

# Rating Basis – Site Value to Capital Value

## Understanding the Change

Office of the  
Valuer-General

### Reason for change

The Local Government Reform Bill passed in 2021 requires councils that currently rate on Site Value to transition to Capital Value for their basis of rating.

S151 of the *Local Government Act 1999* is to be implemented by the commencement of the 2024-2025 financial year for councils that rate on Site Value. The legislation outlines the following:

#### 151—Basis of rating

(2) *The value of land for the purpose of rating is its capital value.*

### Valuer-General's valuations

The Valuer-General maintains a Site Value and Capital Value for all properties in the State that are subject to rates and taxes. These values are used by rating authorities for the generation of rates.

Capital value is used by:

- RevenueSA for Emergency Services Levy
- SA Water for sewerage charges, and
- Most Councils

Site Value is used by:

- RevenueSA for Land Tax, and
- The remaining three councils.

### Rates charges

The States rating authorities (RevenueSA, Council and SA Water) use the Valuer-General's Capital Values as part of determining how their set rates and taxes budget are distributed amongst rate payers.

The Valuer-General has no influence over the way the rates in a dollar are calculated and applied to her valuations in the calculation of the rates and taxes to be paid for a property.

Any enquiries relating to the charges on a rates notice should be directed to the relevant rating and taxing authority.

### Objection to a property valuation

There is no change to this process. The Valuer-General will accept objections to Site or Capital Values that are in force, within 60 days from the first notice of each rating authority, where the owner/occupier disagrees with the valuation provided on the rates notice.

See [Property Valuations – Objecting to a Valuation](#) for detail on this process, the legislative timeframes to lodge an objection and the ability to seek an extension.

### Where can I find further information specific to the councils that are transitioning in 2023-2024 financial year

Councils that are transitioning for the 2023-2024 year may have further information available on their website.

District Council of Ceduna

[www.ceduna.sa.gov.au](http://www.ceduna.sa.gov.au)

District Council of Streaky Bay

[www.streakybay.sa.gov.au](http://www.streakybay.sa.gov.au)

Kimba District Council

[www.kimba.sa.gov.au](http://www.kimba.sa.gov.au)

### Which councils are remaining to transition to Capital Value rating basis

Councils that are transitioning for the 2024-2025 year are:

- City of Whyalla
- City of Port Lincoln
- District Council of Tumby Bay

For more information, please contact the Office of the Valuer-General

[www.valuergeneral.sa.gov.au](http://www.valuergeneral.sa.gov.au)  
OVGenquiries@sa.gov.au

General Enquiries: 8423 5000  
Valuation Objections: 1300 653 346

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### How values are determined

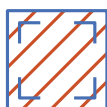
Qualified valuers analyse property sales and market trends that occur between the annual General Valuation to determine levels of value.

Factors influencing property values include:



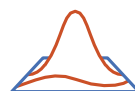
#### Location

Views, aspect and elevation



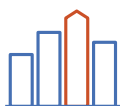
#### Site details

Land classification, zoning, land area and heritage restrictions



#### Site influences

Shape, topography, nearby uses and frontage



#### Site use

The highest and best use of the site



#### The building

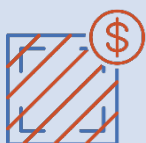
Size, age, condition, style, improvements and construction type



#### Property values

Calculated by comparing property to similar recently sold properties, with appropriate adjustments made for any differences

### Property Valuations



#### Site Value

Value of a parcel of land including improvements such as:

- Draining, filling, retaining walls, excavating, grading or levelling of land, removal of rocks, stone, sand or soil, and the clearing of timber, scrub or other vegetation.

Note: structural improvements are excluded.



#### Capital Value

Value of a parcel of land including improvements such as:

- Buildings and structures
- Wells, dams and reservoirs
- Planting of trees for commercial purposes.

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