

Notional Values

Concessional Property Valuations for Primary Producers

Property Values are used for rating and taxing purposes.

The Valuer-General values all properties each year to determine the site and capital values. In essence the “site value” is the value of the land excluding structural improvements while the “capital value” is the value of the land including improvements.

The values placed on your property are used by rating authorities, in conjunction with a rate in the dollar that they determine, to provide for the levying of rates and taxes.

The rating authorities that use property values are:

- **Local Government:**
Council Rates may be calculated using Site or Capital Values.
- **SA Water Corporation:**
Sewerage Rates are calculated using Capital Values. Water Rates are calculated using Capital Values for commercial properties.
- **Revenue SA:**
Land Tax is calculated using Site Values.
Emergency Services Levy is calculated using Capital Values.
- **Catchment Management Boards:**
Some Catchment Levies are calculated using Capital Values.

Your property value is shown on the accounts sent to you from rating authorities where the valuation is used as part of the calculation of the amount payable. You can also obtain this information from the State Valuation Office by calling 1300 653 345 (Local call cost).

Notional Values

Concessional property valuations are available to primary producers under certain circumstances. These concessional valuations are called Notional Values.

Notional Values can be applied to properties used for the business of primary production to encourage the retention of primary production land where there is pressure to alter the use away from primary production.

The effect of Notional Values is that any potential enhancements to value not associated with the primary production use of the land are disregarded when the value of the property is assessed, e.g. primary production land with potential for residential subdivision.

Eligibility

Section 22A of the Valuation of Land Act 1971 addresses the eligibility criteria for landowners where a Notional Value may be determined.

The owner of the land is entitled to the benefit of Notional Values where the land is genuinely used for the “business of Primary Production” and where the value of the land is enhanced by:

- an existing division of the land; or
- a potential for division of the land; or
- a potential for use otherwise than for “the business of Primary Production”.

1. Application

A property owner who considers he or she is entitled to the benefit of a Notional Value must apply in writing to the Valuer-General.

Accompanying this application and to establish eligibility, the property owner will need to make a Notional Value Application for the relevant land [See attachment].

This Application will need to state that the said land is used for the business of primary production as evidenced by an Australian Business Number [ABN] that is confirmed as applying to the business of Primary Production on such land.

The application must also detail the primary production activities being carried out on the land, stating whether the enterprise as a whole falls into the definition of “intensive” or “non-intensive”.

“Non-intensive” is defined as dryland cropping, grazing and forestry. All other uses are “intensive”.

The purpose of this will ensure that the notional value is effectively determined on an actual use basis only.

2. Determination of Notional Value

Once received, the application will be considered and a valuer will determine whether the value of the property is enhanced beyond the value attributed to primary production. This will include an inspection where necessary to check the existing use(s) and may require further consultation with the owner.

Once eligibility is established, a Notional Value will be determined on the basis of actual primary production use. Where a property is used for several primary production activities, the value will be determined by using value levels appropriate to each activity.

Where eligibility is not established, the property owner will be advised in writing with the reason stated. If the property owner is not satisfied with this decision, he or she can appeal by contacting the State Valuation Office and providing more details in support of their case.

3. Advice

A letter of advice will be sent to the owner advising of both the substantive [or full] and notional values of the property. This letter will include all rights and obligations as a consequence of receiving a notional value. Should your property no longer be used for the business of primary production you must notify the State Valuation Office within 28 days. [Penalties for non-compliance may apply].

Consultation

On an annual basis, the Valuer-General will consult with primary production representative groups, including SAFF, in relation to the evidence that can be used in determining notional values in identified categories and locations.

This will include values for non-intensive land use and, where necessary, various forms of intensive land use. In addition identified benchmark properties in each location will have proposed notional values determined to assist understanding and transparency. Following this meeting, the evidence and benchmarks will be used to ensure the consistent and fair application of notional values to all eligible properties in South Australia.

The State Valuation Office can be contacted on 1300 653 345.