

AUSTRALIAN CAPITAL TERRITORY

RATES ORDINANCE 1967

EXPLANATORY MEMORANDUM

No. 5 of 1967

General rates are levied on rateable freehold and leasehold land in the Australian Capital Territory. The amount payable by an owner of land in respect of the rate levied under the Rates Ordinance 1926-1959 is based on the assessed value of that parcel of land, being a value determined by the Minister at a figure not exceeding the unimproved capital value of that land. General rates do not include charges for water, which are raised separately on the basis of consumption.

2. It is proposed to change the basis of rating liability and relate it directly to the unimproved value of the land. The Rates Ordinance 1967 amends the Principal Ordinance to achieve this purpose. Section 5 of the Ordinance, as now amended, sets out the criteria to be considered in arriving at the unimproved value.

3. The Rates Ordinance 1936-1959 provides for the levying of a general rate, a lighting rate and a sanitary rate. The amending Ordinance deletes this multiplicity of rates and substitutes one general rate. Rates will be payable each year at a rate percentage (or rate in the dollar) up to a maximum of 4%, (i.e. 4c in the dollar) – the nearest equivalent in decimal currency to the previous maximum rate of 10d in the pound. The actual percentage rate will be determined by the Minister each year and will be notified in the Gazette.

4. Until now, the practice has been that, as land has been leased, an assessed value for rating purposes has been placed on it as at the date of first leasing. The values therefore have been at different levels, according to the circumstances pertaining in each case as at the date of valuation. The calculation of all valuations as at a common date will introduce a more equitable basis for apportioning rate liability as between ratepayers. All valuations will therefore be related to the circumstances as at a common date.

5. The new scheme will have effect from the rating year 1967. An unimproved value for each parcel of land will be determined as at 1 January 1962, as if the external physical features and services that would have affected the unimproved value of that parcel of land on 1 January 1965 were in existence on the first-mentioned date. The earlier date antecedent to the date of the Ordinance coming into effect has been selected in order to ensure that valuations will not have to reflect recent fluctuations in land values which cannot yet be identified as being of other than a temporary nature.

6. The Rates Ordinance 1967 provides that the unimproved value of any block of land that becomes rateable after these values have been determined and before a general re-determination of values, will be determined on the same principles as those applying for the general determination.

7. The Minister is empowered by the amending Ordinance to re-determine the unimproved value of a parcel of land at any time where he considers that such a re-determination is necessary due to there being a change in circumstances since the last determination or re-determination.

8. The Rates Ordinance 1926-1959 provided for the establishment of a Valuation Court which was a Court of Record and constituted by a judge or deputy judge. The Court heard and determined objections by ratepayers who were dissatisfied with the determination made by the Minister. The amending Ordinance provides for the setting up of an administrative tribunal to be known as the Valuation Review Board consisting of three members appointed by the Minister, to hear appeals in the first instance by ratepayers against determinations. The Ordinance further provides that an appeal may be made to the Supreme Court of the Australian Capital Territory against a decision of the Board.

9. The Rates Ordinance 1967 provides for other amendments to the Principal Ordinance. For example, it repeals the provisions relating to the recovery of outstanding rates by distress and sale of any goods and chattels found on the property. Section 19 of the Principal Ordinance, under which a Court of competent jurisdiction may order the sale of freehold land in respect of which rates have been outstanding for a period of twelve months, is amended by the Rates Ordinance 1967 to extend the provisions of the section to land held under lease from the Crown.

(Minister's Initials)