



Australian Government

GIFTS THAT KEEP ON GIVING

**a landholder's guide
to land protection
and
conservation options**



about this booklet

Australia is fortunate to have a variety of private land conservation schemes. This booklet has been produced to provide information about schemes that offer permanent protection, and to offer guidance to landholders wanting to understand their options for protecting their privately-owned land for future generations of Australians.

It is intended that this booklet will help you ask the right questions of yourself and others, and will enable you to think clearly about the relevance of the various options available to you and your property.

Each year, millions of hectares of land are irreversibly altered worldwide. Much of that land is privately-owned, which is why today, more than ever, the long-term protection of Australia's unique natural areas depends, in part, on the actions of private landholders.

People may wish to protect land for various reasons. Land may contain threatened plants or animals, or be one of the last remaining patches of intact bush in an area. Alternatively, the property may form part of an important wildlife corridor, or act as a buffer to protect a neighbouring National or State Park.

The information in this booklet is correct at the time of printing. However this is a rapidly developing area and things will change from time to time. Updates will be posted on the Department of the Environment and Heritage Website (www.deh.gov.au) as they occur.



cover image: Ned's Corner Station in Victoria's Mallee - a Trust for Nature-owned property (source: Paul Sinclair)
above image: Three generations walking through the bush in Victoria (source: Zoe Davies, Trust for Nature)

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why protect your land?

Ensuring that your land will be formally protected can bring many benefits. Probably the most rewarding is knowing that you are assisting in conserving Australia's environment and heritage. You will have peace of mind knowing that your efforts to protect and conserve your land will not be undone in the future. Your actions will give Australia's present and future generations the opportunity to appreciate the unique natural sanctuary you have sought to protect.

Private land conservation can also be financially attractive. There are a range of financial benefits and tax incentives that can help make your dream to protect your property a reality. This booklet aims to help you find the solution that best fits the needs of your family and financial situation, while conserving your land in the most appropriate way.

Decisions to permanently protect land require detailed consideration of the special features of your property, your own land conservation goals, your financial situation and the needs and wishes of your family. Once you have carefully considered these factors, you are well placed to assess your options and then ultimately achieve the most appropriate outcome, for both you and the future of your land. You will also be able to match your needs with the most appropriate conservation organisation.



above image: Tweed Valley, northern NSW (source: Kathy Tracy, DEH)

getting started (step one)

The following step-by-step plan will help you get started.

Step 1: assess your situation

Step 2: understand your options

Step 3: refine your options

Step 4: seek help

Step 1 – assess your situation

You will need to consider the following factors when assessing your situation.

land qualities

Think about the conservation qualities of your land that are important to you, as well as any special natural or historic features. Also, determine whether the entire landholding needs to be conserved to maintain the property's natural values or just part of it.

land ownership

One of the most important considerations is whether or not you wish to continue to live on and/or own your land and whether you wish to pass it on to a family member. This will influence your decision as to whether a land donation to a charitable organisation or a Conservation Covenant is the most appropriate solution. If you wish to continue living on and/or owning your land, consider your future plans for the property. These could include subdivision, an expansion of your farm production or establishment of an ecotourism business. If so, it may be possible to incorporate these needs into your covenant or management plan.

your personal and financial situation

The range of options available to you will each have varying financial implications. For this reason, you will need to consider whether you need to receive cash for the land, whether your mortgage will be affected or whether there are any tax implications.

You may also need to consider the broader implications such as the affect on pensions, child support payments, access to Austudy or other government assistance payments.

getting started (step two)

Step 2 – understand your options

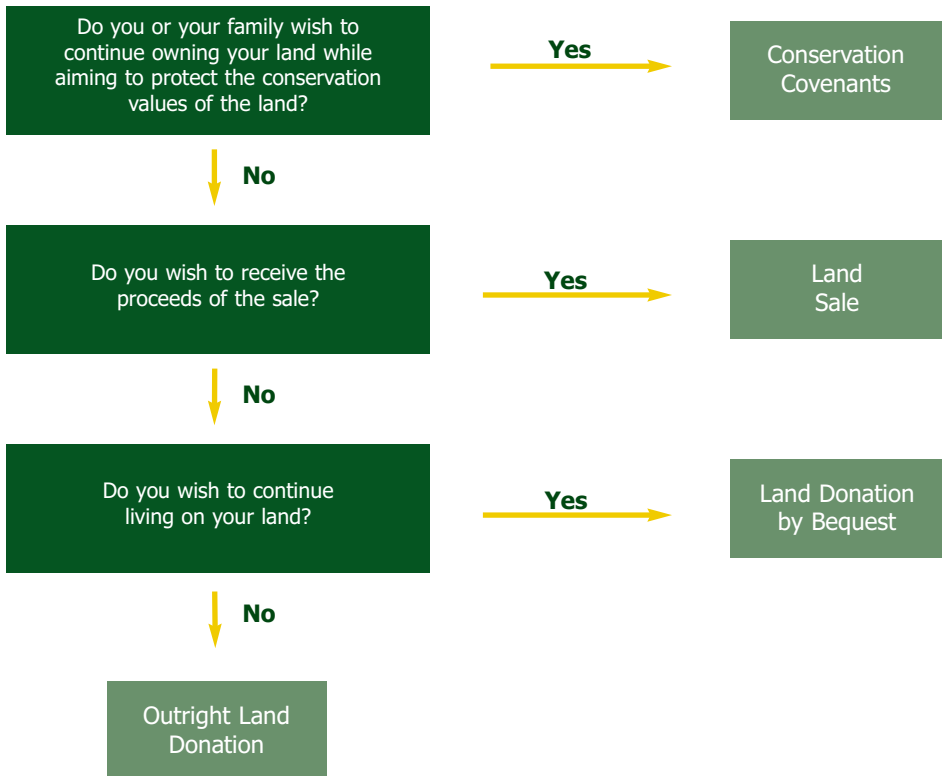
There is a range of options available to you once you have decided to conserve the natural values of your land. A simple overview of each alternative is provided in the following table. Each option is further explained in this booklet.

