Submission No. 7 - Mr Rod Manns + attachments - received 09/03/2018 - authorised for publication 28/03/2018.

SUBMISSION TO THE ACT LEGISLATIVE ASSEMBY PUBLIC ACCOUNTS COMMITTEE INQUIRY INTO THE METHODOLOGY FOR DETERMINING RATES AND LAND TAX FOR UNIT-TITLED (STRATA) RESIDENCES

FROM ROD MANNS

Introduction

This submission addresses only the methodology for determining rates for residential units. I make it as an owner-occupier of a unit in Canberra.

I signed the petition that gave rise to the Inquiry, although I did not necessarily agree with all its terms. I did so because responses to my letters and questions to the Chief Minister and Treasurer on the ABC's 'Chief Minister's Talkback' and to correspondence with his Office and the Treasury did not address my concerns.

I am not affiliated with any political party or other organisation. I am not interested in political points scoring. I am interested in robust, logical policy and fairness.

Key points:

The new methodology:

- Lacks a clear, robust policy rationale. The Government's policy rationale is not entirely clear but appears to be that unit owners should pay rates based on a comparison of unit and house improved values/rental returns, and that unit owners were not paying their 'fair share' under the previous system. The Government has not provided cogent evidence for either assertion. The former is particularly spurious because the rates system is legislatively based on unimproved land values.

- Is illogical. The marginal rate applied to units is now based on the value of land owned by all owners in a block. This treats all unit owners as if they were more land-rich than they are. Without any apparent logic, it takes account of assets owned by someone other than the individual unit ratepayer. In addition, there is no logical connection between the new methodology for units and the ongoing one for houses.

- Is unfair. Almost all unit owners are now largely deprived of benefit from the marginal rating factors, while almost all house owners benefit significantly. Owners of small units may now be paying the same rate per dollar of land value as owners of the largest house blocks. Unit owners' rates have increased in 2017-18 much more than house owners' rates.

In more detail:

The methodology lacks a clear, robust policy rationale

There appear to be two aspects to the Government's rationale for the change to the rating methodology for units:

- units should pay increased rates on the basis of a comparison with houses of 'market' (ie, improved) values or rental returns; and
- unit owners as a class were not paying their fair share towards government services under the previous system.

Extracts from various statements by the Government are at Attachment 1. Here are examples of the two apparent rationales:

> *2016 Budget:*
>
> Houses typically have relatively higher AUVs than units – despite often having similar market values….From 1 July 2017, the Government will change the general rates calculation for multi-unit dwellings to base it on the total AUV of the land rather than the individual AUV of the unit (consistent with changes to Land Tax). This change, to be phased in over two years, will establish greater equity in general rates paid between houses and units. (2016-17 Budget Paper No. 3, p 258)
>
> *Chief Minister's speech in the debate on the amending legislation:*
>
> The average general rates bill for houses is almost double that for units in 2016-17, despite both types of property owners generally having access to the same level of ACT government services. So the new method improves equity in rates and land tax payable between houses and units. (2017 Week 5 Hansard, p 1683)

The first aspect of the Government's apparent rationale is spurious. The *Rates Act 2004* is clear that rates are based solely on unimproved land values. Improved values, or rental returns which have also been mentioned in some Government statements, have no place in the legislation.

The Government has provided isolated, and perhaps merely hypothetical, examples to support this rationale. Statements supporting it have variously made an unqualified generalisation about house and unit values, or have qualified it with 'often' or 'typically'.

I asked the Treasurer and the Treasury to give me the data or analysis underpinning the Government's assertions. They declined to do so (see Attachments 2 and 3). I then asked the Treasury for an explanation of the analysis methodology (Attachment 4) but after one month I have not received a reply. Even though it is spurious, the Committee may wish to ask the Government for the analysis and underpinning data as the Government has made so much of it in justifying the new methodology.

Moreover, the Government has made this spurious case only for units vis-à-vis houses. It has not applied the same argument to houses with the same unimproved values but different improved values or rental returns. They continue to pay the same rates as each other.

The second aspect of the Government's apparent rationale does not make sense. Total rates revenue from units would not be expected to be similar to that from houses under any reasonable system based on taxing land wealth. The total land value of units in the ACT is self-evidently a fraction of the total value of house blocks.

Unit owners already paid, and continue to pay, the same fixed rates charges and levies as house owners. Unit owners were, and are, generally paying more than their fair share towards government services through this element of rates.

The *Rates Act 2004* has always required that a unit block of land be valued as if it were a single parcel. The same does not apply for house blocks that were part of a larger block before subdivision.

In reality, once divided into unit titles, a block would have to be acquired from multiple title owners if a purchaser wanted to buy the whole block. At face value, the fact that a purchaser would have to negotiate and bear the cost of dealing with multiple unit title holders would mean that a unit titled block would be less valuable than it was as a single parcel.

It is arguable that unit owners therefore suffer from over-valuation of their land and, as a result, pay more than their fair share through higher land valuation rates than house owners, under either the old or new methodology.

The methodology is illogical

Land rates are essentially a tax on wealth in the form of land ownership.

With this in mind, rating units on the basis of the total land value of a block (in regard to the marginal rate applied) is illogical for three reasons.

First, it treats owners of a fraction of a block the same as a single owner of the entire block (perhaps the developer before subdivision). For example, a unit block with a land value of $10 million could be owned individually only by a very wealthy 'land-rich' person. Divided into 100 unit titles, each unit owner would have only a modest $100,000 worth of land. Under the new methodology these owners with little land wealth pay rates at the same marginal rate as would a wealthy single owner of the entire block.

Secondly, rates on a unit are now based on the value of the land owned by a unit owner and all the other owners in the block combined. If this approach applied to income tax, a unit resident's income would be subject to the marginal tax rate applicable to the aggregate income of all residents in a unit block. A low-income resident would pay the same marginal tax rate as a high-income resident. This would be absurd.

Thirdly, the new methodology applies only to units. If a large block of land is subdivided into single title townhouses or houses, the owners pay rates at the marginal rate for their individual land wealth, not the value of the original block. Owners of houses in a street or single title townhouses in an estate do not have their rates calculated on the basis of the aggregate value of their neighbours' blocks.

The methodology is unfair

Treasury figures show that 95% of unit owners now pay rates at the top marginal rate while only 10% of house owners do (see Attachment 2 and the table at Attachment 2.2).

Almost all units are in blocks with total land values over $600,000, so almost no unit owners now receive any significant benefit from the tiered marginal rating factors. Almost all house owners have their rates calculated on land values under $600,000, so receive substantial benefit from the marginal rates tiers.

This is manifestly unfair.

It is also unfair that unit owners have had a much larger increase in rates in 2017-18 than house owners. The Government's 'average' rate increase figures (Attachment 5) show the marked difference between units and houses.

As these figures include fixed charges and levies, they mask the extent of the increase in the land valuation component of rates which is attributable directly to the new methodology. I have attached redacted copies of rates notices for my unit (Attachment 6). The land valuation component increased by 115% from 2016-17 to 2017-18, or by more than 100% after the general across-the-board increase in rates for all properties is taken into account.

The Government has sought to play down the increase in rates for units with statements such as: '…it is important to note that, even after the methodology change, over 90 per cent of unit holders

pay rates as if they were in the lowest two marginal rating categories' (Chief Minister speech to the Legislative Assembly in 2017, included in Attachment 1).

This is vague and misleading.

Treasury has confirmed that it is based on a comparison with rates for houses in the lowest two land valuation categories (see page 2 of the correspondence with the Treasury at Attachment 2).

