similar way to severance and

1986) 11 QLCR 64 and Wills v Minerva Coal Pty Ltd

Both cases utilised a "before and after" approach to assessing the deprivation of the use of the surface area and improvements, severance and injurious affection.

*Smith v Cameron* involved compensation for the issue of two mining lease totalling 206 ha (16.6%) over a 1,235 ha mixed farming and grazing property near Clermont. The Court basically allowed full value for the area of the mining lease and 10% diminution of value of the balance. In striking the 10% diminution of the balance the Court took into account the fact that the owner would still have use of some parts of the mining leases.

*Wills v Minerva Coal Pty Ltd* relates to compensation for the issue of 930 ha (19%) open cut coal mining lease over a 4,865.2 ha mixed farming/grazing aggregation ("Lexington") located 48 km south of Emerald. Whilst the exact apportionment of the "after" valuation in terms of what diminution is applied to the balance is not clear in the decision, if full value as per the "before" valuation is applied to the land lost, the decision suggests that the Court has applied a diminution of 28%.

Based on these and other decisions, there is clearly a relationship between the size of the mine and the diminution in value percentage applied to address the impact on the operation and use of the balance of the property. Possibly the best way to represent this is to allow an unavailable value for the mine site and infrastructure and a percentage diminution for the balance based on the size of the mine relative to the size of the property. In uniform land types this effectively means you apply a Nil or nominal value to twice the area of the mine area.

The following is a guide for allowances for active surface mining leases over pastoral/broad acre lands.

- Mining Lease issued over property Not used or very small
- Operational Mine Unavailable value for the mine and infra mine relative to overall property. e.g. Mine 400 ha on 2,000
- Operational Mine Unavailable value for the mine and infra mine relative to overall property. e.g. Mine 400 ha on 5,000
- Operational Mine Unavailable value for the mine and infra mine relative to overall property. e.g. Mine 400 ha on 10,000
- Operational Mine Unavailable value for the mine and infra mine relative to overall property. e.g. Mine 400 ha on 20,000

## Adopt -20% maximum.

For active underground mining leases, the general practice is to allow an unavailable value for the mine head and associated infrastructure and a diminution in value to address the impact of the operation on the use of the balance of the property. This once again this is effectively quantified in the absence of market evidence by a piecemeal approach in terms of severance and injurious affection as a result of the mining. The highest and best use of the land is grazing, the surface

| ll area involvedNil                                |
|--|
| astructure + percentage allowance based on size of |
| ha property20%                                     |
| astructure + percentage allowance based on size of |
| ha property 8.0%                                   |
| astructure + percentage allowance based on size of |
| 0 ha property 4.0%                                 |
| astructure + percentage allowance based on size of |
| 0 ha property 2.0%                                 |

