



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2024-2025**

Ms Nicole Lawder MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair),  
Miss Laura Nuttall MLA

**ANSWER TO QUESTION TAKEN ON NOTICE  
DURING PUBLIC HEARINGS**

Asked by: Ms Jo Clay MLA

Addressed to: Treasury

Redirected to: N/A

Reference: Uncorrected Hansard Transcript [Page 79]

In relation to: Rates determination

Hearing Date: 31 July 2024

QTON lodgement date: 1 August 2024

Answer Due Date: 6 August 2024

**MS CLAY:** So it has been put to me that people who have downsized into small apartments are effectively paying higher rates because they are not recognised for the smaller block footprint, if that makes sense? Like, it is—the rates are pinned to the overall block size rather than to their little, tiny patch. Am I communicating this clearly? This argument has been put to me—

**Mr Barr:** I understand—so obviously rates have two components. A fixed charge that is the same for everyone, whether you are in a—

**MS CLAY:** Yes.

**Mr Barr:** —in a unit or a house. And then a variable component that has a—is determined using the average unimproved value. So I do not think it is quite as straight forward as may have been presented to you, in terms of people's understanding of how rates are calculated. I think it is probably best for the committee that we again provide in writing how that is calculated. That will be easier than trying to verbally describe it, because it will take some time.

**MS CLAY:** I would love to have it in writing. And what I would love to have in writing is a couple of tangible examples with the numbers of units on different blocks and how that compares to a house if that would be—

**Mr Barr:** Yes, sure.

**MS CLAY:** Thank you, that would be great. Thank you.

Mr Barr: Yes.

Andrew Barr MLA: The answer to the Member’s question is as follows:

General rates are calculated based on two components, a fixed charge and a valuation charge. The valuation charge calculation for residential unit properties starts the same for units as for houses, with rating factors (tax rates) applied to the Average Unimproved Value (AUV) of the residential component of the block. For units, this figure is then multiplied by the residential unit entitlement percentage which is the percentage that a unit holds compared with the residential portion of the overall complex. For example, if there are four equally entitled residential units on the block, each would pay a quarter share (25 per cent) of the overall valuation charge for the unit complex.


Example: typical house and unit in Cook

	House	Unit
Block AUV	\$625,800	\$2,000,000
Number of dwellings	1	8
Unit entitlement	n/a	12.5 per cent (assuming all units equal)
Valuation charge	\$2,523.06	\$1,588.13 (\$12,705.04 x 12.5%)
Fixed charge	\$893	\$949
<b>Total general rates</b>	<b>\$3,416.06</b>	<b>\$2,537.13</b>

Significant changes in general rates for residential units were made through 2017-18 to 2019-20, to ensure general rates charged on units were comparable to non-units. Previously, a unit with significantly higher market value than a house could pay lower general rates.

While the fixed charge and the variable rates are higher for residential unit titled than for non-unit titled properties, general rates are generally lower for residential units.

Approved for circulation to the Select Committee on Estimates 2024-2025

Signature:  Date: 7.8.23

By the Treasurer, Andrew Barr MLA