

AUSTRALIAN CAPITAL TERRITORY
RATES (AMENDMENT) ORDINANCE 1986
ORDINANCE NO. 2 1986

EXPLANATORY STATEMENT

The proposed Rates (Amendment) Ordinance 1986 is intended to correct an anomaly in the rating system which arises when servicing of land released for residential development is undertaken by private developers.

General rates payable by landowners in the ACT are based on the unimproved value of the land at the most recent valuation date. The Rates Ordinance 1926 ("the Principal Ordinance") defines the unimproved value of a parcel of land, in so far as is material, as the amount which would be offered for that parcel, it being assumed that the only improvements made to it were "improvements (if any) by way of clearing, filling, grading, draining, levelling or excavating made by the Commonwealth" or the cost of which was borne by the Commonwealth (section 5 of the Principal Ordinance).

Until recently, all servicing of unimproved land was undertaken by the Commonwealth. However, private developers now undertake some of this work at their own expense. Appeals to the Administrative Appeals Tribunal against unimproved values in South Bruce (which have not been finalized) have raised the possibility that some (or all) of these works cannot be taken into account in determining the unimproved value of such land, thereby creating an anomaly between the unimproved values of land developed by the Commonwealth and land developed by a private developer. The proposed Ordinance removes any such anomaly and ensures that the determinations of the unimproved value of all parcels of land, regardless of how they are developed, are made on the same basis.

Section 1 cites the short title of the Ordinance as the Rates (Amendment) Ordinance 1986.

Section 2 defines the 'Principal Ordinance' as the Rates Ordinance 1926.

Section 3 amends the definition of 'parcel' in section 4 of the Principal Ordinance so that 'parcel' includes a separate holding of land or several holdings under one head lease, as the context requires.

Section 4 amends section 5 of the Principal Ordinance to include in the definition of unimproved value improvements undertaken by a private developer under a lease granted for preliminary development work (a "development lease").

Section 5 inserts a new section 5A, which provides that improvements made by a private developer under a development lease are to be deemed to be made only to the extent to which the Commonwealth normally makes these improvements.

Ord. 70/85