



# Cultural Gifts Program—guidelines for valuing entomological (insect) collections

The Department is aware that difficulties exist in valuing certain kinds of property because they have a limited commercial market. The Department has noted that there have been a number of cases where valuations of donations of entomological material have had large variations due to different methodologies being used by valuers, particularly in relation to valuing holotypes and paratypes. The Department is aware that there is a range of different approaches used by museums in Australia which result in inconsistencies in ascribing values for type material.

It is the Department's role to determine that the average value of items donated under the Cultural Gifts Program (CGP) reflects the current GST inclusive market value. It is not the Department's role or intention to take a lead position on how entomological material is to be valued. However, in order to provide some guidance to assist valuers in determining current market value, the Department has provided some parameters to be used when valuing donations made under the CGP. As valuations are required to be undertaken independently, it is not appropriate for the Department to convey acceptable dollar figures for material. However, the aim of these guidelines is to convey the Department's benchmark by which it will assess valuations. These guidelines should be referred to when valuing donations of entomological material under the CGP.

In all property areas, valuers should assess the GST inclusive market value in accordance with the Code of Conduct for Valuers (see "How do I determine the value of property for the purposes of the Cultural Gifts Program?"), and should not take into account any special requirements of the donor or the recipient institution. Unless stated otherwise, valuations should be based, where possible, on prices paid by collectors for similar material. All valuations must be substantiated. Where examples of sales of comparable material are not available, valuers must clearly explain the basis for their valuation. In addition, valuers of large collections should include a breakdown of the various components and the extent to which factors have affected the monetary value (see "Guidelines for valuing collections of donated material (excluding fine art items)").

The following points should be taken into account when valuing entomological material:

- In cases where there is no commercial market for the material being valued, the High Court<sup>1</sup> has confirmed that valuers are to assume a hypothetical market. A hypothetical market would consist of all hypothetical buyers and sellers who could reasonably be expected to be interested in buying or selling the material. The market value is the price that such hypothetical buyers and sellers would negotiate to achieve a notional sale.
- Due to their primary status as the name-bearing type of a nominal species, holotypes should be valued at a premium rate.

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<sup>1</sup> Australian Taxation Office *Market valuation for tax purposes*, [www.ato.gov.au/print.asp?doc=/content/00161737.htm](http://www.ato.gov.au/print.asp?doc=/content/00161737.htm), last modified Friday, 28 May 2010

- In valuing other type material such as paratypes, valuers would need to consider the overall number of paratypes for a particular species represented in a collection being donated. The Department would expect that a limited number of paratypes would be valued at a higher rate (eg a limit of 20 paratypes for a particular species) with the remainder valued as per other specimens identified to species or genus (or non type material).
- In determining the paratypes to value at a higher rate, paratypes from the type locality would be expected to have a higher value than designated 'paratypes' from different geographical locations to the holotype. These 'paratypes' should be ascribed the same value as non type material.
- Non type material should be ascribed a nominal value, providing it is in good condition and has good station data. Material with little station data would have little, if any value, and may not be suitable for collection.
- In valuing research or reference collections where the species represented in the collection are either extinct or deemed as threatened, this should be taken into account in regard to the overall value of the collection.
- Values of damaged or sub-standard specimens would be expected to be less than for specimens in good condition.