

Australian Capital Territory

Rates (Fixed Charge) Exemption 2023

Notifiable Instrument NI2023–411

made under the

Rates Act 2004, section 41 (Exemption from rates)

EXPLANATORY STATEMENT

This instrument revokes and replaces *Rates (Exemption from Rates—Fixed Charge) Declaration 2020*, NI2020-766. It updates the block and section identifiers for two additional parcels identified as eligible for an exemption from the fixed charge (FC) component of general rates (as described below).

This instrument continues to provide an exemption from the FC component of general rates for the properties granted an exemption under the previous instrument.

Background

Section 14 of the *Rates Act 2004* (the Rates Act) imposes general rates on all parcels of rateable land in the ACT. Rateable land includes residential, rural and commercial land.

General rates comprise of an FC amount, in addition to an ad valorem amount based on the Average Unimproved Value of the land (AUV) and a marginal rating factor (P).

General rates are levied on all properties to provide funding for a wide range of essential services to the Canberra community, including municipal services, schools, roads and hospitals.

Under section 41 of the Rates Act, the Minister may exempt the owner of a parcel of land from payment of rates owing for any period in relation to the parcel of land, or from payment of a stated part of the rates.

This instrument provides an exemption from only the FC component of general rates on certain small, special interest community-based clubs and unit titled car park spaces, that are classified as commercial properties (as they are not residential or rural).

Commercial general rates attract higher rates charge (compared to that for residential or rural land), while these small clubs and car spaces have limited capacity to generate their own revenue. This instrument provides such clubs and car park spaces with financial relief by removing the FC component from their rates liability.

Operation and retrospectivity

Section 41 of the Rates Act provides that the exemption must apply for a period of time. The exemption is available from 1 July 2023 to 30 June 2024, inclusive. After this period, the exemption is subject to review.

This instrument is taken to have commenced from 1 July 2023, so as to apply for the entire 2023-24 rating year.

Section 76 (1) of the *Legislation Act 2001* provides that a statutory instrument may commence retrospectively provided it is non-prejudicial, that it does not operate to the disadvantage of a person by adversely affecting the person's rights or imposing liabilities on the person. This instrument provides an exemption of an amount of rates for eligible landowners. It is non prejudicial, as it reduces the liability on the person and promotes a purpose which will be of overall benefit to the ACT community.