Together, the figures in Attachment 2, from the Treasury and that I quoted from the *Canberra Times*, show that 1% of houses and 72% of units have a land value of $150,000 or less. Clearly, the average house land value in the two lowest marginal rating categories is much higher than those for units with equivalent rates bills.

The comparison also included fixed charges that, as noted above, mask to some extent the effect of the change of methodology on the land valuation component.

A more meaningful comparison would be between the land valuation component of rates now paid by houses and units respectively according to the land values of individual properties in each land valuation rating tier. A simple example of this is in the table attached to my correspondence to the Treasury (Attachment 2.1). Units in the example pay much more than houses with a similar land value. The Committee may wish to seek comprehensive comparative data from the Government.

I am in the fortunate position of being able to afford the increase in my rates. Owners of small units in a nearby affordable housing complex, who have faced similar increases, may not be so fortunate.

Rates increases will also be passed on to tenants in rental properties, making it even more difficult for those who are struggling to afford already high rents.

What should the Government do?

The Government's responses to concerns with the new methodology for unit rates have been dismissive.

In the most recent correspondence with me, the Office of the Chief Minister and Treasurer stated:

> While we appreciate that you remain unhappy about this reform, the Government has no current intention to change this policy so soon after its implementation. (Email from Dr J Rayner on 8 February 2018 at Attachment 7)

In his contribution to the debate on the motion to establish the present Inquiry, the Chief Minister made no attempt to address directly the issue of the new methodology for units. Rather, he sought to disparage critics of it as being tax-averse and to claim that the Government was using the fairest means to raise revenue. He said (Hansard, 15 February 2018, pp230-231):

> One thing most people agree on is that they are not particularly happy about paying any tax ever. I do not meet many people who come bounding up to me and volunteer their great delight at paying tax…..I repeat that not everyone likes paying tax. We understand that. But we also need to provide the services that this community needs. If we are to raise revenue, which we need to do, then we should surely use the best and fairest means available to us.

As one of the critics of the new methodology, I have no objection to Government reforms that are designed to raise revenue needed for government services. I appreciate the importance of rates because the ACT's revenue base is more limited than some other jurisdictions.

The Government should not, however, distort the rates system to increase revenue at the expense of fairness. The Government should not use spurious and misleading statements to support its rates policy.

So, the first thing the Government should do is acknowledge the flaws in the new methodology.

As an interim step, the Government should introduce legislation to reinstate the previous methodology for calculating rates on residential units from 2018-19.

The Government should then determine the total rates revenue needed and devise in a transparent way a fair and logical method for raising it across the various classes of property. This should be done with the assistance of an independent review including consultation with the community.

If any fundamental change is needed as a result, such as a flat rate rather than marginal rates or rating of improved rather than unimproved values, the Government should seek a mandate for it at an election. This should be on the basis of full disclosure of the rationale and effects on ratepayers.

…/Attachments: 1, 2, 2.1, 2.2, 2.3, 3, 4, 5 ,6, 7

Attachment 1 – Extracts from Government statements

The 2016 Budget papers stated:

> 'The progressive nature of the general rates system has resulted in lower increases for properties with lower AUVs. Houses typically have relatively higher AUVs than units – despite often having similar market values.' 'From 1 July 2017, the Government will change the general rates calculation for multi-unit dwellings to base it on the total AUV of the land rather than the individual AUV of the unit (consistent with changes to Land Tax). This change, to be phased in over two years, will establish greater equity in general rates paid between houses and units.' (2016-17 Budget Paper No. 3, p. 258)

The Explanatory Memorandum for the *Revenue Legislation Amendment Bill 2017* which introduced the relevant amendments to the *Rates Act 2014* stated:

> The current method for calculating rates and land tax on a residential unit in the ACT has resulted in lower rates and land tax payable for units as compared with the rates and land tax payable for houses of similar market value.
>
> In the 2016-17 Budget, the ACT Government announced a change to the methodology for calculating rates and land tax on units in order to reduce the gap between houses and residential units of similar value. To do this the total average unimproved value (AUV) of the parcel of land will be used as a basis for the rates and land tax calculation, instead of the AUV of the parcel as it relates to the individual unit entitlement.

In his speech introducing this Bill the Chief Minister stated:

> Noting the progressive nature of rates and land tax, the new formula will rebalance the discrepancy between houses and units in the rating structure by applying the marginal rating factors to the overall parcel of land. (2017 Week 3 Hansard, p 950)

In debate on the Bill the Chief Minister stated:

> The changes in this bill are important to ensure greater equity in rates and land tax that are payable between residential units and houses. … Under the current system a unit can have a substantially higher market value than a house and yet pay a significantly lower level of general rates because it is part of a large apartment block.
>
> The average general rates bill for houses is almost double that for units in 2016-17, despite both types of property owners generally having access to the same level of ACT government services. So the new method improves equity in rates and land tax payable between houses and units. On average, there is currently a difference of about 40 per cent between the two. So it is currently the case that, on a penthouse apartment valued at over $1 million, significantly less in rates can be paid than on a very modestly priced house in an outer suburb. (2017 Week 5 Hansard, p 1683)

In the Legislative Assembly on 25 October 2017 Mr Barr moved an amendment to an Opposition motion and stated:

> I have moved the amendment today to outline why the government is undertaking the changes to the rates calculation for the methodology of units. I do so in the context of this

> debate being had in this place on three or four occasions already, noting that it was announced in the 2016 budget, before the last territory election, that we would be updating the way rates were calculated for unit titled properties. The rationale for that was to achieve better equity between the contribution made by owners of units and those with freestanding homes. We then of course brought forward legislation to give effect to this change, which was considered by the Assembly this year. That this matter is even on the notice paper and has been allowed to come forward for debate might reflect that we are considering the same matter again inside a 12-month period.
>
> As members of this place would no doubt be aware, general rates not only cover municipal services in the territory such as roads and rubbish collection but, because of our unique single level of government, also contribute to our state-level responsibilities, including education, health, public transport and a range of other state government services that the ACT government provides to Canberrans. In this context it is important then that everyone in the community contributes fairly. Changes to the rates calculation methodology for units have better aligned what property owners pay in rates on freestanding homes with equivalent market values.
>
> Previously unit holders generally paid significantly less. For example, as my amendments to Mr Coe's motion note, under the old method someone with a half a million dollar unit in the city paid $400 a year less in rates than someone with a freestanding home worth the same amount in an outer suburb of Canberra; for example, in a suburb like Charnwood. The government does not consider that that is fair or equitable, which is why we brought forward the changes. There are many great advantages to owning an apartment in the inner city but paying far cheaper rates than a family in a freestanding home worth the same amount in Tuggeranong or Belconnen should not be one of them.
>
> The general rates and land tax calculations for multi-unit dwellings are now based on the total average unimproved value of the land rather than the AUV of the individual unit. For some property owners this change in methodology has resulted in a change in their rates liability and that is why the government has provided a rebate to assist with the transition. And it is important to note that, even after the methodology change, over 90 per cent of unit holders pay rates as if they were in the lowest two marginal rating categories. By way of comparison the average rates on units across the city is $1,352, compared with $2,295 on average for freestanding homes. That is a difference of more than $900 a year. (2017 Week 12 Hansard pp 4299-4301)

In correspondence with me the ACT Treasury stated:

> Under the previous methodology, the general rates and land tax charges for units were significantly less than houses with similar market values and rental returns. The change will establish greater equity in general rates liabilities between houses and units. (Correspondence via Access Canberra, provided in full at Attachment 2).

In a letter to me the Treasurer stated:

> The ACT Government's intention in introducing the new calculation methodology was to bring general rates for units closer to those for houses, which has been achieved. General rates are an important revenue base for the Territory and are used to provide both state government and municipal services.

