



04



Valuations

Fact Sheet 3 outlines the role valuations play in distributing rates between ratepayers. It also makes clear that valuation increases have no impact on the total rates income of a Council but do impact on the proportion of rates paid by individual ratepayers.

This is one of four fact sheets – others look at how services are funded, the rating system and the broad range of Council services to the community. The information in this sheet is derived from a publication of the South Australian Valuer-General and his support is acknowledged.

The Valuer-General currently values all properties each year. Under the Local Government Act Councils can choose to obtain valuations from the Valuer-General or a valuer under the Land Valuers Act. All but two Councils used only valuation data purchased from the SA Valuer-General in 2005/06.

In Australia, and in other countries, taxes are raised from a variety of ways of earning, holding or spending wealth. This ensures that people can't avoid paying a 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 sources of tax revenue in Australia. Local Government in all western countries is able to tax the value of property.

In SA property rates are the only tax available to Councils. Councils are able to use site value (land excluding structural improvements), capital value (land including improvements) or annual value (rental value) for rating purposes. Most Councils use capital value. Each Council must have a rating policy and with this document must state why it has chosen capital, site or annual value. The Valuer-General determines both site and capital values on an annual basis.

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 Valuation of Land Act 1971, the Valuer-General revalues every property in South Australia every 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 (land) values and capital (improved) values. Different market movements can occur among varying property types and locations.

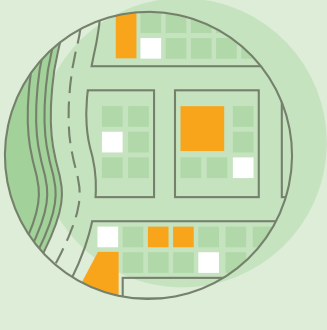
A property database, central to the valuation process, is kept of all properties within the state and is updated each year. The database includes information on land use (such as residential, commercial, industrial) and the physical details of the land and improvements (such as building size, construction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

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

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

THIS IS ONE OF FOUR FACT SHEETS

01	Council Services
02	Funding Council Services
03	About Council Rates
04	Valuations



Local
Government
Association
of South
Australia



04



Valuations

'Actual use' concessions

All valuations are based on the highest and best potential use of the property (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/current 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 State Valuation Office outlining your case. If your property has been given a 'notional value' because of actual use – and your circumstances change – then you must notify the Valuer-General within 28 days.

Objecting to your valuation

If you believe the valuation of your property is incorrect, you should write to the Valuer-General (or as directed in the rates notice) within 60 days of receiving notification, stating the grounds for your objection. One guide in looking at making an objection is whether you think your property would receive offers or could be sold for the value set, if you wished to sell it.

A written objection should include the address of the property, your contact phone number and details of any improvements on the property, along with evidence of local property sales of a similar type.

Objection forms can be obtained from the State Valuation Office or can be downloaded from the website <http://www.landservices.sa.gov.au>. Check your rates notice for details about how to object if a Council valuer is involved.

If you are not satisfied with a decision of the Valuer-General or a Council valuer about your objection you may, within 21 days, seek a review by an independent valuer. Fees apply for undertaking reviews and advice of applicable fees can be obtained from the State Valuation Office (or the Council valuer).

Should the independent valuer determine the value should be varied by more than 10% of the Valuer-General's or Council valuer's valuation, that value will be adopted and the fee refunded.

The Valuer-General advises that this information should be read in conjunction with the Valuation of Land Act 1971 as amended.

Contact Information

State Valuation Office

Postal: GPO Box 1354, Adelaide SA 5001.

General Enquiries: 1300 653 346

Objections to Property Value: 1300 653 345

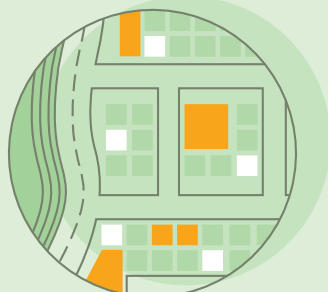
Email: lsg.objections@saugov.sa.gov.au

Website: <http://www.landservices.sa.gov.au>

Councils

Check your rates notice for information about the best way to contact your Council.

Alternatively, maps of Council boundaries and an address search function, along with contact details for each SA Council, can be found at the following website: <http://www.lga.sa.gov.au>, along with more information about Council rates and services.



Local
Government
Association
of South
Australia

THIS IS ONE OF FOUR FACT SHEETS

01	Council Services
02	Funding Council Services
03	About Council Rates
04	Valuations