|                  |  | mining allowance methodology can be used as a guide using the area of          |
|------------------|--|--|
|                  |  | mixed farming areas the worsement caused by slumping can be more sig           |
|                  |  | is applied to the affected area. In this case an allowance range of -          |
|                  |  | appropriate.   |
|                  |  | Fossicking   |
|                  |  | As a general rule most fossicking is now regulated and occurs in declare       |
|                  |  | only occur on private land with the consent of the owner and as such is r      |
|                  |  | In instances where unauthorised fossicking is occurring it may still be app    |
|                  |  | on the use or management of a property. The allowance applied will de          |
|                  |  | the overall property size and any associated disturbance. The methodol         |
|                  |  | be used as a guide. It is anticipated that a mining allowance for fossicki     |
|                  |  | for fossicking is applied the full details of the size, location and impact of |
|                  |  | Coal Seam Gas – (Refer Gas Valuations Meeting # 3 Minutes)                     |
|                  |  | Allowance is only to be given for production wells as these are actively u     |
|                  |  |  |
|                  |  | No allowance is to be given for exploration or appraisal wells.                |
|                  |  | The minimum total allowance per property is -2.5%. The maximum total           |
|                  | e e  | production well will have an allowance of -2.5%.                               |
| Mix of Country   | Represents the premium paid for a combination of land types over and     | In some areas market evidence suggests a premium is paid for a mix o           |
| With Of Country  | above the sum of the individual classifications.                         | country adjoining downs or developed scrub are considered to have add          |
|                  | above the sum of the individual classifications.                         | cover for stock in wet periods, quicker response time for pasture growth       |
|                  | : G  | superior catchment for dam sites and are considered to be worth more th        |
|                  |  | This is usually acknowledged by an allowance of +2.5% to +5%.                  |
|                  | PUL  | This is usually acknowledged by all allowance of 12.570 to 1370.               |
| Other            | Generic allowance for non-standard allowances.                           | Only for use in exceptional circumstances where the disability or benefit of   |
|                  |  | and basis for the allowance must be detailed in the remarks.                   |
| Perimeter/Buffer | The use of the property is impacted by the physical nature or use of the | Typically this will be a negative allowance, where for example a military, m   |
|                  | adjoining land.  | property. The allowance applied will depend on the impact on the enterp        |
|                  |  | the remarks. This is generally established by allowing a percentage dim        |
|                  |  | to a property percentage.  |
|                  |  |  |

a of the mine head and associated infrastructure. In significant and in these circumstances an allowance -5% to -20% for the affected area is considered

lared Fossicking Areas (*Fossicking Act 1994*) or can is not a major issue.

appropriate to make an allowance where this impacts depend on the size of the area impacted relative to dology used for mining leases as detailed above can cking should not exceed -10%. Where an allowance t of the fossicking must be recorded in the remarks.

used.

otal allowance per property is -20%. For example 1

k of land types or soils. Often areas of lighter forest dditional benefits in terms of providing dryer areas or wth, complimentary native pastures and herbage, or than the sum of the individual classifications.

fit does not align to identified allowances. The reason

y, mining or industrial use adjoins a grazing or farming erprise and will need to be quantified and detailed in liminution to the affected area/buffer then converting

| The property is burdened by pests and/or weeds over and above the District | Market evidence has historically suggested that allowances for pest and/       |
|--|--|
| Standard.  | the occurrence or potential occurrence is significantly greater than the Di    |
|  | due to the geographical position of the property.                              |
|  | Dingoes/Marsupials/Pigs  |
|  | Only applied in exceptional cases. Where the issue is exasperated by the       |
|  | ranges) the Perimeter/Buffer allowance should be used. Historically maxim      |
|  | 10% for the affected area may be appropriate for dingoes/wild dogs in sh       |
|  | Heartleaf Poison   |
|  | Heartleaf poison (Gastrolobium grandiflorum) is common on properties al        |
|  | associated with any particular soil or vegetation combination, but is often    |
|  | yellow sandy earths or skeletal soils. It is often associated with yellowjack  |
|  | Landholders generally manage heartleaf poison by reducing stocking             |
|  | completely de-stocking them during high risk periods. In areas where the h     |
|  | the best way to determine an appropriate allowance is to significantly re      |
|  | land type. Where the entire property or the majority of property contains h    |
|  | in size to hold stock during these high risk periods, a further allowance r    |
|  | should be re-named to Poison Country and a note made in the remarks st         |
|  | to account for same.   |
|  |  |
| Re   | Where the occurrence is only isolated a -10% allowance for the <b>affected</b> |
|  | In some exceptional cases the poison is so thick and the grazing value of      |
|  | even with very low stocking. In these instances these areas are usually fe     |
| published on 's  | areas as unavailable.  |
|  | Parthenium   |
|  | Historically no allowance is made in market areas where it is common.          |
|  | however trigger considerable market resistance and allowances have be          |
|  | in the past. These allowances range from -10% for manageable infesta           |
|  | financially viable to control.   |
|  | Prickly Acacia   |
|  | Historically, no allowance has been made in the downs for infestations that    |
|  | was considered both common (District Standard) and manageable. Whe             |
|  | the property a sliding scale up to a maximum of -17.5% (35%-40% of pro         |

nd/or weeds should generally only be applied where District/Market Standard. In most cases this will be

the adjoining external land use (National Parks or aximum of -5% **for the affected area only.** Up to - sheep areas.