> The Government is comfortable with its analysis and the conclusion general rates paid by units are typically lower than those paid by houses with similar market values. (Letter to me from the Treasurer dated 27 November 2017, provided in full at Attachment 3).

In the 2017-18 Budget Review, the Government stated:

> The intention of this change is to ensure that rates and land tax on units are better aligned with rates on freestanding homes with equivalent market values, as previously unit holders have paid much less in many cases. For example, under the previous methodology, someone with a $500,000 unit in the city paid about $400 a year less in rates that someone with an equivalent-value home in Charnwood. (2017-18 Budget Review, p 34)

Attachment 2

Rates

Update this question

Add additional information to your question

Attach additional documents to your question

Browse...

FileAttachments

- 20171005_-_Tables_for_response_to_Mr_Manns.pdf (/ci/fattach/get/173485/1507176519/filename/20171005_-_Tables_for_response_to_Mr_Manns.pdf) (179.25 KB)
- House and unit.xlsx (/ci/fattach/get/177032/1508812366/filename/House+and+unit.xlsx) (9.65 KB)
- 20171106_-_Tables_for_further_response_to_Mr_Manns.pdf (/ci/fattach/get/179186/1509920222/filename/20171106_-_Tables_for_further_response_to_Mr_Manns.pdf) (170.54 KB)

Do you want a response?

Yes, please respond to my question

SUBMIT

Communication History

Rule Response **06/11/2017 09.17 AM**

Please see below response in relation to your feedback submitted to the ACT Government.

Staff Account (Subject Matter Expert) via channel 'Email' **06/11/2017 09.17 AM**

Dear Mr Manns,

Thank you for your further correspondence. The answers to your questions are as follows:
1. By ‘market value’, we mean the value at which the property may be sold on the open market, not the unimproved value of the block or unit. By ‘general rates’ we mean the sum of the fixed component and variable component that make up a general rates bill. Page 258 of the 2016-17 Budget provides an example of a unit and house with the same market values, but significantly different general rates bills.

2. Rental returns refer to the amount of rent a property can charge. They provide another indication of the market value of a property.
3. There is no difference in the figures we have provided you. 42 per cent of units pay a similar general rates bill to houses in the first AUV band and a further 50 per cent have a similar general rates bill as houses in the second AUV band, totalling 92 per cent in the first two AUV bands (this was rounded down to 90 per cent in the most recent response).
4. The percentage of house blocks in each AUV band in 2017 is attached. Note 34 per cent of houses are in the first two AUV bands.
We are unable to provide further explanation beyond what has been provided.
Regards,
ACT Treasury
Download attachment here (https://www.accesscanberra.act.gov.au/cgi-bin/accesscanberra.cfg/php/custom/getattach.php?iid=7737485&fid=2&t=ZmJmNzYxMzMxODUyNWVmN2YyMWI4YzAxZWIyNzU0MWQ0N2U2OTcyOA%3D%3D)

Customer (Rod Manns) via channel 'CSS Web' **24/10/2017 01.32 PM**

Thanks for your response.

I am perplexed by the statement in the third paragraph.

First, I do not believe that it's correct to say that general rates (by which I assume you mean land valuation components) for units are typically lower than for houses of similar market values (by which I assume you mean unimproved values). I have attached a simple example: a house valued at $530,000 and a unit with the same value in a block of 10 having a block value of $5.3m. Clearly the land valuation component is higher for the unit. Could you please supply the data on which your statement was based.

Secondly, you referred to rental returns which are, of course, not relevant to rates. Could you please explain why you referred to rental returns.

In relation to your final paragraph, I am concerned that you have provided an argument that seems intended to justify the Government's position rather than simply refer to facts. You have also provided different figures than in your response of 5 October (which had 50%, not 90%, for units and the same 34% for houses).

Clearly, the reason that unit rates are typically lower than houses (even with the new typically high marginal rate for units) is that unit land values are typically much lower than houses.

In your response of 5 October you confirmed that the following figures in the Canberra Times referred to unit unimproved values: 'Despite the change in rates for unit owners, some 32,783 units - or 72 per cent of all apartments in Canberra - remain in the lowest marginal rating category, below the $150,000 threshold. Government figures show a further 11,032 units fall into the $150,001 to $300,000 bracket; 1433 fall into the $300,001 to $450,000 bracket; 485 are in the $450,001 to $600,000 bracket and 533 units are in the top, $600,001 and above ratings category'. Assuming these are in fact correct, the vast majority of units have a value below $150,000. Could you please provide figures for the number (or percentage) of house blocks that have values in each of the categories.

Rule Response **13/10/2017 01.50 PM**

Please see below response in relation to your feedback submitted to the ACT Government.

Staff Account (Subject Matter Expert) via channel 'Email' **13/10/2017 01.50 PM**

Dear Mr Manns,

Thank you for your further correspondence on the change in calculation methodology for general rates for units.

As you are aware, under the new calculation methodology marginal rating factors are applied to the AUV of the block of units, rather than the AUV of the unit. Table 1, which was provided to you in the previous response, showed that around 95 per cent of units are in blocks in the top marginal bracket. Thus the calculation of general rates for 95 per cent of units is based on the top marginal rate.

However the units only pay a portion of the total AUV based charge, and the actual general rates paid by units are typically lower than for houses with similar market values and rental returns.

90 per cent of units pay general rates amounts between $765 and $1,822 (ie the range of general rates for standalone properties in the first two AUV bands), whilst only 34 per cent of houses pay general rates in this range.

Regards,

ACT Treasury

Customer (Rod Manns) via channel 'CSS Web' **05/10/2017 04.31 PM**

Thanks for the response, but it still doesn't answer directly my clear question about the marginal rates bands applying to units.

The Canberra Times article to which I referred confused the AUV of units with the marginal rates now applying to them: "Despite the change in rates for unit owners, some 32,783 units - or 72 per cent of all apartments in Canberra - remain in the lowest marginal rating category, below the $150,000 threshold. Government figures show a further 11,032 units fall into the $150,001 to $300,000 bracket; 1433 fall into the $300,001 to $450,000 bracket; 485 are in the $450,001 to $600,000 bracket and 533 units are in the top, $600,001 and above ratings category."

Clearly the article used figures for AUVs not rates marginal rates bands and was incorrect in stating that '72 per cent of all apartments...remain in the lowest marginal rating category'.

Your response seems to make the same mistake. Your statement that: 'In other words over 90 per cent of units pay rates equivalent to the two lowest AUV. By comparison, only around 34 per cent of houses pay rates within the two lowest AUV thresholds' is at best misleading. Units don't pay at a marginal rate according to the unit AUV but houses do.

As you noted in your first response, under the new system, a unit pays at the marginal rate for the AUV of the whole block. Rates are calculated on the AUV of the whole block and this amount is divided by unit shares. Previously, the AUV of the block was divided by unit shares and a unit paid at the marginal rate for the AUV of the unit (it's share of the whole block).

For my unit, I previously paid at the lowest marginal rate because my share of the total block AUV of $7.9 m resulted in a unit AUV of around $141,000. Now I pay at the highest marginal rate because the whole block has almost all of its value in the highest marginal band. Under both systems, my share of the block in percentage terms was relevant. Under the old system it was used to derive an AUV for the unit, under the new system it is used to divide up the rates on the whole block's AUV and the AUV of my unit as such is no longer relevant.

I believe that I can derive an answer to my question from the figures that you have provided. It would appear that: under the old system, around 92% of units paid at the lowest 2 marginal rates and around 1% paid at the highest marginal rate (based on unit AUVs); and under the new system, 0.7% are paying at the lowest 2 marginal rates and 94.9% are paying at the highest marginal rate (based on block AUVs that drive each unit's marginal rate).