option	description	outcome	tax benefit
Conservation Covenant	A voluntary agreement between a landholder and a conservation organisation to help the land-holder conserve the natural environment on their property through legal mechanisms	The owner continues to own, use and live on the land while the natural values are conserved by the landholder in partnership with the organisation. Future owners are required to continue conservation management	Yes (conditions may apply)
Outright Land Donation	Land is donated to an eligible conservation organisation	The organisation either directly owns and conserves the land or implements another appropriate alternative	Yes (conditions may apply)
Donation of Land by Bequest	Land is donated to an eligible conservation organisation at death	The organisation either directly owns and conserves the land or implements another appropriate alternative	Yes (conditions may apply)
Selling Land	Land is sold to a willing and able conservation organisation or government body	The organisation either directly owns and conserves the land, or implements a more appropriate alternative	No
Combination of Options	A combination of the above options (eg. part of the land is covenanted, part is donated and part is sold)	Varies	Varies

getting started (step three)

Step 3 – refine your options

The following flow chart provides an overview of your options. It is still important you read the various sections of this booklet to ensure you are fully informed, since aspects of your personal situation or the use of strategies that combine conservation options, can lead to outcomes not covered in this flow chart. Conservation organisations will need to assess the conservation values on your property to ensure they match their priorities for conservation covenanting, buying or accepting donations of land.



getting started (step four)

Step 4 – seek help

Once you have narrowed down your conservation options, you need to approach a suitable conservation organisation. These organisations can explain their programmes, the criteria for varying programmes and the selection process for formal land protection. This step also gives you the opportunity to choose the organisation that best suits your goals for your land.

The organisations (listed in the 'resources' section on page 25 of this booklet) can be excellent sources of information. You need to contact them to discuss the details and implementation of your preferred option.

You should also talk to your own financial advisor. Not-for-profit conservation organisations may be able to put you in contact with advisors with specialist skills in these areas if you need additional advice.



above image: Environment Protection Authority officer working with a local landholder
(source: Peter Tarrant, EPA QLD)

conservation covenants

conservation covenant - quick option checklist

If you answer yes to all or some of the following questions, then a **Conservation Covenant** may be the most appropriate option for you.

- Do you wish to permanently protect the significant conservation values of your land?
- Do you want to continue owning the land or pass it on to someone in your family?
- Do you want to continue living on your land?
- Are you willing and financially able to continue managing your property?
(Note: various government schemes exist that may be able to assist with management.)

what is a conservation covenant?

A Conservation Covenant is a voluntary agreement between a landholder and a Covenant Scheme Provider (this may be a covenant organisation, a local council or a government agency). The agreement is designed to help protect and conserve through legal mechanisms the natural, cultural and/or scientific values of the land. A covenant is usually registered on the title of the land and binds all future owners. This way if the property ever changes hands, the land will always be protected.

In different states, Conservation Covenants may have other names – you might have heard of Heritage Agreements, Nature Refuges and Voluntary Conservation Agreements which achieve similar things.

If your property contains conservation values of national significance, you may wish to consider including your land in Australia's National Reserve System (which will require protection through covenanting). If your property meets the National Reserve System criteria, you could be eligible for funding towards establishment costs, including legal and valuation costs, and management planning for the new reserve. Your property can also be purchased through this program. Further information can be found at www.deh.gov.au/parks/nrs/index.html or by contacting the Department of the Environment and Heritage on (02) 6274 1759.

conservation covenants

conservation covenant - conservation benefits

Conservation Covenants are designed to conserve the natural features of an area such as native vegetation, waterways, wildlife, habitat areas and special landscape features. Some programs can also protect cultural and indigenous heritage. Covenants do not prevent all uses of an area. Their purpose is to ensure that any use is compatible with the conservation of the land's natural or cultural values.

