



Cultural Gifts Program—One-off approval for a valuer to value items outside approved classes

Section 30–210 of the *Income Tax Assessment Act 1997*

July 2022

In order to qualify for a tax deduction for a gift of cultural material to a collecting institution through the Cultural Gifts Program (the Program), a donor must have two or more written valuations of that gift made by different individuals who have been approved to value the kind of property that the individual is giving away.

In most cases, this will be achieved by obtaining valuations from two (or more) valuers who have applied for and been given ongoing approval under the Program to value classes of cultural property that cover the gift in its entirety. The department publishes a regularly-updated List of Approved Valuers on its website at <http://www.arts.gov.au/cgp> to help donors and institutions identify and contact valuers with the necessary approved classes of property.

For the majority of donations through the Program, it will be possible to find two suitable approved valuers, preferably located close enough to the institution to enable them to view the donated items in person, but potentially located interstate if necessary. The department acknowledges, however, that in some cases it may be difficult or impossible to do so, including (but not limited to) situations where:

- donated items are unusual and/or not often found on the Australian market, meaning that there are few or no valuers on the Program's list approved to value the classes of property into which they fall
- the donor and/or institution has made reasonable attempts to engage valuers approved to value the required classes of property but has not been able to find two available to undertake the valuation
- the donor or institution believes it would be necessary for a valuer to be able to view the donated item(s) in person, but no valuer on the Program's list approved to value the required classes of property is located sufficiently nearby to make this possible, or
- a donated collection contains such a large and/or varied range of items that few or no valuers on the Program's list are approved to value all of the classes of property represented in the collection.

In such cases, the department is willing to consider requests from individuals already on the Program's list of approved valuers to be given one-off approval (i.e. applying only to a single donation) to value kinds of property falling outside of their usual approved classes.

Requests for one-off approval

Requests for one-off approval must:

- **come from the valuer**—the department will not accept requests made by donors or recipient institutions, though the recipient institution may forward on the valuer's request
- **be in writing**—for example, by email
- **include supporting material**—requests should briefly outline why the valuer believes that s/he has the appropriate qualifications, experience and knowledge to value the item(s) falling outside of their approved classes of property, and
- **be made before the valuation is completed**—failure to do so may result in the request being refused and the valuation being invalid for the purposes of the donor claiming a tax deduction.

It is often helpful for the recipient institution to send the Program a brief email providing information about the donation in question and explaining why it considers a one-off approval to be necessary or appropriate. The department may contact the recipient institution to request further information to support a valuer's request for a one-off approval.

What the department will take into account when considering a request

Please note that there is no guarantee that the department will agree to a request for a one-off approval for a valuer to value items outside their approved classes of property. Things taken into account when considering a request will include:

- how much of the donation (in terms of both number of items and approximate/anticipated value) falls outside of the requesting valuer's approved classes of property—as a general rule, requests where only a small proportion of the donation falls outside of the valuer's classes are more likely to be considered reasonable
- how closely related the valuer's approved classes of property are to the item(s) falling outside of those classes
- whether there are other valuers on the Program's list who could complete the valuation within their approved classes—note that while it is generally preferable for a valuer to be able to sight the donated items in person, it may be better for an approved valuer to value the donation remotely (e.g. on the basis of high-quality digital images and a detailed report from the institution on condition and provenance) than for a local valuer to seek one-off approval to value outside of their classes, and
- the anticipated value of the donated item(s)—while it would be unnecessarily obstructive for the department to insist that a separate valuer deal with a small body of material of little financial worth that is contained within a larger, more important collection, the department may consider it reasonable for a separate valuer to be engaged to value one or more significant and valuable items that form part of a donated collection.

Extension of valuer classes

The department considers one-off approvals, as described above, to be a useful way to reduce unnecessary red tape and keep complex or unusual donations moving through the Program as quickly as possible. However, they are not a substitute for the Program's standard processes for the approval of valuers.

Valuers are able to apply to permanently extend their approved classes of property at any time, and should do so if they would like to value kinds of culture property falling outside their current approved classes on a regular basis.