Please confirm.

Rule Response **05/10/2017 03.08 PM**

Please see below response in relation to your feedback submitted to the ACT Government.

Staff Account (Subject Matter Expert) via channel 'Email' **05/10/2017 03.08 PM**

Dear Mr Manns

Thank you for your enquiry on 6 September 2017 about general rates for units. I apologies for the delay in responding to you.

The information you noted published by the Canberra Times refers to the AUV of the individual units and does not provide information on the amount of rates that any individual unit holder will pay. As is clear from the tables in the attached pdf, a majority of units were on blocks with AUVs in the top marginal ratings threshold both before and after the change in ratings methodology.

Furthermore, falling into the higher AUV category does not necessarily mean a higher general rates bill in the same way that it does for a standalone property. This is because a unit only pays a proportion of the rates bill that applies to a block.

In 2017-18, about 42 per cent of units pay rates amounts that are in line with the lowest rating AUV threshold and around 50 per cent pay in line with the second lowest AUV threshold. In other words over 90 per cent of units pay rates equivalent to the two lowest AUV thresholds. By comparison, only around 34 per cent of houses pay rates within the two lowest AUV thresholds.

Regards,
ACT Treasury
Download attachment here (https://www.accesscanberra.act.gov.au/cgi-bin/accesscanberra.cfg/php/custom/getattach.php?iid=7737485&fid=0&t=YjhhNmI4NzEwY2FiMzM2ZDczMDUyNTEwMDMwOGJlYzVmN2E3ZjA3MQ%3D%3D)

Customer (Rod Manns) via channel 'CSS Web' **16/09/2017 12.16 PM**

Thanks for the response. However, it didn't answer my question and appears to be a 'standard reply'.
I'm well aware of the new rating system for units. My question was about the effect of the system and the apparently incorrect information reported by the Canberra Times, which gave a misleading impression of the number of units that are now subject to high rates of marginal tax. I have since confirmed with the journalist that he was either given misleading information or misinterpreted the information he was given by the ACT Government.
So there isn't any further confusion, I'll make more question more specific.
Please tell me for each of 2016-17 and 2017-18 how many units were subject to a top marginal rate in each of the 5 marginal rates bands. Please note that I am not asking about the number of units with land values (as a share of total blocks) in each of the bands but about how many units are subject to the rate of tax in each band.

Rule Response **16/09/2017 11.40 AM**

Please see below response in relation to your feedback submitted to the ACT Government.

Staff Account (Subject Matter Expert) via channel 'Email' **16/09/2017 11.40 AM**

Thank you for your correspondence.
The adjustment in rates and land tax in recent years is part of a significant program of reforms to make our taxation system fairer, simpler and more efficient.
As part of the tax reforms announced in 2012, the government is abolishing inefficient taxes over a 20 year period. During this period, general rates will increase incrementally to make up for cuts to inefficient taxes such as conveyance duty (also known as stamp duty) and insurance duty. These reforms will result in a stronger, more diverse, and equitable local economy.

We are also progressively reducing conveyance duty to create a tax system that will provide a more stable revenue base. As conveyance duty is only paid by households who purchase a property, it is not a fair way to fund services that benefit the entire community. Unlike other States and Territories, rates in the Territory directly fund vital community services like health, education, housing, roads, public transport, police and emergency services.
The tax reform program will secure a sustainable and stable revenue base for the Territory into the future. The 20 year timeframe has been set to minimise the annual increase in rates and we will continue to make further tax cuts over the coming years.
In the 2016-17 Budget, the government also announced a change in the general rates and land tax calculations for multi-unit dwellings. The calculations are now based on the total value of the land rather than the individual land value of the unit. The change took effect on 1 July 2017.
Under the previous methodology, the general rates and land tax charges for units were significantly less than houses with similar market values and rental returns. The change will establish greater equity in general rates liabilities between houses and units.
The change in calculation method for general rates is being phased in over two years from 2017-18, by applying a rebate of $100 to units in 2017-18 which will be removed in 2018-19.
Despite this change, general rates remain about 40 per cent lower on average for units than houses.
You can find further information on your rights to object to an assessment or decision at https://www.revenue.act.gov.au/rights-and-obligations/objecting-to-a-decision .
As your property is a unit in a complex, you are unable to object to the valuation of the whole unit complex. The owners' corporation can lodge an objection to the valuation on behalf of all the unit owners. An objection to the latest unimproved land valuation should be directed to the Commissioner for ACT Revenue via https://www.revenue.act.gov.au/contact-us or post
ACT Revenue Office
PO Box 293
CIVIC SQUARE ACT 2608.
Please be aware there is a strict 60 day time limit under the law to lodge a valuation objection, which begins on the date you receive your valuation notice.
Kind regards

Rule Response **06/09/2017 08.28 AM**

Thank you for your correspondence which has been received and referred to the relevant ACT Government business unit.

If you have requested a response you should expect to be contacted within 10 working days.

Your reference number is: #170906-000130

Customer (Rod Manns) via channel 'CSS Web' **06/09/2017 08.28 AM**

In this morning's Canberra Times article 'ACT unit owners face 31 per cent rate hike over two years, on top of existing annual seven per cent rises', the following 'government figures' concerning the rating categories of Canberra unit properties were quoted: 'Despite the change in rates for unit owners, some 32,783 units - or 72 per cent of all apartments in Canberra - remain in the lowest marginal rating category, below the $150,000 threshold. Government figures show a further 11,032 units fall into the $150,001 to $300,000 bracket; 1433 fall into the $300,001 to $450,000 bracket; 485 are in the $450,001 to $600,000 bracket and 533 units are in the top, $600,001 and above ratings category.'

At face value these figures don't seem correct for the 2017-18 financial year. In particular, the small number of units in the highest rating category is surprisingly small. I own a unit in a block of 80 units, all of which were previously in the lowest rating category and all of which are now in the highest rating category. It seems implausible that there are only 6 or 7 similarly sized blocks in the highest rating category across Canberra (

Could you please confirm the quoted figures or provide any corrections.

Additional Details

Email Address	[redacted]
Reference number	170906-000130
Status	Resolved
Date created	06/09/2017 08.28 AM
Last updated	06/11/2017 09.17 AM
Category	• Government • Duties, Rates & Taxes

FileAttachments

- 20171005_-_Tables_for_response_to_Mr_Manns.pdf (/ci/fattach/get/173485/1507176519/filename/20171005_-_Tables_for_response_to_Mr_Manns.pdf) (179.25 KB)
- House and unit.xlsx (/ci/fattach/get/177032/1508812366/filename/House+and+unit.xlsx) (9.65 KB)
- 20171106_-_Tables_for_further_response_to_Mr_Manns.pdf (/ci/fattach/get/179186/1509920222/filename/20171106_-_Tables_for_further_response_to_Mr_Manns.pdf) (170.54 KB)

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Page last updated on 24 July 2017

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Attachment 2.1

			Rates in each marginal rates tier					
			M1	M2	M3	M4	M5	Total
House valued at	$	530,000	444.00	613.20	769.50	448.24	-	2,274.94
Unit block valued at	$	5,300,000	444.00	613.20	769.50	840.45	28,261.10	30,928.25
Unit in block of 10 valued at $5.3m	$	530,000	44.40	61.32	76.95	84.05	2,826.11	3,092.83
Unit entitlement		10.00%						

Attachment 2.2 - Tables attached to correspondence from Treasury

Table 1 Portion of units by block AUV, 2016-17 and 2017-18

AUV threshold	No. units by block AUV	
	2016-17	2017-18
$1 - $150,000	0.0%	0.0%
$150,001 - $300,000	0.8%	0.7%
$300,001 - $450,000	2.5%	2.5%
$450,001 - $600,000	2.0%	1.9%
$600,001 - and above	94.7%	94.9%

Note: Numbers do not add to 100% due to rounding.

