



Australian Capital Territory

Rates Amendment Act 2020

A2020-8

Contents

	Page
1 Name of Act	2
2 Commencement	2
3 Legislation amended	2
4 Meaning of <i>unimproved value</i> Section 6 (3), definition of <i>prescribed date</i> , paragraph (c)	2
5 Redetermination—error Section 11 (3), example	3
6 Section 11A heading	3
7 Section 11A (1)	4
8 Section 11A, example	4
9 New section 11B	4
10 New section 13A	5

J2019-1319

Authorised by the ACT Parliamentary Counsel—also accessible at www.legislation.act.gov.au

Contents

	Page	
11	Working out growth index New section 40E (3) to (5)	6
12	Dictionary, note 2	6
13	Dictionary, definition of <i>average unimproved value</i>	6



Australian Capital Territory

Rates Amendment Act 2020

A2020-8

An Act to amend the *Rates Act 2004*

The Legislative Assembly for the Australian Capital Territory enacts as follows:

1 Name of Act

This Act is the *Rates Amendment Act 2020*.

2 Commencement

This Act commences on 1 July 2020.

Note The naming and commencement provisions automatically commence on the notification day (see [Legislation Act](#), s 75 (1)).

3 Legislation amended

This Act amends the *Rates Act 2004*.

**4 Meaning of *unimproved value*
Section 6 (3), definition of *prescribed date*, paragraph (c)**

substitute

- (c) for a redetermination of the unimproved value of the parcel under section 11 (Redetermination—error), section 11A (Redetermination—change of circumstances (other than chargeable variation of nominal rent lease)) or section 11B (Redetermination—chargeable variation of nominal rent lease)—the date the redetermination begins to apply to the parcel.

5 Redetermination—error Section 11 (3), example

substitute

Example

A clerical error was made in relation to the determination of a parcel of land as at 1 January 2025, resulting in the unimproved value of the land being incorrectly determined as \$220 000.

The unimproved value of the parcel was correctly determined as at 1 January 2021, 1 January 2022 and 1 January 2023 as \$230 000 and on 1 January 2024 as \$240 000.

The average unimproved value of the land for the year beginning 1 July 2025 was calculated as—

$$(\$230\,000 + \$230\,000 + \$230\,000 + \$240\,000 + \$220\,000)/5 = \$230\,000$$

After the clerical error was corrected, the unimproved value of the parcel was correctly redetermined as at 1 January 2025 as \$250 000.

The average unimproved value of the land was recalculated as (the *recalculated AUV*)—

$$(\$230\,000 + \$230\,000 + \$230\,000 + \$240\,000 + \$250\,000)/5 = \$236\,000$$

The recalculated AUV applies for the period starting on 1 July 2025 and ending on 30 June 2026.

Note The calculation of average unimproved value for a parcel of land before 1 July 2022 involves averaging over 3-year or 4-year periods (see s 13A).

6 Section 11A heading

substitute

11A Redetermination—change of circumstances (other than chargeable variation of nominal rent lease)

7 Section 11A (1)

substitute

- (1) This section applies if—
 - (a) a change of circumstances (other than a change mentioned in section 11B) happens in relation to a parcel of land; and
 - (b) the change of circumstance affects the unimproved value of the land.

8 Section 11A, example

omit

9 New section 11B

insert

11B Redetermination—chargeable variation of nominal rent lease

- (1) This section applies if—
 - (a) the planning and land authority executes a chargeable variation of a nominal rent lease in relation to a parcel of land; and
 - (b) the variation affects the unimproved value of the parcel of land.
- (2) The commissioner must redetermine the unimproved value of the parcel as soon as practicable after the planning and land authority executes the variation.
- (3) A redetermination under subsection (2) applies to the parcel for the period—
 - (a) beginning on the day the planning and land authority executes the variation; and
 - (b) ending on 30 June in the next calendar year.

- (4) In this section:

chargeable variation, of a nominal rent lease—see the *Planning and Development Act 2007*, section 276.

10 New section 13A

insert

13A Meaning of *average unimproved value*

- (1) In this Act:

average unimproved value, of a parcel of land for a particular year, means the following:

- (a) if the parcel has not been rateable previously—the unimproved value of the parcel;
- (b) if the particular year is before 1 July 2020 and the parcel has been rateable for less than 3 years—the average unimproved value of the parcel over those years;
- (c) if the particular year is before 1 July 2020 and the parcel has been rateable for 3 years or more—the average unimproved value of the parcel over the 3 years immediately before the particular year;
- (d) if the particular year is 1 July 2020 to 30 June 2021 and the parcel has been rateable for less than 4 years—the average unimproved value of the parcel over those years;
- (e) if the particular year is 1 July 2020 to 30 June 2021 and the parcel has been rateable for 4 years or more—the average unimproved value of the parcel over the 4 years immediately before the particular year;
- (f) if the particular year is 1 July 2021 to 30 June 2022, or a later year, and the parcel has been rateable for less than 5 years—the average unimproved value of the parcel over those years;

- (g) if the particular year is 1 July 2021 to 30 June 2022, or a later year, and the parcel has been rateable for 5 years or more—the average unimproved value of the parcel over the 5 years immediately before the particular year.
- (2) For this section, if a parcel of land is subject to a redetermination under section 11B (Redetermination—chargeable variation of nominal rent lease), the parcel is taken not to have been rateable before the date of the redetermination.

**11 Working out growth index
New section 40E (3) to (5)**

insert

- (3) In working out the first commercial land AUV for the calendar year 2020, the commissioner must, for each parcel of relevant commercial land that has been rateable for 4 years or more, determine the average unimproved value of the parcel over the previous 4 years.
- (4) In working out the first commercial land AUV for the calendar year 2021, the commissioner must, for each parcel of relevant commercial land that has been rateable for 5 years or more, determine the average unimproved value of the parcel over the previous 5 years.
- (5) Subsections (3), (4) and this subsection expire on 30 June 2022.

12 Dictionary, note 2

insert

- planning and land authority

13 Dictionary, definition of *average unimproved value*

substitute

average unimproved value, of a parcel of land for a particular year—see section 13A.

Endnotes

1 Presentation speech

Presentation speech made in the Legislative Assembly on 13 February 2020.

2 Notification

Notified under the [Legislation Act](#) on 7 April 2020.

3 Republications of amended laws

For the latest republication of amended laws, see www.legislation.act.gov.au.

I certify that the above is a true copy of the Rates Amendment Bill 2020, which was passed by the Legislative Assembly on 2 April 2020.

Clerk of the Legislative Assembly

© Australian Capital Territory 2020