

**2005**

**THE LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**RATES AMENDMENT BILL 2005**

**EXPLANATORY STATEMENT**

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## **Rates Amendment Bill 2005**

### **Summary**

This Bill amends the *Rates Act 2004* (Rates Act).

### **Overview**

Currently section 14 of the Rates Act calculates rates liability for residential, commercial and rural land.

The amendments in this Bill will bring the calculation of rates liability for rural land into line with the method used to determine the rates liability for residential and commercial land. They allow the inclusion of a fixed charge component into the formula used to calculate rates liability for rural land. The Bill also makes rural land with an average unimproved land value of equal to or less than the rates free threshold, liable to the fixed charge component only.

These amendments commence the day after notification to allow their introduction in the 2005-06 financial year.

### **Financial Implications**

The amendments to the Rates Act are expected to be revenue neutral.

Details of the Bill are attached.



## **Details of the Rates Amendment Bill 2005**

**Clause 1 Name of Act.** This clause names this Act the *Rates Amendment Act 2005*.

**Clause 2 Commencement.** This Act commences on 1 July 2005.

**Clause 3 Legislation amended.** This Act amends the *Rates Act 2004*.

**Clause 4 Section 14.** A new section 14 is substituted. It replaces references to residential, commercial and rural land with the phrase rateable land allowing the provisions in sections 14 (1) and 14 (2) to apply to all parcels of rateable land. The previous section 14 (3), dealing with rural land, has been omitted.

Section 14 (1) applies to all rateable land and imposes rates of a fixed charge for land that has an average unimproved value that is equal to or less than the threshold amount.

Section 14 (2) applies to all rateable land with an average unimproved value above the threshold amount. For these parcels of rateable land, rates are applied in accordance with the formula.

Section 14 (3) describes the components of the formula contained in section 14 (2).

The note attached to section 14 allows different fixed charges, percentage rates and threshold amounts to be determined for residential land, commercial land and rural land.