Table 2 Portion of units paying rates at equivalent AUV thresholds, 2017-18

AUV equivalent thresholds	Per cent of units
$1 - $150,000	42%
$150,001 - $300,000	50%
$300,001 - $450,000	6%
$450,001 - $600,000	2%
$600,001 - and above	1%

Attachment 2.3 - Tables attached to further correspondence from Treasury

Percentage of ACT Houses by Average Unimproved Value thresholds (2017-18)

2017 AUV	Houses
1 - 150,000	1%
150,001 - 300,000	33%
300,001 - 450,000	43%
450,001 - 600,000	14%
600,001 and above	10%

Attachment 3

Andrew Barr MLA
Chief Minister

Member for Kurrajong

Treasurer
Minister for Economic Development
Minister for Tourism and Major Events

Mr Rod Manns
[redacted]
BELCONNEN ACT 2617
[redacted]

Dear Mr Manns

Thank you for your letter of 6 November about the change in methodology for calculating general rates for residential units.

The ACT Government's intention in introducing the new calculation methodology was to bring general rates for units closer to those for houses, which has been achieved. General rates are an important revenue base for the Territory and are used to provide both state government and municipal services.

The government is comfortable with its analysis and the conclusion general rates paid by units are typically lower than those paid by houses with similar market values. The information already provided to you demonstrates the 2017-18 general rates bills for more than 92 per cent of units will be lower than the bills for 67 per cent of houses.

General rates for both units and houses are still based on average unimproved values. It is incorrect to say the new calculation methodology takes into account assets owned by someone else; the asset under consideration belongs to the rate payer.

Although most units are subject to the higher threshold, they only pay a portion of the total amount calculated. As I'm sure you are aware, the nexus between property size and property value is different for rates than units.

I note there has been ongoing correspondence on this matter between you and both my office and ACT Treasury. I hope this letter will help you understand the government took this decision based on all relevant information and has adjusted the system to provide a more equitable approach to funding government services to all Canberrans.

Yours sincerely

Andrew Barr

Andrew Barr MLA
Treasurer
27 NOV 2017

AUSTRALIAN CAPITAL TERRITORY LEGISLATIVE ASSEMBLY
London Circuit, Canberra ACT 2601, Australia GPO Box 1020, Canberra ACT 2601, Australia
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@ABarrMLA AndrewBarrMLA andrewbarr

Attachment 4

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Request for information held by Chief Minister, Treasury and Economic Development Directorate

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Do you want a response?

Yes, please respond to my question

SUBMIT

Communication History

Customer (Rod Manns) via channel 'CSS Web'	**08/02/2018 12.42 PM**

Thanks for the reply, but it raises more questions than it answers.

Information on property sale values (ie improved market values) and unimproved land values (which can be used to calculate rates) is already in the public domain (eg, both are freely available on the Allhomes website; unimproved values for all properties are also available for public inspection at Access Canberra shopfronts). So, please tell me what personal information would be disclosed, raising privacy concerns, by providing the data/analysis that you have stated ACT Treasury undertook.

You have stated that Treasury analysed stamp duty and rates data for all houses and units. Stamp duty data would only be available for the latest sale of a property. This could be decades ago in many cases. Overall one would expect that unit sales would on average be more recent than house sales, given the pattern of development in Canberra. Please explain how the methodology used by Treasury included all houses and units while taking account of the time difference between the latest available stamp duty data and rates data for each individual property.

In addition to answers to these specific questions, I would be grateful for any other information you can provide about the methodology used in the Treasury analysis.

Rule Response **07/02/2018 05.49 PM**

Please see below response in relation to your feedback submitted to the ACT Government.

Staff Account (Subject Matter Expert) via channel 'Email' **07/02/2018 05.49 PM**

Treasury analysed ACT stamp duty and general rates data for all houses and units in the analysis you referred to. The analysis showed that in the majority of cases general rates paid by units were lower than those paid by houses with similar market values. Data relating to tax payer information cannot be shared to protect tax payer privacy.

Customer (Rod Manns) via channel 'CSS Web' **08/01/2018 11.26 AM**

Please advise when I can expect to receive a response. It's been quite a few weeks now (even taking account of the holiday shut-down).

Rule Response **28/11/2017 12.25 PM**

Thank you for your correspondence which has been received and referred to the relevant ACT Government business unit.

If you have requested a response you should expect to be contacted within 10 working days.

Your reference number is: #171128-001237

Customer (Rod Manns) via channel 'CSS Web' **28/11/2017 12.25 PM**

I have received a letter from the Treasurer dated 27 November 2017 that states: 'The government is comfortable with its analysis and the conclusion general rates paid by units are typically lower than those paid by houses with similar market values'. The Treasurer has used the word 'typically', suggesting that analysis has been done on data for all, or at least a representative sample, of properties.

Before I consider lodging a formal FoI request, could you please provide me with any data or documents containing data or analysis held by the Directorate that demonstrate that 'general rates paid by units are typically lower than those paid by houses with similar market values'.

Additional Details

Email Address	[redacted]
Reference number	171128-001237
Status	Forwarded to SME
Date created	28/11/2017 12.25 PM
Last updated	08/02/2018 12.57 PM
Category	• Government • Duties, Rates & Taxes

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(http://www.act.gov.au/)

Attachment 5 - Provided by ..... , Director and Economic Policy in the Office of the Chief Minister in an email to me on 13 November 2017.

Table 1: Changes in average residential rates by district and property type

	Houses				Units			
District	**Av. Rates 2016-17**	**Av. Rates 2017-18**	**Change $**	**Change %**	**Av. Rates 2016-17**	**Av. Rates 2017-18**	**Change $**	**Change %**
ACT	**$2,136**	**$2,295**	**$159**	**7%**	**$1,135**	**$1,352**	**$217**	**19%**
Belconnen	$1,883	$2,006	$123	7%	$1,091	$1,284	$193	18%
Gungahlin	$1,645	$1,756	$111	7%	$1,040	$1,177	$137	13%
North Canberra	$2,997	$3,316	$319	11%	$1,093	$1,286	$193	18%
South Canberra	$4,255	$4,669	$414	10%	$1,302	$1,617	$315	24%
Tuggeranong	$1,785	$1,897	$112	6%	$1,128	$1,353	$225	20%
Weston Creek	$2,136	$2,265	$129	6%	$1,180	$1,433	$253	21%
Woden	$2,718	$2,921	$203	8%	$1,220	$1,505	$285	23%

Source: ACT Government, Chief Minister's, Treasury and Economic Development Directorate.
Notes:

1) The methodology for the calculation of the change in average rates between years has been updated and now relies on a single, and most up to date, dataset. Average rates for the previous year have been revised to account for new properties added between 2016 and 2017. The revised methodology is a more accurate description of actual rates liabilities in both years.

2) As outlined in the 2016-17 budget, average rates for units will rise by more than houses for the next two years because of a change to the rates calculation methodology that recently passed the Legislative Assembly. This is intended to bring rates for units more into line with rates on freestanding homes with similar market values and rental returns. From 2019-20 onwards, it is intended that rates for units will rise in line with rates for houses.

