

UNDERSTANDING THE REVALUATION INITIATIVE

Every year, all properties in SA are reassessed for the General Valuation. Property valuations aim to reflect market value and are based on the property market at January 1 and then released July 1. There are approximately 935,000 records, with site and capital values for each resulting in over 1,850,000 assessments to be undertaken every year. Mass appraisal is the primary valuation methodology. This identifies submarket groups which are then analysed using sales evidence to derive an annual index.

In 2015, it was identified that the data forming the basis of the annual General Valuation would benefit from comprehensive review. Funding was granted in the 2016/2017 budget, for an in-depth data collection and analysis program, the Revaluation Initiative, to be undertaken to improve the accuracy of the General Valuation. While this is the most comprehensive review undertaken in South Australia in many years, these reviews are best and common practice in other jurisdictions.

Collection and improvement of data will improve the accuracy of the General Valuation. Because valuations are utilised by rating and taxing authorities to distribute the collections of their levies, it is essential that valuations are accurate to ensure that contributions by the community are as fair as possible.

The first Cycle has been completed for the 2019-2020 financial year.

The program follows a practical plan with two inner metropolitan areas (Unley and Walkerville) and one regional area (Adelaide Plains primary production) identified for the first cycle. This allowed for best practice and data review methodologies to be identified before being adopted for successive areas. Outlier properties were identified (due to zoning changes, improved structures, occupancy information or changes to a specific market segment), reviewed and where appropriate, corrections applied. Of the subset of affected properties, the majority of changes were within 0-10% positive or negative movement.

This project is not a separate valuation exercise. The annual General Valuation continues, with the project work being a more detailed level of research identifying outliers for correction.

The Revaluation Initiative forms part of the annual General Valuation and does not equate to a blanket change in value for all properties.

The project's progression will be largely geographic with inner metropolitan areas forming part of Cycle 2 for the 2020/2021 financial year, and outer metropolitan and some regional areas in Cycle 3, the following financial year.

As the Adelaide CBD market represents a unique and large scale challenge, research is ongoing over the course of the program.

Implications and the future

Although the Valuer-General, by definition of the Act, operates independently and does not raise or collect taxes or rates, she is mindful that there may be flow on effects from changes in valuations. To provide as much notice as possible, some Land Owners have received direct communication from the Office of the Valuer-General, however most are typically notified of their new valuation on receipt of their first rates notice. In the instance of Council Rates, the Valuations are utilised to distribute rates to meet a budget and as such may not result in an increase in rates.

We encourage all Land Owners to review information available at dpti.sa.gov.au/land/ovg and other online sources, such as Land Tax calculators, after July 1.

Objections

The objections process remains unchanged. If people think their property valuation does not reflect market value, they must submit a written objection to the Office of the Valuer-General within 60 days of receiving their first rates notice for the financial year from your local council, SA Water or Revenue SA. Alternatively they can contact 1300 653 346. Mindful that some changes are irregular to past years, the Valuer-General started accepting objections from July 1 this year.

For more information, please visit dpti.sa.gov.au/land/ovg

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