along the Great Dividing Range. It is not absolutely en found above the 350m contour on deep red and ack (*E. Similis*) woodlands. It is poisonous to stock.

ng rates in the paddocks containing heartleaf and e heartleaf poison is thick and impractical to remove, reduce (half) the carrying capacity for the affected as heartleaf, and the balance lands are not sufficient the may be applied. In these instances the land type is stating that the carrying capacity has been reduced

ed area is considered sufficient.

e of the land so poor it is difficult for cattle to survive r fenced off and it may be appropriate to value these

n. Its presence on properties in "clean" areas does been made for these exceptions in Blackall/Tambo stations up to -20% for infestations where it is not

that represent less than 10% of the property as this here the infestation impacted on more than 10% of property) was used.

|            |  | Recent market evidence suggests that this was probably excessive as  |
|------------|--|--|
|            |  | a guide it is suggested that a Nil allowance still apply where under 10%   |
|            |  | to apply for each 10% of the property impacted over this to a maximur  |
|            |  | Rubbervine/Chinee Apple  |
|            |  | Generally widespread in market areas where it occurs. Historically ma  |
| Power      | The property is not serviced by grid power or the power supply is limited/below District Standard. | <ul> <li>In areas where connection to the grid power is District Standard it may number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that were never connected, given that it is now number of properties that wer</li></ul> |
| Quarantine | The property is burdened by a quarantine order.  | In instances where properties are subject to an official guaranting or a   |
| Quarantine | The property is burdened by a quarantine order.  | In instances where properties are subject to an official quarantine or of<br>for a significant period of time (> 6 months) an allowance may be appr<br>A useful precedent for a significant contamination on a grazing prop  |
|            | P  | relates to Dieldrin contamination on a 7,362 ha grazing property 90 l related to the unimproved value for rating purposes.   |
|            |  | related to the unimproved value for rating purposes.   |
|            |  | Dieldrin had been used to treat the cattle yards for white ants and had  |
|            | publishedon  | property subsequently tested positive at the meatworks and the prop<br>months later but the cattle were subject to continued testing.  |
|            | PUN  | Whist the soil could have been removed, this was considered imprace<br>property, it meant considerable changes to management to reduce<br>successfully argued that in his opinion the prospect of contamination<br>from buying the property unless it was offered at a substantial discourt  |
|            |  | The appeal was allowed and the valuation reduced by 33%. The red issue.  |
|            |  | Whilst this is considered to be the upper range for such an allowance<br>the likely overall cost and timeframe involved should be considered an<br>reviewed each annual valuation and may need to be phased out over   |

is many landholders still value it as good browse. As % of the property is impacted, with a -2.5% allowance m allowance of -10%.

rket evidence does not support a specific allowance.

y be appropriate to make an allowance for the small not feasible to do so.

e to the cost of alternative solar/generator units. property. Whilst initially based on a dollar rate, they

.....\$ 50,000 .....\$ 75,000 .....\$100,000

de-stocking order due to a disease or contamination ropriate.

perty is *Harvey v The Valuer General (V88-195).* It km south west of Emerald called "Butha". The case

I inadvertently contaminated the site. Cattle from the perty was quarantined. The quarantine was lifted six

ctical. As the yards were located in the centre of the ce the risk of further positive tests. The appellant a would for many years deter any prudent purchaser nt.

duction was solely attributable to the contamination

e, issues such as loss of income, holding costs and nd documented. Any allowance made will need to be time as the hazard/risk is reduced.

