

Australian Capital Territory

# Rates (Fixed Charge) Exemption 2024

Notifiable Instrument NI2024–315

made under the

*Rates Act 2004*, section 41 (Exemption from rates)

## EXPLANATORY STATEMENT

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### 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.

### Determination

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.

### Updates

This instrument follows on directly from the *Rates (Exemption from Rates—Fixed Charge) Declaration 2023*, NI2023-411. It extends the operation of the exemption until 30 June 2029 and updates the block and section identifiers for an additional parcel

identified as eligible for an exemption from the fixed charge (FC) component of general rates.

### **Operation**

Section 41 of the Rates Act provides that the exemption must apply for a period of time. The exemption is available from 1 July 2024 to 30 June 2029, inclusive.