Another benefit of a covenant is that it generally involves developing a management plan in consultation with the landholder¹ to set out practical strategies that will ensure the conservation of the natural values. For example, a plan may include details on the management of weeds and pest animals or recommendations for prescribed burns. Management plans are agreed upon by both the landholder and the Covenant Scheme Provider. The plans may be referred to in the covenant on title but are separate from the title so that they can be updated every few years, or as new management practices are developed. This enables the management plans to be changed without the need to alter the covenant itself.



above image: Protecting bush forever through conservation covenants (source: Trust for Nature)

¹ In South Australia, apart from Nature Foundation Heritage Agreements, management plans are prepared by the landholder, or by a consultant selected by the landholder, and most costs are covered by the covenant organisation.

conservation covenants

conservation covenant - landholder benefits

In entering into a Conservation Covenant, landholders are able to continue owning and/or living on their land while ensuring its permanent protection. Furthermore, because covenants can cover all or just a part of a property, landholders are able to select which significant natural or cultural values they wish to protect.

Conservation Covenants may also entitle landholders to the following assistance:

specialist technical advice

Technical advice (such as mapping vegetation and fauna surveys) may be provided to landholders entering Conservation Covenants. The amount of advice and assistance available will vary between Covenant Scheme Providers. Contact the provider(s) in your state (see the 'resources' section on page 25) to find out about available technical advice.

management costs

Some Covenant Scheme Providers have budgets to assist with management costs (such as fencing), while others may have arrangements with volunteer and other groups to assist with on-ground works such as re-vegetation or pest control.

tax benefits

In some cases, tax concessions may be available to landholders entering into a Conservation Covenant. These concessions include:

[income tax](#)

You may be entitled to an income tax deduction for any decrease in land value that has resulted from entering into the Conservation Covenant. This concession is available when:

- the covenant is perpetual and is entered into after 1 July 2002
- the land is owned (not leased)
- no money, property or other material benefit is received for entering into the covenant. This generally does not include costs for specific management actions
- the decrease in the market value of the land is over \$5,000, unless the property has been owned for less than 12 months
- the Covenant Scheme Provider is one with deductible gift recipient status under the Tax Act or is a Commonwealth, State or Local Government²
- the Covenant Program or the covenant is approved by the Australian Government Minister for the Environment and Heritage

² Further information on deductible gift recipients can be found at the Australian Taxation Office website, provided in the information box on page 12.

conservation covenants

conservation covenant - landholder benefits (continued)

tax benefits (continued)

Capital Gains Tax

Special treatment of Capital Gains Tax may be applicable when you enter a Conservation Covenant, and have received money or property for doing so. This treatment is comparable to landholders who sell part of their land.

working example – tax benefits for covenanting land

Jayne from Castlemaine owns a 10ha property valued at \$150,000. She has a private income of \$50,000 and pays around \$11,000 annually in tax (excluding the Medicare Levy). In placing a covenant on her property title, she agrees to forego grazing on part of the property, effectively giving up her existing grazing-use right in this area. This change in use rights is valued at \$15,000, and her property is re-valued at \$135,000. Jayne is entitled to a tax deduction of \$15,000 as a result of creating the covenant. Although Jayne could apportion this deduction over up to five years, she chooses to take it in a single year, saving around \$4,500 in tax.



For more information on Conservation Covenants and their tax implications:

Visit the **Department of the Environment and Heritage** website and download the Fact Sheet at <http://www.deh.gov.au/biodiversity/publications/fact-sheets/incentives.html> or phone the Community Information Unit on 1800 803 722.

Visit the **Australian Taxation Office** website at <http://ato.gov.au/notforprofit/content/19507.htm>

other financial assistance

Some state and local governments provide rebates or exemptions on council rates to landholders who enter into Conservation Covenants. Other forms of financial assistance, such as those provided by the Tasmanian Private Forest Reserves Program and the Queensland Vegetation Incentive Programme, can include exemptions on council rates or land tax to landholders who enter into a Conservation Covenant and payments to cover management costs.

conservation covenants

conservation covenants - frequently asked questions

All Conservation Covenants are unique. The following information is provided as a general guideline to broaden your understanding of Conservation Covenants and their implications.

How long does a Conservation Covenant last?

Generally forever. Covenants are placed on the title of the property and remain forever, regardless of any change in property ownership. Some Covenant Scheme Providers offer agreements for shorter periods. However, these covenants are **not** eligible for taxation concessions. Only in **extreme** and **highly unusual** circumstances will a Conservation Covenant be removed. Usually, permission is obtained from both parties who agreed to the placing of the covenant³ in order for the covenant to be removed.

Can a Conservation Covenant be changed?

Changes to the terms of a Conservation Covenant will generally only be considered if these changes improve the land's conservation values or do not threaten these features. Most covenanted land will have a management plan that can be updated, or changed to include new management practices.

What does a Conservation Covenant cost?

