QTON No. 270

Legislative Assembly for the Australian Capital Territory

Select Committee on Estimates 2026-2027

Inquiry into Appropriation Bill 2026–2027 and Appropriation (Office of the Legislative Assembly) Bill 2026–2027

Answer to question taken on notice

Asked by: Mr Thomas Emerson MLA

Addressed to: Treasurer

In relation to: Ainslie Property Values

Hearing: 4 August 2026
Uncorrected Proof Transcript pp 76–77
Transcript provided: 5 August 2026
Answer Due: 12 August 2026

Mr Chris Steel MLA: took on notice the following question(s):

MR EMERSON: Thanks. Yes, thanks, Treasurer. No, I understand how it works, and I understand why it works that way. What I am trying to tease out is the difference between unit titling and standalone occupancies and how unit titled dwellings, or dual occupancies in this case, more broadly how this aligns with government policy. Because I am hearing, and I am sure you have heard as well from people who think, "I want to downsize to free up my home. Maybe I am an empty nester. I want to let a young family move into this home, but I am going to be paying more in rates for an apartment." Whether it is close to the City or otherwise, I am not sure. "And so I am not going to do it because the rates are costing me more." So I am asking about whether the government has looked at whether the current system for determining rates and how that impacts those decisions, whether that is actually aligned with the government's own intentions in terms of making the city more compact.

Mr Steel: So we can maybe take on notice what has happened in Ainslie in relation to unit property values. So it sounds like the unit property values have grown faster in that suburb. And so we will take that back and confirm that and provide some information for the basis of the valuation across the suburb.

MR EMERSON: Okay, thank you. And has the government looked at all at an even more progressive approach to rates calculations that perhaps even incentivise people to live under unit titled arrangements as opposed to in standalone dwellings? Is this an area of policy that is under consideration, or has been?

Mr Steel: So there have been some changes in recent years to the way units are captured by rates. We can come back with some information about what those changes were and the rationale for them. It is a couple of years ago now that they were put into place. But I think it is important to note that there are a range of different blocks in Canberra where the value has actually gone down.

Mr Chris Steel MLA: The answer to the Member's question is as follows:

The Government's approach to general rates is to raise revenue in a manner that is fair, efficient and sustainable, while reflecting differences in land values. The Government does not currently provide preferential general rates treatment for unit-titled properties to incentivise housing choices. Planning, land release and housing policies remain the primary mechanisms for supporting urban infill and increased housing density.

<u>Increase in Average Unimproved Values and general rates bills for unit-titled properties in Ainslie</u>

From 2025-26 to 2026-27, average residential general rates bills (inclusive of levies) will increase by no more than 5 per cent. This figure reflects the average change across the ACT, and changes in individual general rates bills depend on movements in individual Average Unimproved Values (AUVs). Properties with above-average growth in AUVs will have higher-than-average increases in their general rates bills, while properties with below-average growth will have lower increases.

Unit-titled properties in Ainslie experienced above-average growth. AUVs for unit-titled properties in Ainslie increased by 6.7 per cent, compared to an average of 2.7 per cent across all unit-titled properties in the ACT. As a result, unit owners in Ainslie are likely to see higher general rates increases in 2026-27.

<u>Methodology for calculating general rates for unit-titled properties and 2026-27 general rates bills by property type</u>

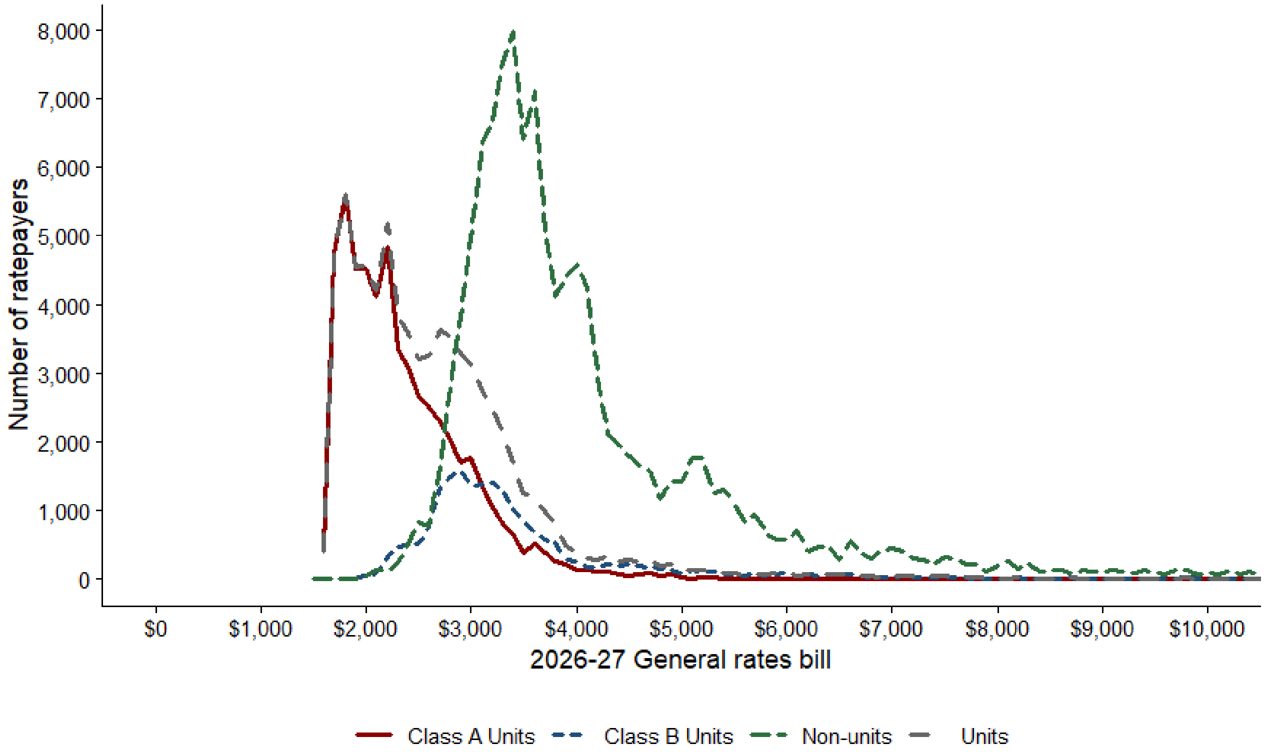
As outlined in the 2016-17 Budget, the progressive nature of the general rates system resulted in lower rates increases for some higher market value apartments than for lower market value houses. In 2017-18, the Government transitioned to a new methodology for calculating general rates for unit-titled properties. Under this approach, the general rates valuation charge for units is initially calculated in the same way as for non-unit-titled properties, by applying the rating factors to the AUV of the residential component of the block. This amount is then multiplied by the unit entitlement to determine the valuation charge for an individual unit. This change in methodology is intended to ensure that comparable unit and non-unit properties pay similar amounts of general rates.

Following an inquiry in 2018 by the Public Accounts Committee, the Government also introduced separate rating factors for units. Having two sets of rating factors ensures unit owners can be charged according to a progressive scale for rates, while maintaining an equitable approach to calculating rates across residential properties.

The purpose of these changes was to improve equity in the rates system rather than to provide preferential rates treatment for a particular form of housing.

Figure 1 below shows the distribution of 2026-27 residential general rates bills by property type. It demonstrates most units pay less in general rates than non-units.

Figure 1: Distribution of 2026-27 residential general rates bills by property type



Approved for circulation to the Select Committee on Estimates 2026-2027

Signature:

Date: 12/8/26

By the Treasurer, Mr Chris Steel MLA