

From: [REDACTED]
To: [Lloyd, Brian](#)
Subject: Re: Rates/Land tax increases - supplementary submission [DLM=Sensitive]
Date: Thursday, 9 August 2018 5:22:09 PM

Dear Brian

I realise that I did not thank committee members for their patience and flexibility in accommodating me at yesterday's hearing. Could you please convey my sincere thanks to the committee members - I greatly appreciated the opportunity of being heard.

I regret not being better prepared to answer the question asked of me yesterday regarding how I would raise revenue if the new method for calculating rates for strata properties is reversed. Having had time to consider this, I would be grateful if the following suggestion could be conveyed to the committee.

The previous and current rating system was implemented to deal with single title dwellings rather than strata units and is a crude mechanism that can never achieve equity among the increasing number of different types of strata title dwellings because it was never designed to take into account the differences between single and strata title properties.

Consequently, the rating system needs to be reworked to recognise the differences in the types of property on which rates are levied if it is to achieve true equity and fairness for all property owners (i.e: single title dwellings, strata title apartments/flats and strata title townhouses/units). Rates could then be calculated to recognise the differences in each type of property as well as the differences between properties within each complex/block (for example a penthouse versus a 1 bedroom apartment in the same block). Separate rates bands could then be created and applied to each property type (e.g: Band A - single title, Band B - strata title apartments/flats, Band C - strata title town houses/units).

If there is no appetite for creating a more sophisticated rating method that recognises the difference between types of property, then as a minimum the current rates calculation for strata title properties should exclude all common areas/land within strata properties, firstly, because no individual has title over those areas, secondly because rates/tax is already paid on those areas/that land in the form of body corporate fees; and thirdly, because no services whatsoever are provided by the ACT Government in respect of those areas/that land. This would at least achieve some fairness for strata unit holders because it would reduce the level of value that currently falls into the top rates tier.

Additional revenue could be raised through an increase in GST, which would assist all states and reduce the desire for cynical cash grabs, which has occurred for all strata unit owners in the ACT. However, this is not likely to be politically palatable at the federal level.

Could I please urge the ACT Labor government not to lose sight of the fact that rates are supposed to correlate to the provision of municipal services. I was dismayed yesterday by the apparent disconnection between revenue raising and the provision of municipal services, which became evident during the exchanges between the Chief Minister, his advisers and Committee members. This (very disappointingly) seemed to confirm that the changes in rates calculation were implemented solely to raise revenue that has been lost in other areas.

I sincerely hope that the inquiry leads to changes in the rates calculations to achieve true equity and fairness for strata unit owners and single title owners alike. The current

calculation does not do this.

I have been a labor voter all my life but will not vote for Labour at the next state election if this manifestly unfair rates "cash grab" is not addressed to achieve more equitable rates for **all** property owners.

Many thanks for your time.

Kind regards

A solid black rectangular redaction box covering the signature area.