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**To:** [Lloyd, Brian](#)  
**Subject:** METHODOLOGY FOR DETERMINING RATES AND LAND TAX FOR STRATA RESIDENTS  
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TO THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

## EQUITABLE STRATA AND LAND TAX PROPOSED METHOD

**The rates method** is based on 3 known properties and the actual rates levied for 2018-9:  
A residence in Holder

A 3 bed 2 garage villa (single storey) in Amaroo (no Yerrabi Pond view)

A 1 bed and car space unit in Infinity Towers, Gungahlin (low views south west to the Brindabellas.

### Total Rates Levied 2018-9 (to the nearest \$)

#### AUV Rates Extras Total Rates

Holder 371666 1467 366 1833

Amaroo 167000 1534 366 1900

Gungahlin 18105 917 366 1283

### Valuation Rates Multipliers

This method's rates multipliers are based on actual occupied areas excluding balconies, courtyards, car spaces and common areas.

These agree with the multipliers published by your Rates Division, so comparison is “like with Like”.

### The Current Rates Inequality

Whether an old 1 bed unit in a low regarded area, a lakefront penthouse in Kingston or a mansion in Mugga Way, the same Rates Fixed Charge of \$815 is applied. This is causing the inequity and the main reason the smaller stratas are paying disproportionately high rates compared to larger units.

## THE PROPOSED METHOD FOR STRATA

1. For each strata in a Block its occupied area (which excludes balconies, courtyards, car spaces and common areas) is divided by the total occupied area for the Block and multiplied by the AUV for the Block. This gives the AUV for each strata in the Block.
2. For each strata the AUV is multiplied by a **rate multiplier** to give the **valuation rates**. To each strata the fixed charges of emergencies and safe families is applied and is the same amount for each strata and individual dwelling. For 2018-9 the fixed charge is \$366.

### 2.1 Rate Multipliers for 2018-9

#### 2.1.1 Low Density (villas and townhouses)

Rate Multiplier is .00918563

### 2.1.2 High Density (units)

Rate Multiplier ground and floor 1 is .0315140

Add 5% to the rate multiplier to each floor above floor 1

**Example:** Floor 2 multiplier is  $1.05 \times .03159140$

Floor 3  $1.10 \times .03159140$

Floor 6  $.03948925$

Floor 7  $.04106882$

Floor 18  $.05686452$

Floor 22  $.06634194$

### 3. Proposed Method Valuation Rates Examples

(based on 2018-9 actual rates charged)

Dwelling at Holder \$1,467 actual

3 bed 2 garage villa at Amaroo \$1,534 actual

Infinity Towers Gungahlin

Floor 6

1bed AUV  $\$18,105 \times .03948925$  \$715 (917 actual)

2 bed  $\$24,571 \times ..$  \$970

3 bed  $\$34,917$  \$1,379

Floor 18

1bed AUV  $\$18,105 \times .05686452$  \$1,030

2 bed  $\$24,571 \times ..$  \$1,397

3 bed  $\$34,917$  \$1,986

Floor 22

Pent AUV  $\$48,172 \times .06634194$  \$3,196

### Comments

Floor 6 3 bed approximates to the Amaroo villa and the Holder dwelling and this seems reasonable when views and amenity are considered.

Floor 6 1 bed whose current valuation rates charge is disproportionately high is reduced by \$202 and now seems reasonable by the proposed method. Rates for the lower floors should now be acceptable to residents by the proposed method.

### 4. Summary Comments

This proposed method provides equitable rates charges for all categories of strata and once the data is set up for each strata, is easy to manage into the future. The calculation data, except for Block AUV is fixed. Determining rate increases is simple with a single % being applied universally.

### 5. LAND TAX

Land tax can be easily calculated for each leased strata by applying a single % of the valuation rate universally.

Mr Kerry Atkins



Hi Brian. I have worked long and hard on this to get it right and fair for all. Hope it gets a fair viewing

Kind regards, Kerry Atkins