



In Australia, taxes are raised in a variety of ways, including taxes on earnings, assets and purchases. This ensures that people can't avoid paying their fair share by choosing to hold their wealth in a particular form and also serves to balance the impact of taxes. Income, company profits and sales (GST and in some instances, stamp duty) are the primary bases of tax revenue in Australia. Local governments in all western countries are able to tax the value of property. So who determines this value and the valuation methodology used?

Local government is responsible for **less than 4%** of the total tax collected nationally.

Land Services SA

Each year, the Valuer-General (V-G) independently and objectively determines site and capital values for every rateable property in the state (referred to as the General Valuation).

Land Services SA (LSSA) provides valuation services that assist the V-G in delivering the General Valuation.

The V-G is a qualified valuer and statutory officer. The valuations determined by the V-G are independent and based on real estate and market evidence.

Valuations

Generally your council rates notice will be the first advice you receive each year of the current value of the property. This notice will advise which basis of value the council uses (capital, site or annual).

How is your value determined?

Under the *Valuations of Land Act 1971* the LSSA re-values every property in South Australia annually with the new values taking effect from 1 July each year. Sales of all property types are analysed to determine market movements, if any. This analysis of sales happens throughout the year and occurs both for site value and capital value. Different market movements can occur among varying property types and locations. Your valuation is based on the value of your property as of 1 January of each year.

Site value – the value of the land excluding structural improvements.

Capital value – the value of the land including improvements.

Annual value – value of the property based on gross annual rental valuation (applicable to City of Adelaide only).

Changes in property values will not automatically result in a council receiving additional revenue but may alter how rates are apportioned across each ratepayer.

Under the *Local Government Act 1999* councils can choose to obtain valuations from the V-G or a valuer under the Land Valuers Act. Check your rates notice to find out what your council does.

A property database, central to the valuation process, is kept of all properties within the state and is updated each year. The database includes information on land use (such as residential, commercial, industrial) and the physical details of the land and improvements (such as building size, construction and condition).

This information is updated regularly with changes identified from a range of sources, including development approval information from councils and on-site inspection programs by valuation field staff.

This property value is then calculated by comparing the property data for your property to that of other similar properties that have sold, with adjustments being made for any differences.

'Actual use' concessions

Valuations are generally based on the highest and best potential use of the property. For example, if there is a single house on the land but zoning would allow it to be divided for home units, then consideration is given to the value the land would achieve if sold for units.

However, there are instances in which valuations made for rating and taxing purposes have regard for the 'actual use' of the property.

This applies where the land is used solely as the owner's principal place of residence (home), or is genuinely used for the business of primary production, or is an item on the State's Heritage List. In these cases a 'notional value' is assigned to the property.

If you believe your property falls into one of the above categories and its actual use would result in a lower value than the alternate use, you should write to the V-G outlining your case. If your property has been given a 'notional value' because of actual use – then you must notify the V-G within 28 days.

Site
value

Capital
value

Annual
value



valuations



Objecting to your valuation

If you believe that the valuation of your property is incorrect, you may lodge an objection. Prior to lodging a formal objection, you can seek further information or clarification by phoning 1300 653 346. Many concerns can be resolved without the need to lodge a formal objection. If you do not agree with your valuation, and can provide information to demonstrate that it is incorrect, you must lodge an objection within 60 days of receiving the first rate notice from any rating authority for the financial year.

An objection is a formal process and there are specific legislative requirements under the *Valuation of Land Act 1971* for both you and the Valuer-General.

To help you better understand your property valuation and local property market, investigate sales data and information relevant to your area. Providing comparable market evidence with your application is required to support grounds of objection when requesting a review for property value. If you are comparing differences in valuations between neighbouring properties, consider reasons such as physical attributes, land use, land use constraints when making a general assessment to include with your application.

What are the grounds for an objection?

You can lodge an objection to have your property valuation reviewed. That is capital value and/or site value, or annual value (City of Adelaide only).

The most common reasons for objections and supporting documentation:

- The property value is too low or high. Examples of comparable market sales/rental evidence of properties sold/leased close to the date of valuation and an explanation about how each sale/lease compares to your property.
- The property data is incorrect. Evidence of the changes to your property.

You cannot object to the amount of your local council rates or land tax. These are matters you need to take up with the relevant authority.

If you remain dissatisfied with the decision of the V-G upon your objection, you have two options for appeal. 1) Review by Valuer (independent review). 2) South Australian Civil and Administrative Tribunal (SACAT). Both of which need to be submitted within a 21 day period from receipt of receiving the V-G's objection decision.

Noting each of the review options can reduce, maintain or increase the value of the property in question and the Valuer-General is bound by this decision.

In the case of the Review by Valuer, the V-G also has the right to seek a subsequent review of this decision through an application to SACAT.

For further information on the objection process or regarding the Office of the Valuer-General, please use the contact details below.

Check your rates notice for details about how to object if a council valuer is involved.

Contact Information

Office of the Valuer-General

Phone: 1300 653 346

Ground floor,

101 Grenfell St, Adelaide

www.valuergeneral.sa.gov.au



- SA councils -
PART
- of your -
EVERY
DAY.