Generally, landholders incur no costs when establishing a Conservation Covenant. Most programmes cover the legal costs involved in entering into a Conservation Covenant, and the registration on land title is free in most States. You may also be entitled to a range of services to help you develop and manage the covenant, including regular visits and management advice, depending on your Covenant Scheme Provider. Some management costs, such as fencing, may be provided through government grant programs. Your Provider may be able to assist you in accessing these funds. If you wish to seek a tax deduction due to a decrease in the market value of your property, a valuation must be carried out by the Australian Valuation Office, who will charge a fee for this service. For contact details for the Australian Valuation Office see page 18.

Does a Conservation Covenant affect the value of my property?

It depends. In some instances a Conservation Covenant has no effect on the value of your property since land use generally remains unaltered. In some areas, covenanting may lead to an increase in the value of your land because of the superior land management practices that often result. If the estimated market value of the land decreases by more than \$5,000 as a result of the covenant, you might be eligible for an income tax deduction. This deduction can be apportioned over five years. More information is available at the Australian Taxation Office website: <http://ato.gov.au/notforprofit/content/19507.htm>. If you are concerned with the potential impact on the value of your land, it would be best to consult a qualified land valuer.

³ Not all covenants require agreement of both parties - covenants under the Queensland Land Title Act 1994 can be removed solely by the covenantee (State or Council).

conservation covenants

conservation covenants - frequently asked questions (continued)

Will a covenant affect my rates?

It might. Rating authorities may re-value or re-zone the property once a covenant has been placed on title. If the value or zoning of your property varies due to the covenant, then the applied rates may vary. Land taxes may also be affected if the land is no longer zoned for primary production. Before entering the covenant you should check with the Covenant Scheme Provider or your local Council. Some municipalities offer general property or water rate reductions for covenanted properties, though this will vary from council to council, and from state to state. In South Australia, for example, most covenanted land is automatically exempted from rates and taxes. In Western Australia, land tax liability has been removed for covenants under the Department of Conservation and Land Management's Nature Conservation Covenant Program and the National Trust of Australia's (WA) Covenant Program.

Who is responsible for managing a covenanted area?

You continue to own and manage your land. The Covenant Scheme Provider can provide advice on most aspects of land management including flora/ fauna management and weed/ pest animal control. The provider will also be able to direct landholders to various grants and agencies that offer financial subsidies and assistance for landholders to help protect important native vegetation.

What happens if I want to sell the property?

The terms of the covenant generally require you to inform the Covenant Scheme Provider if you are selling your land. Buyers need to be made aware of the covenant by their conveyancer during the sale process to ensure they make an informed decision. Once the land has been sold, the provider will contact the new owners to familiarise them with the terms of the covenant. Ongoing visits from the provider will ensure the land continues to be appropriately conserved.

What if I have a mortgage?

If you have a mortgage or other encumbrance over the property, you should talk to your bank or mortgage provider. Some banks may not allow you to covenant your property while it is mortgaged. Generally, this is only likely if the estimated value of the property is expected to fall significantly. Evidence that similar properties have not fallen in value as a result of a covenant may help in negotiations with a bank.

What happens if someone breaches a conservation covenant?

If a covenant is breached the Covenant Scheme Provider will make every effort to work with the owners to resolve the issue amicably. Legal enforcement will be applied if necessary. For this reason it is important you read and understand the terms of a covenant before you agree to it or before purchasing an already covenanted property.

conservation covenants

conservation covenants – the next steps

If you believe that a Conservation Covenant is the most appropriate conservation solution for you, you will need to:

contact a covenant scheme provider in your state

See the 'resources' section on page 25 of this booklet. Covenant Scheme Providers have limited resources and so have priorities for covenanting certain conservation values and of a certain quality. Conservation organisations will assess the values on your property before continuing with the covenant. If the provider is able to covenant your property, they will work with you on a confidential basis in helping devise a formal covenant that addresses any site-specific issues into the future. If the provider is unable to covenant your property, they will be able to advise you on other options to suit your situation.

seek independent expert advice

To be fully aware of the individual tax and financial implications of entering into a Conservation Covenant, it is important you seek legal and/or financial advice. A Covenant Scheme Provider is not able to offer this advice, but may be able to refer you to appropriate advisors who can assist.

case study: tax deduction with conservation covenant

(this example is based on an actual situation however details have been changed for privacy reasons)

Sarah Marshall owns a property with a coastal wetland (approx. 10ha) near Cape Banks in south-east South Australia. To ensure her property's conservation values are permanently protected, Sarah entered into a Conservation Covenant on the property.

In this situation, Sarah was able to gain a tax incentive for having entered into the covenant. This was viable since a drop in property value of more than \$5,000 was established. The covenant affected property value since it prohibited the extraction of peat (among other activities). This drop in value enabled Sarah to claim an income tax deduction.

donating land

donating land - quick option checklist

If you answer yes to all or some of the following questions, then land donation may be the most appropriate option for you.

