Rural Land Declarations

VAL/2011/4509 – Version 1

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## Version History

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<td>15/03/2013</td>
<td>Attachment, Rural Land Application form 12 - version 1 replaced with version 2.</td>
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Purpose

This document has been prepared to provide guidelines for the following:

• Deciding an owner’s application requesting the Valuer-General to declare their land to be rural land;
• Making rural land declarations on the Valuer-General’s initiative.

This is to ensure that applications are decided and declarations are made consistently across the State.
Rationale

Application for rural land declaration:
Section 12 of the Land Valuation Act 2010 (LVA) provides for an owner to apply to the Valuer-General to declare their land to be rural land. Section 110 of the LVA requires that if an application is made, any objection period that applies at the time of application is extended to 60 days after the deciding of the rural land application or the deciding of any appeal on the application decision.

Section 13 of the LVA requires the Valuer-General to decide the application within 60 days after receiving it. The land may only be declared rural land if at least 95% of land in the State that is used for the same purpose as the subject land is zoned rural land and there would be at least a 30% difference between the site value for the subject land based on the existing zoning and its unimproved value if it was declared rural land.

Note: Section 10(3) states that land zoned as rural-residential (or the nearest equivalent to rural-residential) is not zoned as rural land.

Rural land declaration on Valuer-General’s initiative:
Section 14 of the LVA provides for the Valuer-General to declare land to be rural land in the following circumstances:

1. The Valuer-General is satisfied that at least 95% of land in the State that is used for the same purpose as the subject land is zoned rural land and there would be at least a 30% difference between the site value for the subject land based on the existing zoning and its unimproved value if it was declared rural land. Note: Section 10(3) states that land zoned as rural-residential (or the nearest equivalent to rural-residential) is not zoned as rural land.

or

1. The land has defaulted to being non-rural land because it was not zoned under a planning scheme. Some examples of not zoned land include road areas, land below high water mark, pump site permits etc.

While in some cases a default to a non-rural designation will be appropriate it can create anomalies where the subject land is located within a rural zoned area, and is used for rural purposes. In this case it could be appropriate for the land to be zoned as rural to maintain uniformity with surrounding lands.
Procedure

Application for Rural Land Declaration:

For ‘Rural Land Valuation, Land Valuation Act 2010 Form 12‘, see Attachment A.

An application must be decided within 60 days after receipt.

An application will be granted where at least 95% of land in the State that is used for the same purpose as the subject land is zoned rural land (this does not include rural-residential) and there would be at least a 30% difference between the site value for the subject land based on the existing zoning and its unimproved value if it was declared rural land.

A decision notice must be issued to the applicant within 60 days of the receipt of the application. The notice must state the reasons for the decision and advise the applicant that they have 28 days from the issue of the decision to apply for an internal review.

Rural Land Declaration on Valuer-General’s Initiative:

1. The Valuer-General may, at any time, declare land to be rural land if at least 95% of land in the State that is used for the same purpose as the subject land is zoned rural land (this does not include rural-residential) and there would be at least a 30% difference between the site value for the subject land based on the existing zoning and its unimproved value if it was declared rural land.

Example:

A 50 hectare grazing farm in an urban area has a site value of $100,000 as a non rural zoned property. An application is received and as the use of the subject land is for grazing purposes the 95% criteria is met. The notional unimproved value as a rural zoned property would be $60,000 ($40,000 is the added value of the timber treatment). Difference between the non rural zone and rural zone is $40,000 or 40%. Therefore the 30% test is met and where a declaration is made a new valuation of $60,000 would be issued.

2. The Valuer-General may declare land that is not zoned (defaulted to non-rural land) to be rural land where the following apply:
   - Where land is used separately but adjoins or is adjacent to land that is designated as rural land; or
   - Where the land is used in conjunction with other lands, and the other lands are designated as rural land.

Example:

A permit to occupy is issued over a road area for grazing purposes. The land is not zoned however adjoining lands are zoned rural, and the ‘parent’ freehold parcel that is used in conjunction with the road area is zoned rural. In this case the Valuer-General can declare the lease area as rural land and value on an unimproved value basis.

Notes:

For the purpose of the 95% calculation, the Valuer-General has determined that all land used for farming as per sections 45 and 48 of the LVA meet the 95% rule. Data extracts from the valuation roll (the Queensland Valuation and Sales – QVAS – system) support this approach as the data demonstrates that 95% of land used for farming (primary land use = farming) has a rural zone on the roll.

Land use types such as residential, commercial, industrial, rural residential and most other urban usages will not qualify under the 95% test. While it is unlikely that any use other than farming will meet the 95% test any
application must be treated on its merits.

The 30% calculation must exclude any variation in value resulting from market changes from one annual valuation to the next. The calculation is based on the difference between the issued site value and the calculated unimproved value with both values reflecting the same market level (at the same date of valuation). To satisfy the test, the calculated unimproved value must be at least 30% lower than the site value.

Record keeping:

Where the Valuer-General, or delegate, makes a declaration a record of the decision must be stored in QVAS for record keeping purposes.
Responsibilities

It is the responsibility of the SVS Valuer allocated an application for consideration, to ensure that the actions set out in this procedure are implemented in deciding the application.
Attachments