| Severance | The development or use of the land is affected by a physical infrastructure | Power Lines   |
|-----------|---|---|
|           | or legal division of the land. (Includes non-contiguous properties)         | Market evidence does not generally support allowances for power line e      |
|           |   | may be appropriate on smaller grazing and broad acre properties. The        |
|           |   | acquisition precedent used as a guide for the very upper range (See P J     |
|           |   | of Queensland (1974) 1 QLCR 171. This case involved three continu           |
|           |   | property near Townsville. The Appeal Court allowed full value for the ba    |
|           |   | 16% diminution in value for the balance of the easement area to cover       |
|           |   |   |
|           |   | As a broad guide, where an allowance is used on the smaller propertie       |
|           |   | on the gross rates for the area of the easement on grazing lands an         |
|           |   | easement on arable lands.   |
|           |   | is  |
|           |   | It is preferable that this be recorded by allowance on a classification lin |
|           |   | 50  |
|           |   | Road and Rail Severance   |
|           |   | Road and/or rail severance is often difficult to quantify with market ev    |
|           |   | Land Court cases, there is little specific direction available. Severance a |
|           |   | 10% for the affected area.  |
|           | <pre>K</pre>  |   |
|           |   | In practical terms, severance is best quantified by considering the dim     |
|           | published on is   | converting this to an overall percentage.                                   |
|           |   |   |
|           | ist   | For example, a road and rail severance through the middle of a property     |
|           |   | apportioned value would mean a 10% diminution to one balance area of        |
|           | OUT   |   |
|           |   | Where a road and rail severs a property through one quarter of the pro      |
|           |   | mean a 10% diminution on 25% of the value or -2.5%.                         |
|           |   |   |
|           |   | Where a road and rail severs a property through one quarter of the pro      |
|           |   | only 10% of the value of the property, it would effectively mean a 10% of   |
|           |   |   |
|           |   | The following is a guide for severance in pastoral areas. The percentag     |
|           |   |   |
|           |   | Stock Route – Fenced or unfenced  |
|           |   | Formed road – Occasional traffic only                                       |
|           |   |   |

easements on large pastoral properties. Allowances ese should be treated on a case by case basis with *Joyce v The Northern Queensland Electric Authority* huous powerline easements on a 2,671 ha grazing lase of the pylons and associated access roads plus all other heads of compensation.)

ies it is suggested that a 10% reduction be allowed nd a 50% reduction be allowed for the area of the

ne if possible.

vidence and whilst it has been considered in many allowances have historically ranged from -2.5% to -

ninution in **value** of the affected/balance area, then

ty of uniform land types where each side is the same or -5% overall.

roperty and it is uniform country, it would effectively

roperty and the balance is poor country equating to diminution on 10% of the value or -1%.

ge relates to the effected/balance value.

.....Nil.

|       |   | Local road – Fenced   |
|-------|---|---|
|       |   | Shire road  |
|       |   | Highway, Rail or Road and Rail  |
|       |   |   |
|       |   | In exceptional circumstances a larger allowance may be appropriate.                 |
|       |   | Natural Resources, Mines and Water [2007] QLC 66 the Court determi                  |
|       |   | multiple severances was not sufficient and reduced the valuation by an              |
|       |   | Split Properties  |
|       |   | The allowance for non-contiguous or "Split" properties is generally refe            |
|       |   | specifically addressed on numerous occasions.                                       |
|       |   |   |
|       |   | Bignell v Department of Natural Resources and Mines [2003] QLC                      |
|       |   | Cunnamulla. Court allowed -2.5% "severance" for a non-contiguous gra                |
|       |   |   |
|       |   | Galwey & Ors v Department of Natural Resources and Water [2010] C                   |
|       |   |   |
|       |   | Roma with a total area of 6,236 ha. A -5% allowance made for "several               |
|       |   | Fairfax v Department of Natural Resources and Mines [2005] QLC 11                   |
|       |   | Parts approximately 60 km apart5% allowed for severance – Accepte                   |
|       |   | The following is a guide for non-contiguous properties in pastoral area             |
|       |   |   |
|       |   | allowance detailed above, the quantum of the allowance should be                    |
|       | published   | split/balance property.   |
|       |   |   |
|       | 10/1-2  | The following is a guide for split properties in pastoral areas. The perce          |
|       | Q <sup>N</sup>  | <ul> <li>Separated by a short distance – possible to move stock without</li> </ul>  |
|       |   | <ul> <li>Separated by significant distance – stock and/or machinery need</li> </ul> |
|       |   | The allowance can be converted to an overall severance allowance, wi                |
|       |   |   |
|       |   | In the closer settled areas where aggregations of multiple non-contigu              |
|       |   | approach is to be adopted, for each split/balance property.                         |
| Shape | The shape of the property is a relative disadvantage. | A regular shape is generally District Standard. It is the most efficient in         |
|       |   |   |
|       |   | Allowances of -1% to -5% may be appropriate in exceptional circumsta                |

