

Australian Capital Territory

Rates (Fixed Charge) Exemption 2019 (No 1)

Notifiable Instrument NI2019–755

made under the

Rates Act 2004, section 41 (Exemption from rates)

EXPLANATORY STATEMENT

Purpose

This instrument commences retrospectively from 1 July 2019 and provides an exemption for the owner from paying the fixed charge component of general rates for the parcel of land located at Block 44, Section 11, Fyshwick, ACT, known as 34 Geelong Street.

The exemption is provided for 50 years, unless there is an amendment to clause 3(d) of the lease, for Block 44, Section 11 Fyshwick, ACT, in which case the exemption will end. Clause 3(d) of the Crown Lease states:

- That the lessee of this block shall always be the same as the lessee of Unit 1 Block 13 Section 11 Fyshwick and [the lease] shall only be transferred in conjunction with the transfer of ownership on Unit 1 Block 13 Section 11 Fyshwick being part of units plan Number 113.

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 a fixed charge amount, in addition to an ad valorem amount based on the Average Unimproved Value of the land and a marginal rating factor.

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 fixed charge component of general rates providing the owner/s of the parcel of land with financial relief by removing the fixed component from their rates liability.

This instrument responds to the Standing Committee on Public Accounts, Inquiry into Commercial Rates (April 2019) recommendation 23 that the ACT government investigate ways to overcome the long-term anomalies relating to Block 44, Section 11, Fyshwick.

Retrospectivity

The operative provisions of this instrument are taken to have commenced on 1 July 2019.

Section 76(1) of the *Legislation Act 2001* provides that a statutory instrument may provide that a non-prejudicial provision of an instrument commences retrospectively.

This instrument is applied retrospectively to the benefit the owner/s of the affected parcel of land to receive the exemption from the fixed charge component of rates for the 2019-20 rating year.

Authorised by the Treasurer
Andrew Barr MLA