Table 2: Changes in average rates by suburb and property type

	Houses	2016-17	2017-18	Change $	Change %	Units	2016-17	2017-18	Change $	Change %
ACT	**ACT**	**$2,136**	**$2,295**	**$159**	**7%**	**ACT**	**$1,135**	**$1,352**	**$217**	**19%**
INNER NORTH	**INNER NORTH**	**$2,997**	**$3,316**	**$319**	**11%**	**INNER NORTH**	**$1,093**	**$1,286**	**$193**	**18%**
AINSLIE	AINSLIE	$3,215	$3,523	$308	10%	AINSLIE	$1,910	$2,321	$411	22%
BRADDON	BRADDON	$3,480	$3,887	$407	12%	BRADDON	$1,056	$1,242	$186	18%
CAMPBELL	CAMPBELL	$3,651	$4,126	$475	13%	CAMPBELL	$1,235	$1,540	$305	25%
CITY	CITY					CITY	$922	$1,006	$84	9%
DICKSON	DICKSON	$2,637	$2,986	$349	13%	DICKSON	$1,131	$1,349	$218	19%
DOWNER	DOWNER	$2,606	$2,830	$224	9%	DOWNER	$1,288	$1,540	$252	20%
HACKETT	HACKETT	$2,722	$3,041	$319	12%	HACKETT	$1,200	$1,501	$301	25%
LYNEHAM	LYNEHAM	$2,421	$2,695	$274	11%	LYNEHAM	$1,029	$1,206	$177	17%
O'CONNOR	O'CONNOR	$3,328	$3,644	$316	10%	O'CONNOR	$1,328	$1,615	$287	22%
REID	REID	$4,469	$4,949	$480	11%	REID	$1,182	$1,447	$265	22%
TURNER	TURNER	$4,491	$5,056	$565	13%	TURNER	$1,138	$1,373	$235	21%
WATSON	WATSON	$2,299	$2,522	$223	10%	WATSON	$1,021	$1,158	$137	13%
INNER SOUTH	**INNER SOUTH**	**$4,255**	**$4,669**	**$414**	**10%**	**INNER SOUTH**	**$1,302**	**$1,617**	**$315**	**24%**
BARTON	BARTON	$5,375	$6,002	$627	12%	BARTON	$1,193	$1,508	$315	26%
DEAKIN	DEAKIN	$4,263	$4,659	$396	9%	DEAKIN	$1,390	$1,674	$284	20%
FORREST	FORREST	$8,737	$9,411	$674	8%	FORREST	$1,731	$2,139	$408	24%
GRIFFITH	GRIFFITH	$4,656	$5,091	$435	9%	GRIFFITH	$1,176	$1,446	$270	23%
KINGSTON	KINGSTON	$3,151	$3,520	$369	12%	KINGSTON	$1,155	$1,439	$284	25%
NARRABUNDAH	NARRABUNDAH	$2,959	$3,226	$267	9%	NARRABUNDAH	$1,193	$1,468	$275	23%
PIALLIGO	PIALLIGO	$5,477	$5,717	$240	4%	PIALLIGO				
RED HILL	RED HILL	$4,666	$5,141	$475	10%	RED HILL	$2,082	$2,549	$467	22%
YARRALUMLA	YARRALUMLA	$4,682	$5,236	$554	12%	YARRALUMLA	$2,277	$2,875	$598	26%
WODEN DISTRICT	**WODEN DISTRICT**	**$2,718**	**$2,921**	**$203**	**8%**	**WODEN DISTRICT**	**$1,220**	**$1,505**	**$285**	**23%**
CHIFLEY	CHIFLEY	$2,473	$2,668	$195	8%	CHIFLEY	$1,265	$1,564	$299	24%
CURTIN	CURTIN	$2,770	$3,017	$247	9%	CURTIN	$1,228	$1,488	$260	21%
FARRER	FARRER	$2,623	$2,843	$220	8%	FARRER	$1,301	$1,596	$295	23%
GARRAN	GARRAN	$3,382	$3,572	$190	6%	GARRAN	$1,189	$1,392	$203	17%
HUGHES	HUGHES	$2,885	$3,121	$236	8%	HUGHES	$1,267	$1,524	$257	20%
ISAACS	ISAACS	$2,459	$2,591	$132	5%	ISAACS	$1,510	$1,959	$449	30%
LYONS	LYONS	$2,463	$2,643	$180	7%	LYONS	$1,105	$1,308	$203	18%
MAWSON	MAWSON	$2,552	$2,746	$194	8%	MAWSON	$1,262	$1,652	$390	31%
O'MALLEY	O'MALLEY	$4,132	$4,428	$296	7%	O'MALLEY	$2,141	$2,844	$703	33%
PEARCE	PEARCE	$2,630	$2,798	$168	6%	PEARCE	$1,227	$1,546	$319	26%
PHILLIP	PHILLIP	$1,678	$1,789	$111	7%	PHILLIP	$1,089	$1,305	$216	20%
TORRENS	TORRENS	$2,408	$2,584	$176	7%	TORRENS	$1,300	$1,599	$299	23%
WESTON DISTRICT	**WESTON DISTRICT**	**$2,136**	**$2,265**	**$129**	**6%**	**WESTON DISTRICT**	**$1,180**	**$1,433**	**$253**	**21%**
CHAPMAN	CHAPMAN	$2,637	$2,848	$211	8%	CHAPMAN	$1,247	$1,365	$118	10%
DUFFY	DUFFY	$2,133	$2,250	$117	6%	DUFFY	$1,191	$1,442	$251	21%
FISHER	FISHER	$2,128	$2,242	$114	5%	FISHER	$1,112	$1,249	$137	12%
HOLDER	HOLDER	$2,070	$2,199	$129	6%	HOLDER	$1,186	$1,492	$306	26%
RIVETT	RIVETT	$1,951	$2,065	$114	6%	RIVETT	$1,222	$1,505	$283	23%
STIRLING	STIRLING	$2,062	$2,167	$105	5%	STIRLING	$1,155	$1,446	$291	25%
WARAMANGA	WARAMANGA	$2,050	$2,170	$120	6%	WARAMANGA	$1,239	$1,482	$243	20%
WESTON	WESTON	$2,088	$2,212	$124	6%	WESTON	$1,172	$1,471	$299	26%
BELCONNEN DISTRICT	**BELCONNEN DISTRICT**	**$1,883**	**$2,006**	**$123**	**7%**	**BELCONNEN DISTRICT**	**$1,091**	**$1,284**	**$193**	**18%**
ARANDA	ARANDA	$2,874	$3,127	$253	9%	ARANDA	$1,471	$1,777	$306	21%
BELCONNEN	BELCONNEN	$1,727	$1,787	$60	4%	BELCONNEN	$971	$1,083	$112	12%
BRUCE	BRUCE	$2,428	$2,626	$198	8%	BRUCE	$1,084	$1,273	$189	17%
CHARNWOOD	CHARNWOOD	$1,541	$1,622	$81	5%	CHARNWOOD	$1,062	$1,258	$196	19%
COOK	COOK	$2,423	$2,625	$202	8%	COOK	$1,270	$1,646	$376	30%
DUNLOP	DUNLOP	$1,540	$1,615	$75	5%	DUNLOP	$1,105	$1,272	$167	15%
EVATT	EVATT	$1,752	$1,867	$115	7%	EVATT	$1,113	$1,266	$153	14%
FLOREY	FLOREY	$1,865	$1,972	$107	6%	FLOREY	$1,192	$1,495	$303	25%
FLYNN	FLYNN	$1,759	$1,873	$114	7%	FLYNN	$1,224	$1,390	$166	14%
FRASER	FRASER	$1,793	$1,899	$106	6%	FRASER	$1,186	$1,418	$232	20%
GIRALANG	GIRALANG	$1,858	$2,007	$149	8%	GIRALANG	$1,226	$1,527	$301	25%
HAWKER	HAWKER	$2,620	$2,819	$199	8%	HAWKER	$1,238	$1,565	$327	26%
HIGGINS	HIGGINS	$1,845	$1,938	$93	5%	HIGGINS	$1,255	$1,496	$241	19%
HOLT	HOLT	$1,626	$1,703	$77	5%	HOLT	$1,032	$1,204	$172	17%
KALEEN	KALEEN	$2,004	$2,156	$152	8%	KALEEN	$1,193	$1,376	$183	15%
LATHAM	LATHAM	$1,703	$1,797	$94	6%	LATHAM	$1,157	$1,357	$200	17%
MACGREGOR	MACGREGOR	$1,519	$1,609	$90	6%	MACGREGOR	$1,093	$1,321	$228	21%
MACQUARIE	MACQUARIE	$2,239	$2,402	$163	7%	MACQUARIE	$1,149	$1,324	$175	15%
MCKELLAR	MCKELLAR	$1,902	$2,021	$119	6%	MCKELLAR	$1,253	$1,592	$339	27%
MELBA	MELBA	$1,888	$2,025	$137	7%	MELBA	$1,197	$1,456	$259	22%
PAGE	PAGE	$1,980	$2,120	$140	7%	PAGE	$1,196	$1,470	$274	23%
SCULLIN	SCULLIN	$1,822	$1,911	$89	5%	SCULLIN	$1,160	$1,424	$264	23%
SPENCE	SPENCE	$1,738	$1,824	$86	5%	SPENCE	$1,219	$1,394	$175	14%
WEETANGERA	WEETANGERA	$2,678	$2,914	$236	9%	WEETANGERA	$1,428	$1,720	$292	20%
TUGGERANONG DISTRICT	**TUGGERANONG DISTRICT**	**$1,785**	**$1,897**	**$112**	**6%**	**TUGGERANONG DISTRICT**	**$1,128**	**$1,353**	**$225**	**20%**
BANKS	BANKS	$1,653	$1,721	$68	4%	BANKS	$1,230	$1,453	$223	18%
BONYTHON	BONYTHON	$1,750	$1,854	$104	6%	BONYTHON	$1,135	$1,388	$253	22%
CALWELL	CALWELL	$1,802	$1,906	$104	6%	CALWELL	$1,078	$1,293	$215	20%
CHISHOLM	CHISHOLM	$1,779	$1,881	$102	6%	CHISHOLM	$1,186	$1,492	$306	26%