-----2.5% ------5% ---10%

. In *Webb & Ors v Chief Executive, Department of* ined that the allowance of -5% to -10% (say 5%) for n amount equivalent to another -4%.

erred to by the Courts as "Severance" and has been

0054 – 29,540 ha grazing property 90 km from azing aggregation, separation by one property only.

QLC 47. Non- contiguous grazing aggregation near ance" – not seen as being in error by the Court.

No contiguous grazing aggregation near Moura.
 ed by the Court.

as. The **highest value property** is adopted as the ue of the split/balance section. Like the severance e calculated based on the value, not area of the

entage relates to the split/balance value.

it trucking .....5% ed to be trucked.....-10%

ith the calculation noted in remarks.

ious properties or paddocks are common, a similar

terms of building infrastructure and management.

ances for long, narrow or odd shaped properties.

| Size           | The size of the property is an advantage or disadvantage relative to the District Standard.  | There are two methods of size allowance available for pastoral lands – rule Head of Livestock is used in the larger pastoral zones where there is Value is used for the balance.   |
|----------------|--|--|
|                | PublishedonRe  | Head of Livestock method uses a positive or negative allowance to adjus<br>Standard sized property determined on carrying capacity. The larger a<br>capacity (Head of Livestock) and the larger the negative allowance adju<br>with the net value of the smaller lower total carrying capacity properties.<br>The matrix of Head of Livestock allowances are determined by "Paired<br>generally statistically determined by establishing the mean and/or mode<br>in the market area. The aim is to identify a band or range of total carry<br>commonly occurring properties.<br>The Dollar Value method also uses a District Standard. It is best initiall<br>typical or average properties in the market area, generally with the mos<br>band become District Standard. Ideally a sale or benchmark property<br>QCALC Basis after adjusting the other property allowances, but with a z<br>to equal a specific applied sale price that has allowances, the allowan<br>matrix for a sale property with an analysed sale price of say \$1,000,000<br>initially calculate a gross value of \$1,176,470 (\$1m x 100/85) so when yo<br>price. Sales and/or benchmarks are then used to set the balance of th<br>highest value sale property simply work out the gross value that this<br>established for the District Standard property, then adjust this with the no<br>adjustment required to get this amount to equal the applied rate for the sa<br>with all the sales and modified until a size curve of best fit is determined.<br>Of note is the fact that QCALCS applies the size allowance after the pro<br>when using Quality Rate Allowance (Dollar allowances) as the gross value<br>the dollar allowance multiplied by the size factor. |
| Town Proximity | Recognises the benefit of being located close to town.                                       | This allowance is generally used to compliment the location allowance<br>properties affected and it is not practical to adjust the broader locality all  |
| Water Benefit  | The water supply available to the property is superior to the standard for that market area. | In many of the pastoral areas the District Standard for water will be acce<br>with reasonable supply and quality and/or suitable dam sites.  |

