

2020

THE LEGISLATIVE ASSEMBLY  
FOR THE AUSTRALIAN CAPITAL TERRITORY

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(As presented)

(Treasurer)

## Rates Amendment Bill 2020

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## Rates Amendment Bill 2020

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### A Bill for

An Act to amend the *Rates Act 2004*

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

1 **1 Name of Act**

2 This Act is the *Rates Amendment Act 2020*.

3 **2 Commencement**

4 This Act commences on 1 July 2020.

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

7 **3 Legislation amended**

8 This Act amends the *Rates Act 2004*.

9 **4 Meaning of *unimproved value***  
10 **Section 6 (3), definition of *prescribed date*, paragraph (c)**

11 *substitute*

12 (c) for a redetermination of the unimproved value of the parcel  
13 under section 11 (Redetermination—error), section 11A  
14 (Redetermination—change of circumstances (other than  
15 chargeable variation of nominal rent lease)) or section 11B  
16 (Redetermination—chargeable variation of nominal rent  
17 lease)—the date the redetermination begins to apply to the  
18 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;

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

9 **11 Working out growth index**  
10 **New section 40E (3) to (5)**

11 *insert*

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

21 **12 Dictionary, note 2**

22 *insert*

- 23
  - planning and land authority

24 **13 Dictionary, definition of *average unimproved value***

25 *substitute*

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



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## Endnotes

**1 Presentation speech**

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

**2 Notification**

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

**3 Republications of amended laws**

For the latest republication of amended laws, see [www.legislation.act.gov.au](http://www.legislation.act.gov.au).

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