- Do you wish to permanently protect the significant conservation values of your land?
- Would you like to be relieved of the responsibility of managing and caring for your land that you otherwise treasure?
- Have you decided not to pass your property onto family members, or is your family unable to conserve your land into the future?
- Do you no longer use, live on or want to own your property?

Donating land is a very generous act. Many of Australia's nature reserves, recreation areas and other open spaces have been created by generous donations of land. Land can be donated during a person's lifetime or upon their death through a bequest (for more information of bequests see 'Donating Land by Bequest' on page 19). Land donation may be the simplest way for you to ensure the long-term protection of a property.

donating land - conservation benefits

Land donated to a conservation organisation for its high conservation value ensures its permanent protection - regardless of any future change in ownership. Land donations can provide conservation organisations with an opportunity to retain and manage a property that they may not have previously been able to access. Land donations can also enable the long-term conservation of a property with high conservation values through private ownership. This is achieved when an organisation accepts a land donation, places a covenant on it to restrict future development and resells it with all profits going back into the organisation for on-going conservation works and land purchases. This system is called a Revolving Fund (for more information see 'Revolving Fund' on page 21). It enables the land to be permanently protected by the covenant and associated management. Moreover, the conservation organisation's management costs are reduced, and the organisation can use the proceeds from the sale for future conservation work. You also have the comfort of knowing that the conservation organisation will work hard to find suitable future owners for your donated land.

If a property has little recognised conservation value, such as a suburban house, you can still make an enormous contribution to conservation by donating the land to a Not-for-profit organisation, who can sell the land to help support conservation works in important environmental areas. Conservation can also be achieved when an organisation agrees to retain and manage your property, however, the conservation organisation may request a financial contribution towards future management costs to enable it to appropriately conserve the land and its natural features well into the future.

donating land

donating land - landholder benefits

An outright donation of land can offer several benefits to landholders, as listed below:

simplicity

Donation of land is a relatively simple transaction. No financing or negotiations about price are necessary, and you only need to obtain approval from the organisation to which the land will be given.

relief of responsibility

Land donations release you from the responsibility of managing the land.

tax benefits

Substantial tax incentives may apply to donors of land for conservation purposes. These measures are aimed at encouraging donations of property to conservation organisations. The tax provisions relating to bequests are different – see *page 19*

income tax:

Taxpayers are entitled to income tax deductions when donations of property are made. These deductions are available regardless of when or how the property was acquired, if:

- the donation is made on or after 1 July 1999
- the gift is valued over \$5,000. This includes any type of property such as land, buildings, shares, vehicles and machinery
- the property is donated to an 'eligible' organisation, listed in the *Income Tax Assessment Act 1997* or on the Register of Environmental Organisations
- the donor is any type of taxpayer (this includes an individual, trust, or company⁴)

Tax deductions from the donation of property for conservation purposes may be spread over five years so that tax benefits are not lost when a donor's income in a single year is less than the value of the land. (Note: a deduction under this provision can not result in an income tax loss.) This is particularly important for donors who are asset rich but on low incomes. For example, a gift of land worth \$100,000 can be split into five deductions of \$20,000 and claimed over five subsequent years, allowing greater tax deductions to be claimed, particularly for those whose incomes are less than the value of the donation.

Tax deductions are also claimable when landholders donate funds to act as an endowment to cover the costs associated with the ongoing management of their donated property.

To receive a tax deduction, donors must obtain a valuation of the property from the Australian Valuation Office. The Australian Valuation Office (AVO) charges a fee for valuations on a cost recovery basis and the fee is tax deductible as a tax-related expense.

⁴ Regulations such as company and trust laws may prevent an entity from making a property donation.

donating land

donating land - landholder benefits (continued)

tax benefits

Capital Gains Tax:

When you gift property, you may be subject to Capital Gains Tax (CGT). In some situations, the amount you can deduct for the gift may be reduced by CGT. If CGT does apply to the gifted property, and you have obtained an Australian Valuation Office (AVO) valuation for property over \$5,000, you can elect to use the valuation in calculating the amount of the capital gain or capital loss. This applies only where the AVO valuation is made within 90 days before or after you give the gift. For more information, refer to the ATO publication *Guide to capital gains tax* (NAT 4151) which can be obtained by phoning 1300 720 092 or viewing it online at www.ato.gov.au

working example: tax benefits for donating land

Peter from Numurkah in Victoria donates a piece of bush-land valued at \$100,000 to a conservation organisation registered as an environmental organisation for tax deductibility. He has a private income of \$40,000 and pays around \$8,000 annually in tax (excluding the Medicare Levy). In donating the land, Peter is entitled to a tax deduction equal to the value of the land donation and which can be apportioned over a maximum of five years if necessary.

Peter's accountant advises he would save almost \$29,000 in tax if he apportions the deduction for the donation over the next five years, but he is not sure what his income will be over that period, so he chooses to take the deduction over three years - saving around \$24,000 in tax.