	Houses	2016-17	2017-18	Change $	Change %	Units	2016-17	2017-18	Change $	Change %
CONDER	CONDER	$1,685	$1,790	$105	6%	CONDER	$1,131	$1,300	$169	15%
FADDEN	FADDEN	$2,017	$2,171	$154	8%	FADDEN	$1,381	$1,800	$419	30%
GILMORE	GILMORE	$1,787	$1,905	$118	7%	GILMORE	$1,211	$1,393	$182	15%
GORDON	GORDON	$1,691	$1,806	$115	7%	GORDON	$1,081	$1,241	$160	15%
GOWRIE	GOWRIE	$1,736	$1,864	$128	7%	GOWRIE	$1,257	$1,570	$313	25%
GREENWAY	GREENWAY	$1,640	$1,789	$149	9%	GREENWAY	$1,093	$1,290	$197	18%
ISABELLA PLAINS	ISABELLA PLAINS	$1,686	$1,793	$107	6%	ISABELLA PLAINS	$1,092	$1,329	$237	22%
KAMBAH	KAMBAH	$1,831	$1,970	$139	8%	KAMBAH	$1,153	$1,429	$276	24%
MACARTHUR	MACARTHUR	$1,905	$2,052	$147	8%	MACARTHUR	$1,192	$1,414	$222	19%
MONASH	MONASH	$1,863	$1,991	$128	7%	MONASH	$1,121	$1,360	$239	21%
OXLEY	OXLEY	$1,878	$2,012	$134	7%	OXLEY	$1,169	$1,514	$345	30%
RICHARDSON	RICHARDSON	$1,663	$1,775	$112	7%	RICHARDSON	$1,110	$1,244	$134	12%
THARWA	THARWA	$1,572	$1,668	$96	6%	THARWA				
THEODORE	THEODORE	$1,677	$1,777	$100	6%	THEODORE	$1,091	$1,341	$250	23%
WANNIASSA	WANNIASSA	$1,894	$1,959	$65	3%	WANNIASSA	$1,195	$1,437	$242	20%
GUNGAHLIN - HALL DISTRICT	**GUNGAHLIN - HALL DISTRICT**	**$1,645**	**$1,756**	**$111**	**7%**	**GUNGAHLIN - HALL DISTRICT**	**$1,040**	**$1,177**	**$137**	**13%**
AMAROO	AMAROO	$1,690	$1,792	$102	6%	AMAROO	$1,240	$1,517	$277	22%
BONNER	BONNER	$1,422	$1,535	$113	8%	BONNER	$1,027	$1,186	$159	16%
CASEY	CASEY	$1,528	$1,637	$109	7%	CASEY	$1,009	$1,102	$93	9%
CRACE	CRACE	$1,627	$1,744	$117	7%	CRACE	$911	$953	$42	5%
FORDE	FORDE	$1,707	$1,863	$156	9%	FORDE	$1,088	$1,242	$154	14%
FRANKLIN	FRANKLIN	$1,685	$1,796	$111	7%	FRANKLIN	$883	$906	$23	3%
GUNGAHLIN	GUNGAHLIN	$1,663	$1,756	$93	6%	GUNGAHLIN	$1,023	$1,116	$93	9%
HALL	HALL	$3,271	$3,458	$187	6%	HALL	$1,019	$1,127	$108	11%
HARRISON	HARRISON	$1,660	$1,761	$101	6%	HARRISON	$914	$939	$25	3%
JACKA	JACKA	$1,464	$1,562	$98	7%	JACKA	$964	$1,065	$101	11%
NGUNNAWAL	NGUNNAWAL	$1,547	$1,622	$75	5%	NGUNNAWAL	$1,083	$1,262	$179	17%
NICHOLLS	NICHOLLS	$1,948	$2,133	$185	10%	NICHOLLS	$1,259	$1,605	$346	28%
PALMERSTON	PALMERSTON	$1,693	$1,788	$95	6%	PALMERSTON	$1,284	$1,632	$348	27%

Source: ACT Government, Chief Minister's, Treasury and Economic Development Directorate.

Note: The methodology for the calculation of the change in average rates between years has been updated and now relies on a single, and most up to date, dataset. Average rates for the previous year have been revised to account for new properties added between 2016 and 2017. The revised methodology is a more accurate description of actual rates liabilities in both years.

Government | ABN: 45 096 207 205 www.revenue.act.gov.au

RATES ASSESSMENT NOTICE FOR THE YEAR 1/7/2016 TO 30/6/2017

Taxation Administration Act 1999 and Rates Act 2004

Suburb	Section	Block	Unit	Account Number
[redacted]				[redacted]

Property Address: [redacted]

Notice Date:
15 July 2016

[redacted]

Charges based on Average Unimproved Value ($141,964 x rating factor). See overleaf for rating factors.

Opening Balance (excludes payments received after 30 June 2016)	$0.00
Valuation Based Charge	$389.83
Fixed Charge	$765.00
Fire and Emergency Services Levy	$252.00
Sub Total	**$1,406.83**
Safer Families Levy (discount does not apply)	$30.00
Total	**$1,436.83**

GST - Exempt under Division 81 of the GST Legislation

PREFERRED PAYMENT METHOD
Electronic Funds Transfer
BSB: 037 844 **Account No:** 4[redacted]

PAYMENT OPTIONS

Option 1: Payment in full with 2% discount (-$28.14) due 15 August 2016: **$1,408.69**

Option 2: Payment by Instalments (no discount) due:

Instalment 1	Instalment 2	Instalment 3	Instalment 4
15 August 2016	15 November 2016	15 February 2017	15 May 2017
$359.83	**$359.00**	**$359.00**	**$359.00**

Please note: Interest (currently 10.01% p.a.) is charged and compounds monthly on any amounts that remain unpaid on the 16th day of each month.

