



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

JEREMY HANSON MLA (CHAIR), MICHAEL PETTERSSON MLA (DEPUTY CHAIR), SUZANNE ORR MLA,
MARK PARTON MLA

Inquiry into referred 2015–16 Annual and Financial Reports QUESTION ON NOTICE 27 February 2017

Alistair Coe MLA: To ask the Treasurer

Chief Minister, Treasury and Economic Development Directorate 2015-16 Annual Report, Revenue
Management and Government Business, Output 3.1

In relation to: Mr Fluffy properties

1. Is it correct that unimproved land values in the ACT are assessed independently by a qualified contract valuer engaged by the ACT Revenue Office and that the Valuation Office then recommends the unimproved values to the Commissioner for ACT Revenue who then determines the new values in accordance with ACT law?
2. Could you please explain how that process works in relation to Mr Fluffy blocks when a block may be sold for a much higher value and then sub-divided.
 - a. Is the unimproved value for that block or blocks then reassessed to be at a higher rate because of the amount it was sold for?
3. Is there any flow-on effect to the unimproved value of blocks not affected by Mr Fluffy, but which may be located in areas immediately surrounding Mr Fluffy homes?
4. Will there be a consequent increase in rates for many Canberra households because of this effect?
 - a. If so, how many?

The answer to the Member's question are as follows: -

1. Broadly, yes.
2. Remediated Mr Fluffy blocks have had additional development rights conferred by variation 343. The Territory Plan will allow two dwellings to be built on the remediated block if the block is more than 700 square metres. These particular blocks have generally sold for a price that reflects their additional development rights. In determining an unimproved value for statutory valuation purposes, the valuer must have regard to the lease purpose of the land, the scarcity of the parcel of land and recent sales evidence. A recent price for a remediated Mr Fluffy block will be one of the things the valuer will give consideration to, but it will not alone determine the unimproved value.

Territory Variation 343 does not impact on the value of Heritage blocks or RZ2 blocks.

3. The impact of the sale of a remediated Mr Fluffy property alone is unlikely to materially increase the unimproved value of other properties nearby. This is because there will be other sales of non-Mr Fluffy properties in the area and those sales will generally set the benchmark for changes in unimproved values across the suburb. Further, the surrounding properties will not have the same development rights of a 343 variation.

4. No.

Approved for circulation to the Standing Committee on Economic Development and Tourism

Signature: 

Date: 6.4.17

Mr Andrew Barr MLA
Treasurer