For more information on the tax implications of donations of land:

Visit the **Department of the Environment and Heritage** website and download the Fact Sheet at <http://www.deh.gov.au/biodiversity/publications/fact-sheets/incentives.html> or phone the Community Information Unit on 1800 803 722.

The **Australian Valuation Office** is contactable on: 08 8218 9008 or visit <http://www.avo.gov.au>

donating land

donating land - bequests

If you prefer to continue to own and control your land during your lifetime, another option to consider is donating your land to a suitable conservation organisation through a bequest in your will. This alternative means that you will not be entitled to income tax benefits and you will continue to be liable for property taxes and expenses, however, your gift will ensure the land's permanent protection and is an enormous gift to the environment.

It is important that before you include a land bequest in your will, you make sure the chosen organisation is willing and able to accept your donation. The priorities and goals of a conservation organisation can change over time and so it is recommended that you name alternative recipients (whose agreement also should be obtained) in the event that your organisation of choice is unable to accept your donation or manage the land as requested. The tax benefits of bequeathing land are listed below:

tax benefits

Capital Gains Tax:

Land that is bequeathed in a will as a gift of property to an eligible Not-for-profit organisation listed on the Register of Environmental Organisations (for tax purposes) will entitle your estate to a capital gains tax exemption.

case study: donation and management as part of a national park

A 40.5ha property adjoining the Walpole-Nornalup National Park and the Shannon-D'Entrecasteaux National Park in south-west Western Australia has been generously donated to the National Trust of Australia (WA). The owners are able to claim a tax deduction over five years for their donation. This area provides an important link between these two parks. The land will initially be retained by the National Trust but managed by the Department of Conservation and Land Management under agreement as if it were a National Park. In the future, the land will be transferred to become part of the National Parks it adjoins.

donating land

donating land – the next steps

If you are interested in looking further into donating your property, you will need to:

contact and seek approval from the conservation organisation to which you want to donate your property

Usually the conservation organisation will welcome your donation, however in some cases it may be unable to accept the gift. This may be because it is not the type of land in which the organisation specialises or because its location, size or other factors would cause a strain on the organisation's management resources. In these situations, the organisation may suggest another more appropriate organisation or alternative conservation options. State and local governments and universities may also be willing to accept donations but generally donations to these organisations do not attract concessional tax treatment.

seek independent expert advice

To be fully aware of the tax and financial implications of donating your land – either during your lifetime or by will - it is important that you seek legal and/or financial advice. Conservation organisations are not able to provide this advice, however, Not-for-profit organisations may be able to refer you to an appropriate advisor.

obtain a valuation of your property

This can be provided by the Commissioner of Taxation through the Australian Valuation Office. The Office charges a fee for valuations, which is tax deductible.

complete the apportionment of deductions form

If you decide to donate your property and apportion the tax deductions over a number of years, you will need to fill in an apportionment of deductions form which is available online at <http://www.deh.gov.au/tax/apportionment.html>. On this form, you will need to state how much of the deduction you intend to claim each year over a period up to five years (which can be varied at any time). Send a copy of your form to: *Secretary of the Department of the Environment and Heritage, GPO Box 787, Canberra, ACT 2601*

case study: donation of land with endowment

'Uambi' is a remarkably intact remaining remnant in Melbourne's eastern suburb of Heathmont. The land has excellent biodiversity values with numerous native species. In 1998, the property owners, John and Joan Harper, donated it to Trust for Nature to permanently protect its conservation values, however, they wanted to ensure that the management of Uambi did not burden the Trust. After discussing long-term financial support options with the Trust, the Harpers have since made a very generous endowment towards ongoing conservation works. The family received a tax deduction for their endowment donation, and under current laws, would have also received a tax deduction for the land donation.

selling land

selling land - quick option checklist

If you answer yes to all or some of the following questions, then selling your land to a conservation organisation or government body may be the most appropriate option for you.

- Do you wish to permanently protect the significant conservation values of your land?
- Does your property have conservation values of interest to a conservation organisation?
- Do you no longer use, live on or want to own your property?
- Do you need to obtain cash for your land?

Some conservation organisations and government bodies are interested in buying conservation land. Although selling your land to a conservation organisation may seem an obvious way to protect it, conservation organisations generally have very limited funds for land purchases. These purchases can be made when there are highly significant conservation values on the landholdings or where the conservation organisation has the potential to resell the land.

If you are unable to sell your land to a conservation organisation and decide to sell it to a private owner, you may want to consider placing a Conservation Covenant on the land prior to, or as a condition of sale.

