

Valuer General

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Reascertainment of land value

Policy

February 2024



Acknowledgement of Country

The office of the Valuer General and Valuation NSW acknowledges that we stand on Aboriginal land. We acknowledge the Traditional Custodians of the land, and we show our respect for Elders past and present through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally, and economically.

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More information

Enquiries relating to this policy should be addressed to the office of the Valuer General via email to valuergeneral@dpie.nsw.gov.au.

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Introduction

1.1 Purpose

This policy is intended to provide guidance where there is a requirement for a valuer to reascertain a land value on behalf of the Valuer General. It will ensure the reascertainment of land values is undertaken in a way that is:

- consistent and fair
- transparent
- in line with the *Valuation of Land Act 1916* (the Act).

1.2 Background

In NSW, the Act establishes the Valuer General as the independent statutory officer responsible for ensuring the integrity of land valuations in NSW. Valuation NSW carry out functions on behalf of the Valuer General under formal delegations.

The Act requires the Valuer General to ascertain the land value of each parcel of land in New South Wales that is within the area of a rating or taxing authority, other than lands of the Crown. The Valuer General may at any time, value any parcel, on his or her own initiative, or at the request of certain authorities.

The power to ascertain a land value includes the power to reascertain a land value, an allowance or apportionment factor. Any references to the ascertainment of a land value are taken to include references to the reascertainment of a land value, an allowance or apportionment factor.

1.3 Legislation

The authority to reascertain land values lies in Section 14A(6) of the Act, nowhere else in the Act provides such authority. Section 14A(2) authorises the Valuer General to make valuations at any time and does not provide authority to reascertain land values.

Section 14DD provides authority for the Valuer General to enter reascertainments of land value on the register and to correct a clerical error or misdescription.

Section 14DD does not provide authority to reascertain a land value.

1.4 Delegations

The authority to reascertain land values is currently delegated by the Valuer General to VNSW staff. All VNSW staff must be aware of and adhere to the current delegations.

Policy on use of reascertainment delegation

Reascertainment of land value means to revalue or review an existing valuation having regard to the same circumstances that existed in relation to the property as at the time the original valuation was made. Reascertainment is used to correct a valuation anomaly where new information is brought to the attention of the Valuer General. Such an action is not a correction under Section 14DD which can only be used to correct clerical error or misdescription where there is no effect on the valuation.

Reascertainment action may result in an increase or decrease to land value.

Reascertainment of land value is not to be used to override or replace the existing objection process – particularly when an owner or authorised representative raises an issue within the allowed time to lodge an objection.

Reascertainment of land value is required where the following occurs:

- no objection has been registered, however, a valuation anomaly has been identified, such as following a review of sales evidence or site-specific attributes such as contamination, incorrect property description or area (that were not considered at the time of the original valuation) and the valuation under review is the most recent year valuation or subject to a rate or tax
- a decision taken on objection or appeal is clearly out of line with other valuations made for the subject property in forward years
- a decision taken on objection or appeal is clearly out of line with surrounding valuations and a review confirms those valuations require amendment. Reascertainment of land value in this instance is carried out to ensure that the register of land values is correct in forward years and may be made to properties that may not be subject to a rate or tax.

1.5 Date of valuation

The “Date Valuation Made” does not change when a land value is reascertained and, as such, the reascertainment of land value can be retrospective for rating and taxing purposes.

Example

In 2022 a review identifies an anomaly with Property X's 1 July 2019 land value of \$500,000 and it is subsequently reascertained to \$400,000.

The land value and date valuation made for Property X before reascertainment action is:

- \$500,000 date valuation made 5/09/2019

The land value and date valuation made for Property X after reascertainment action is:

- \$400,000 date valuation made 5/09/2019

Note: only the land value is changed under the reascertainment, the date valuation made remains unchanged.

1.6 Historical valuations

Reascertainment of land value will only be applied to valuations that are currently subject to a rate and/or tax or the most recent valuing year on the register of land values. That is the current year used for rating by local government and the most recent three years if used by the Revenue NSW to calculate the average for land tax.

Authority to apply reascertainments outside this period is not delegated to VNSW staff. Any reascertainment outside this period must be approved by the Valuer General.

The Valuer General will generally not reascertain land values outside of the above period. This is to ensure the consistency of the register of land values for land holders and rating and taxing authorities and recognises that land holders and rating and taxing authorities both have time limited objection and appeal rights under the Act.

Example

In 2023 a review identifies an anomaly with Property Y's 1 July 2022 land value of \$1,000,000 and it is subsequently reascertained to \$850,000. Property Y is not liable for land tax and the rating and taxing authority is currently rating on the 1 July 2022 valuing Year.

The following valuing years would be reascertained:

- 1 July 2023 – issued \$1,000,000 reascertained to \$850,000 (current year's land value)
- 1 July 2022 – issued \$1,000,000 reascertained to \$850,000 (used by Council)

Note: only the land value is changed under the reascertainment, the date valuation made remains unchanged.

1.7 Communication

The Valuer General is to be notified of any significant reascertainment of land value likely to cause concern among landowners or other stakeholders.

Where liable to a rate or tax, landowners are to be notified of all reascertainment of land values including the reasons taken for the decision and the rights of objection and appeal.

Where significant reascertainments of land value have occurred, local government and Revenue NSW are to be notified to ensure they understand the reasons for reascertainments.

1.8 Supplementary Notices of Valuation

A Supplementary Notice of Valuation is to be issued to all landowners following the reascertainment of land value where the land value is used for rating by local government.

References

Definitions

Term	Meaning
Reascertainment	Reascertainment of land value means to revalue or review an existing valuation having regard to the same circumstances that existed in relation to the property as at the time the original valuation was made.

Related documents and legislation

- *Valuation of Land Act 1916*