** DIRECT DEBIT **
Did you know that you could pay your rates weekly, fortnightly or monthly by using our convenient Direct Debit option?

BPAY **Biller Code:** 24398
Reference No: 4[redacted]

POST billpay [redacted]

RATES CALCULATION 2016-17

The amount of rates payable in 2016-17 has two components, a fixed charge and a valuation charge based on the average unimproved value (AUV) of your property (2014, 2015 and 2016).
The marginal tax rates are as follows:

Residential AUV		Commercial AUV		Rural AUV	
$1 - $150,000	0.2746%	$1 - $150,000	2.8000%	AUV x	0.1468%
$150,001 - $300,000	0.3900%	$150,001 - $275,000	3.3000%	Fixed charge $150.00	
$300,001 - $450,000	0.4800%	$275,001 - $600,000	4.6600%		
$450,001 - $600,000	0.5400%	$600,001 - and above	4.7700%		
$600,001 - and above	0.5750%	Fixed charge $2,235.00			
Fixed charge $765.00					

Levies:
Safer Families Levy applies to all residential and rural properties. (Please note that the 2% discount provided under Option 1- Payments in full does not apply to this levy).
The Fire and Emergency Services Levy applies to all rateable properties.

OBJECTION RIGHTS: If you are dissatisfied with an assessment of rates, you may, within 60 days from the date of the notice, lodge with the Commissioner for ACT Revenue a written objection to the assessment. Please refer to the following website for details:
www.revenue.act.gov.au/duties-and-taxes/rates/rates-objections

For more information regarding rates, including all available assistance, please refer to the ACT Revenue Office website at www.revenue.act.gov.au/duties-and-taxes/rates

Land Tax: You must notify the ACT Revenue Office of any residential property that is rented, or owned by a trustee. Penalties apply for failure to notify of land tax liability.

Contact ACT Revenue Office

Telephone	6207 0028 (Mon-Fri 9am-5pm) (Wed 10:30am-5pm)
E-mail	ppd@act.gov.au
Correspondence	PO Box 252 CIVIC SQUARE ACT 2608

PAYMENT METHODS

EFT **ELECTRONIC FUNDS TRANSFER**
Please see front of notice for EFT details and use your financial institutions online banking service to make a payment.

DIRECT DEBIT
Form available at www.revenue.act.gov.au or ACT Revenue Office.

BPAY
Please see front of notice for BPAY details.

AUSTRALIA POST
In person by cash, cheque, EFTPOS and Credit Cards (Visa and Mastercard only).

INTERNET
www.act.gov.au/accessCBR Credit Cards (Visa and Mastercard only).

ACT Government
ACT Revenue Office
ABN: 45 096 207 205

PO Box 293, Civic Square ACT 2608
www.revenue.act.gov.au

RATES ASSESSMENT NOTICE FOR THE YEAR 1/7/2017 TO 30/6/2018

Taxation Administration Act 1999 and Rates Act 2004

Suburb	Section	Block	Unit	Account Number
Belconnen	[redacted]			[redacted]

Property Address: [redacted]

Notice Date:
17 July 2017

[redacted]

Charges for your unit title property in 2017-18 have been calculated on the Average Unimproved Value of the residential portion of the total unit complex ($7,931,000.00), and your residential unit entitlement based on the total residential portion of your unit complex (1.790000%). See overleaf for further information.

Opening Balance (excludes payments received after 6 July 2017)	$0.00
Valuation Based Charge	$836.80
Fixed Charge	$765.00
Fire and Emergency Services Levy	$294.00
Sub Total	**$1,895.80**
Less 1 per cent Discount	-$18.96
Safer Families Levy (discount does not apply)	$30.00
Less one-off rebate for all residential unit properties	-$100.00
Total to pay by 15 August 2017 to receive discount:	**$1,806.84**

Payment by Instalments $1,825.80 (no discount):

Instalment 1	Instalment 2	Instalment 3	Instalment 4
15 August 2017	15 November 2017	15 February 2018	15 May 2018
$457.80	**$456.00**	**$456.00**	**$456.00**

Please note: Interest (currently 9.73% p.a.) is charged and compounds monthly on any amounts that remain unpaid on the 16th day of each month.

GST - Exempt under Division 81 of the GST Legislation

** DIRECT DEBIT **
Did you know that you could pay your rates weekly, fortnightly or monthly by using our convenient Direct Debit option?

PREFERRED PAYMENT METHOD
Electronic Funds Transfer
BSB: 037 844 **Account No:** [redacted]

BPAY **Biller Code:** 24398
Reference No: [redacted]

POST billpay [redacted]

2017-18 Marginal Rates

Residential AUV		Commercial AUV		Rural AUV	
$1 - $150,000	0.2960%	$1 - $150,000	2.9760%	AUV x	0.1491%
$150,001 - $300,000	0.4088%	$150,001 - $275,000	3.4940%	Fixed charge $155.00	
$300,001 - $450,000	0.5130%	$275,001 - $600,000	4.9350%		
$450,001 - $600,000	0.5603%	$600,001 - and above	4.9930%		
$600,001 - and above	0.6013%	Fixed charge $2,380.00			
Fixed charge $765.00					

Calculation: In 2017-18 the formula used to calculate charges for residential units is:

(AUV of Master Property x Marginal Rates) x Unit Entitlement + Fixed Charge + Fire & Emergency Services Levy + Safer Families Levy - $100 rebate

(The unit entitlement used in the calculation is the individual unit portion of the total aggregate of residential properties in the complex).

Objection Rights: Unit title developments are treated as a single property for valuation purposes and individual valuation notices are not sent to unit owners. In these cases, the valuation notice is sent to the Owners Corporation, which may lodge an objection on behalf of all unit owners within that development.

Objections must be lodged in writing with the Commissioner for ACT Revenue within 60 days from the date of the notice.

For more information regarding rates, including all available assistance, please refer to the ACT Revenue Office website at https://www.revenue.act.gov.au.

Land Tax: You must notify the ACT Revenue Office of any residential property that is rented, or owned by a trustee. Penalties apply for failure to notify of land tax liability.

Contact ACT Revenue Office

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PAYMENT METHODS

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BPAY
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POST **AUSTRALIA POST**
In person by cash, cheque, EFTPOS and Credit Cards (Visa and Mastercard only).

INTERNET
www.act.gov.au/accessCBR Credit Cards (Visa and Mastercard only).

Attachment 7 – Email from [redacted]

From: [redacted]
Sent: Thursday, February 8, 2018 12:15 PM
To: rod.manns
Subject: RE: Unit Rates

Dear Mr Manns,

Thank you for your further email to the Chief Minister, as well as your ongoing discussions with Treasury about this issue.

Our office and Treasury representatives have explained to you the rationale for this policy reform, which was announced before the 2016 election as part of the 2016-17 Budget (see, for example, here and here).

Treasury staff have also provided you with data which informed the Government's decision to pursue this reform.

While we appreciate that you remain unhappy about this reform, the Government has no current intention to change this policy so soon after its implementation. We are, however, closely monitoring the impact across the community and the market.

If you wish to pursue this matter further, the ACT Ombudsman or ACT Civil and Administrative Tribunal may be avenues you wish to consider.

Regards,

[redacted]

[redacted]
Office of Andrew Barr MLA
Chief Minister
Treasurer
Member for Kurrajong
[redacted]