Head of Livestock and Dollar Value. As a general
 is no farming, clearing or hobby farm merge. Dollar

just the net classification value relative to the District r and/or better the property, the higher the carrying djustment to the net value. The inverse also applies, es receiving a positive allowance.

red Comparisons" of sales. The District Standard is de of the total carrying capacities of all the properties rrying capacity that is typical of the average or most

ally established by identifying the value band of the ost commonly occurring land type. Properties in this ty in this band is used to set the gross rates in the a zero size allowance. To build a gross value matrix ances must be adjusted in reverse. So to build the 00 that has -15% in total allowances, the matrix must you deduct the 15% you get back to the applied sale f the size card. For example, to set the size for the nis classification will produce with the gross values normal QCALC property allowances in reverse. The e sale is the size allowance. This process is repeated ed. It is then tested to make sure there is no overlap. property percentage allowances. Problems can arise value is not adjusted by the dollar allowance but by

ce in situations where there are a small number of allowance. Generally a maximum of 20%.

ccess to groundwater at a reasonable depth (<50m),

|                  |   | Surface water is usually described as permanent or non-permanent. Non-permanent supplies can often disability than benefit and are generally not recognized by the market as being of significant benefit unless of 12 month supply.  |
|------------------|---|---|
|                  |   | In the absence of specific market evidence, the benefit of permanent natural surface water can be best reference to the added value of water improvements on artificially watered sale properties in the same marreview of recent sales suggests that in many of the pastoral areas this currently equates to approximate respective unimproved values, this should be reviewed for each market area before being adopted. It can 20% depending on the relationship that exists between land values and costs at any point in time.<br>If using 15%, water benefit of +15% is applied for properties that are wholly permanently naturally watered, it is necessary to work out the number of head naturally percentage of the total carrying capacity then multiply this by 15%. |
|                  |   | <ul> <li>e.g. 400 head of a total carrying capacity of 2,000 are naturally watered. (400/2,000 =0.20)</li> <li>0.20 x 15% = 3%</li> <li>In areas where there is no permanent natural surface water, but groundwater supplies are significantly closer than District Standard, a positive water benefit allowance may be appropriate. This can be quantified to so examining the savings in water infrastructure requirements when developing the property. Generally 5% ma</li> </ul>   |
| Water Disability | The water supply available to the property is inferior to the standard for that market area.          | In many of the pastoral areas the District Standard for water will be access to groundwater at a reasonable<br>and quality and/or suitable dam sites.<br>Where dam sites are limited due to porous soils and lack of lining material and/or bores are either very deep<br>quality or supply (<1,000 l/hr) it is appropriate to make an allowance relative to the disability.  |
|                  | PUDIE   | <ul> <li>The following is a guide for water disabilities based on historical market evidence.</li> <li>Salty bores and limited dam sites</li></ul>  |
|                  |   | Where the disability only applies to part of the property similar percentages can be <b>applied to the affected</b>   |
| Working/Broken   | The working and/or management of the property are burdened due to the topography or natural features. | Includes issues with internal access – mountain ranges, river & creeks.<br>The following is a guide for the working/broken allowance – generally only applied to the affected area of the p<br>equates to the smaller "Balance" component created by the natural separation.  |
|                  |   |   |

en be more of a ss greater than a

est quantified by market. Whilst a ately 15% of the an be as high as

watered. Where ally watered as a

ser to the surface some extent by maximum.

ble depth, supply

eep or have poor

ed area only.

he property which

|  | • | Internal creeks, prevent movement of stock or machinery for exte |
|--|---|--|
|  | • | Channels and/or ranges with moderate impact on management        |
|  | • | Major channels and/or ranges with significant impact on manage   |
|  |   |  |

Published on Peril Act 2009

| tended periods | 1%   |
|----------------|------|
| t+             | 2.5% |
| gement         | 5%   |
|                |      |