Because it is not often financially viable for a conservation organisation to purchase land, a **Revolving Fund** scheme has been introduced that can make such purchases possible. If selling your land is your strongly preferred option, it will be worthwhile investigating this scheme further to determine your eligibility.

selling land – a revolving fund

Conservation organisations that operate a Revolving Fund purchase significant areas of native vegetation and on-sell the property with a Conservation Covenant on title as a condition of sale. Money from the sale is subsequently returned to the Revolving Fund for future property purchases. Revolving Funds aim to be self-sustaining by generating enough in sales to cover running costs. Revolving Funds are also an attractive vehicle for people who want to donate land that has conservation value, knowing the land will be permanently protected and that when sold, the proceeds will be put towards buying other properties with conservation value.

selling land – the next steps

To investigate the viability of selling your land, contact a conservation organisation in your state (see 'resources' section on page 25 of this booklet) and find out if they would consider the purchase of your land due to its significant conservation value.

other considerations

other considerations - combining conservation options

For some people, a single option may not be effective in meeting financial and conservation goals. This is when a combination of options might be considered. You may decide to covenant part of your land, while selling and/or donating the remainder, or a combination of any of these. Your particular choice of options would need to be discussed with the conservation organisation you liaise with as well as your financial and legal advisors.

case study: using a combination of conservation tools

Merle Stewart loved the bush and wanted to see it protected. She owned a 127.4ha property of Box-Ironbark forest near Nagambie, Victoria, and while she wanted access to the land, she was no longer able to manage the large area due to health reasons and her financial situation. "It worries me that no one is caring for the land; it has been years since I was able to check the situation with regards to rabbits, foxes, feral cats, weeds, erosion, and so on", said Merle.

After considering her options, Merle concluded that by implementing a combination of conservation tools, she was able to achieve the optimum outcome. Due to the large size of her property, Merle subdivided it into three lots (with the permission of the relevant planning authority).

A Conservation Covenant was entered into for the first lot. This allowed her to retain ownership and continue living on this part of the land, while also ensuring it could be protected well into the future. Merle said that this enabled her to retain the remaining 40ha property, which was "of great sentimental value."

The second lot was on-sold to a responsible private owner with a Conservation Covenant in place. This meant that Merle could relieve herself of the responsibility for managing this part of the land, benefit financially from the sale, and most importantly, ensure the property's conservation values were going to be protected by the covenant and the new owners.

Merle decided to donate the final lot of land to Trust for Nature. This was with the understanding that it would be on-sold through their Revolving Fund to allow the organisation to allocate the funds from the sale to other conservation projects. A Conservation Covenant was also placed on this part of the land (this is a condition of sale with Revolving Funds) to ensure its long-term protection, and Merle was able to claim a tax deduction for her donation.

other considerations

other considerations - conservation organisations

The conservation organisations listed on page 25 of this booklet have the expertise and commitment to offer you reliable information and assurance of permanent land protection. They will work closely and confidentially with you to assist in your decisions, and to ensure your land is protected well into the future.

Importantly, your conservation organisation of choice will be able to provide you with the following assistance:

- ➔ Help match your personal and conservation goals with the most appropriate conservation solution for you
- ➔ Serve as recipients of Conservation Covenants and lands
- ➔ Not-for-profit organisations may provide referrals to lawyers, land valuers and accountants with conservation knowledge and expertise

It **cannot** however:

- ➔ Provide legal and/or financial advice
- ➔ Guarantee that a particular conservation plan is best for your personal and financial circumstances
- ➔ State unequivocally that a particular conservation plan will entitle you to a tax deduction, or confirm how much the deduction will be. You will have to get your own independent advice for this

glossary

conservation covenant:

A voluntary agreement made between a landholder and a Covenant Scheme Provider that aims to protect and enhance the natural, cultural and/or scientific values of certain land. The legal definition of a covenant is: A promise contained in a deed to land or real estate which is binding upon the current owner and all future owners. It defines the limitations, conditions or restrictions on the use of that land.

covenant scheme provider:

A Not-for-profit organisation, government agency or local council that enters into Conservation Covenants with landholders to protect land with conservation value. The terms Covenant Scheme and Covenant Program are also both commonly used. The *Income Tax Assessment Act 1997* uses the term Covenant Program.

conservation organisation:

A Not-for-profit organisation or government agency that protects land directly, usually by helping landholders establish a Conservation Covenant, accepting property donations, or by purchasing land.

deductible gift recipient (DGR):

The Income Tax Act 1997 specifies which organisations and types of organisations can be DGRs.

register of environmental organisations (the register):

The Register of Environmental Organisations (the Register) lists environmental organisations eligible to receive tax deductible donations. It was established under the *Income Tax Assessment Act 1997*. The Act requires the Environment Department to maintain the Register, and to list by direction of the Minister for the Environment and Heritage and the Treasurer, environmental organisations and their public funds on the Register. Donations to the public funds of these organisations are tax deductible from the date of the organisation's entry onto the Register.

revolving fund:

A scheme operated by conservation organisations who purchase significant natural areas and then on-sell the land with a condition of a Conservation Covenant. Money from each sale is subsequently returned to the Revolving Fund for further conservation projects.

title:

The right to or ownership of land.

resources

Where to turn for local assistance ?

