QTON No. 03

Legislative Assembly for the **Australian Capital Territory**
Select Committee on the Fiscal Sustainability of the ACT

Inquiry into Fiscal Sustainability of the ACT

Answer to question taken on notice

Asked by: Ms Jo Clay MLA

Addressed to: Mr Colin Walters, Chair of the Inner South Canberra Community Council

In relation to: Rates Deferral Hardship Scheme

Hearing: 03 March 2026
Uncorrected Proof Transcript p 47
Transcript provided: 10 March 2026
Answer Due: 17 March 2026

THE CHAIR: We have come to the end of our time. Colin, I am wondering, if I lodged you a question on notice about whether our rates deferral hardship scheme needs adjusting, would ISCCC like to answer that question? Because we have come to the end of our time.

Mr Walters: I can take it back to the committee. I cannot promise that we would have anything to offer.

THE CHAIR: That is all right. I will send it through to you, I will send it through to you, because we are at the end of our time, and if you do not want to answer, that is okay. We do not sort of require our community organisations to do homework.

Mr Walters: That is all right, and I think it is fair enough to ask us to do some homework, but on that particular issue, I do not know if I could immediately find anyone with the relevant expertise to give you a sensible answer. So I will say that in advance.

Mr Colin Walters: The answer to the Member's question is as follows:

In response to Ms Clay's question on notice, the Inner South Canberra Community Council (ISCCC) has considered the ACT Rates Deferral Hardship Scheme. In response to the question of whether the scheme requires modification, we can offer these observations.

The scheme appears to provide an important option for residents who are asset-rich but income constrained, particularly older homeowners who may face increasing rates liabilities as land values rise across the Territory. The ability to defer rates payments until a later point (typically when a property is sold or an estate settled) can help ensure that residents are not forced to sell their homes due to short-term financial hardship.

However, there appear to be several areas where the scheme could be improved to ensure it is accessible, fair, and aligned with the policy intent of preventing financial hardship.

First, awareness of the scheme appears limited. Many residents are not aware that a hardship deferral option exists, or may assume it applies only in extreme circumstances. The Government could improve uptake by providing clearer information through rates notices, Access Canberra communications, Community Councils and targeted information for older residents.

Second, eligibility criteria and application processes could be clarified and simplified. Residents should be able to understand easily whether they qualify and how the scheme operates. Clear guidance on eligibility thresholds, documentation requirements, and decision timeframes would improve transparency and accessibility.

Third, consideration could be given to expanding the scheme to better support low-income homeowners experiencing rising rates pressures. In some cases, households may not meet strict hardship definitions, but still face difficulty paying rates due to fixed incomes combined with increasing land values and excessive rates increases such as those imposed by the ACT Government in recent years. A modest expansion or clearer definition of hardship categories may help ensure the scheme meets its policy objective.

Fourth, the Government should review the financial terms of the deferral, including how interest is applied and how liabilities accumulate over time. Ensuring the terms remain fair and manageable will help maintain confidence and uptake in the program.

Overall, the ISCCC considers that the current scheme is valuable and should be retained, but that improvements to awareness, clarity, accessibility and scope would strengthen its effectiveness to prevent financial hardship arising from rising rates demands. Limiting rate rises to an appropriate measure of inflation, as we have argued in previous submissions, would also go a long way to prevent unwarranted financial pressures on ratepayers.

Finally, we recall that it was the inherent inequities in a property rating basis for local authority funding that led the

UK Government in 1993 to replace its then equivalent with a personally based Council Tax system. It may be that the time has come for consideration of a similar system in the ACT.

Approved for circulation to the Select Committee on the Fiscal Sustainability of the ACT

Signature: Date: 16-3-26

Mr Colin Walters, Chair of the Inner South Community Council