This section provides you with a comprehensive list of conservation organisations throughout Australia. While some conservation organisations can assist you with all the protection options described in this booklet, some work only with selected tools or certain types of land. By reviewing their websites and contacting the organisations themselves, you will be able to find the best fit for your preferred option for conserving your landholding.

New South Wales	<p>Department of Environment and Conservation Ph: (02) 9585 6040 Web: www.nationalparks.nsw.gov.au</p> <p>Department of Infrastructure, Planning and Sustainable Natural Resources Ph: (02) 9228 6111 Email: information@dipnr.nsw.gov.au</p> <p>Nature Conservation Trust of NSW Email: exec.officer@naturetrust.org.au</p>
Queensland	<p>Environmental Protection Agency/Parks and Wildlife Service Ph: (07) 3225 1740 Web: www.epa.qld.gov.au/naturerefuge</p> <p>Department of Natural Resources and Mines Ph: (07) 3896 3894 Web: www.nrm.qld.gov.au</p> <p>Queensland Trust for Nature Ph: (07) 3234 1895</p> <p>Wet Tropics Management Authority Ph: (07) 4052 0555 Web: www.wettropics.gov.au</p>
South Australia	<p>Native Vegetation Council SA Ph: (08) 8124 4744 Web: www.environment.sa.gov.au</p> <p>Nature Foundation SA Ph: 1300 366 191 Web: www.naturefoundationsa.asn.au</p>
Tasmania	<p>Department of Primary Industries, Water and Environment Ph: 1300 660 062 Web: www.dpiwe.tas.gov.au</p> <p>Protected Areas on Private Land Ph: (03) 6233 6210 Web: www.papl.tas.gov.au</p> <p>Private Forest Reserves Program (targeting forest communities) Ph: 1300 660 062 Web: www.pfrp.tas.gov.au</p>
Victoria	<p>Trust for Nature Ph: (03) 9670 9933 or 1800 99 9933 Web: www.tfn.org.au</p>
Western Australia	<p>National Trust of Australia (WA) Ph: (08) 9321 6088 Web: www.ntwa.com.au</p> <p>Department of Conservation and Land Management Ph: (08) 9334 0477 Web: www.calm.wa.gov.au</p> <p>Department of Agriculture Ph: (08) 9368 3282 Web: www.agric.wa.gov.au</p>

resources - for donations and sales of land

Trust for Nature	Ph: (03) 9670 9933 or 1800 99 99 33 Address: 2/385 Little Lonsdale Street, Melbourne VIC 3000 Email: trustfornature@tfn.org.au Web: www.tfn.org.au
Tasmanian Land Conservancy	Ph: (03) 6225 1399 Address: 827 Sandy Bay Road, Sandy Bay TAS 7005 Email: info@tasland.org.au Web: www.tasland.org.au
Queensland Trust for Nature	Ph: (07) 3234 1895
Nature Foundation (South Australia)	Ph: 1300 366 191 Web: naturefoundationsa.asn.au
Nature Conservation Trust of NSW	Ph: (02) 6620 3448 Address: PO Box 1121, Lismore, NSW 2480 Email: info@naturetrust.org.au Web: www.naturetrust.org.au
National Trust of Australia (Western Australia)	Ph: (08) 9321 6088 Web: www.ntwa.com.au
Foundation for National Parks and Wildlife	Ph: (02) 9221 1949 Address: 6/2 Bligh Street, Sydney NSW 2000 Email: fnpw@fnpw.com.au Web: ww.fnpw.com.au
BushBank	Ph: (08) 9321 6088 Web: www.ntwa.com.au

resources - for donations and sales of land (continued)

<p>Birds Australia</p>	<p>National Office Ph: (03) 9882 2622 or 1300 730 075 Email: mail@birdsaustralia.com.au Web: www.birdsaustralia.com.au</p> <p>NSW Office Ph: (02) 9436 0388 Email: rosella63@bigpond.com</p> <p>WA Office Ph: (08) 9383 7749 Email: birdswa@iinet.net.au</p>
<p>Australian Wildlife Conservancy</p>	<p>Ph: (08) 9226 0340 Address: PO Box 1897, West Perth WA 6872 Email: info@australianwildlife.org</p>
<p>Australian Rainforest Foundation</p>	<p>Ph: (07) 4051 2000 Email: info@arf.net.au Web: www.arf.net.au</p>
<p>Australian Landscape Trust</p>	<p>Ph: (03) 9639 7100 Address: 4/45 Exhibition Street Melbourne 3000</p>
<p>Australian Bush Heritage Fund</p>	<p>Ph: (03) 8610 9100 or 1300 628 873 Address: Level 5, 395 Collins Street Melbourne 3000 Email: info@bushheritage.asn.au Web: www.bushheritage.asn.au</p>

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image on rear cover: Some of Victoria's precious remaining grasslands of which less than only 0.5% remain (source: Trust for Nature)


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