

Response to question on notice

Questions on Notice Paper No 13

31 October 2025

Question No. 715

Mr Peter Cain MLA: To ask the Treasurer

1. What factors determine the application of a fixed-rate component that is approximately \$59 higher for strata unit owners than for owners of detached dwellings, regardless of property size or value.
2. What equity considerations or policy rationale informed the Government's decision to impose a higher fixed-rate charge on strata units compared with detached dwellings.
3. What consultation or review processes have been undertaken since the 2017 amendments to the rating calculation method to assess the fairness and impact of the fixed-rate component as it applies to strata properties.
4. Will the Minister commission an independent review of the rating system for strata units, examining its effects on affordability, equity and transparency and ensure community consultation is included in that process.

CHRIS STEEL MLA - The answer to the Member's question is as follows:

The distribution of land value across unit titled blocks and unit entitlements mean that the fixed charge for units is important to ensure some units (particularly apartments in large complexes) pay a fair share of general rates relative to other units (particularly townhouse style units).

The primary government decision covering general rates is the annual increase in average rates (for the rateable properties at the time of calculation) by property type (residential non-unit, residential unit, commercial, and rural). During stage 3 of tax reform (2020-21 to 2025-26), average rates for residential non-units and for residential units have both increased by 3.75 per cent a year. Consequently, average general rates for residential non-units and units are \$3,440 and \$1,901 in 2025-26, respectively.

Tax rates are calculated separately for residential non-units and residential units, to result in the average rates described above. All else being equal, a decision to lower the fixed charge for units only changes the distribution of general rates *between units*. This is because to achieve the same average rates, the variable tax rates for units increase accordingly. As a result, lowering the fixed charge for units would increase the variable charge.

The Public Accounts Committee undertook an inquiry into general rates for residential units in 2018. The Government made changes to the general rates for residential units in response to the inquiry in the

act.gov.au

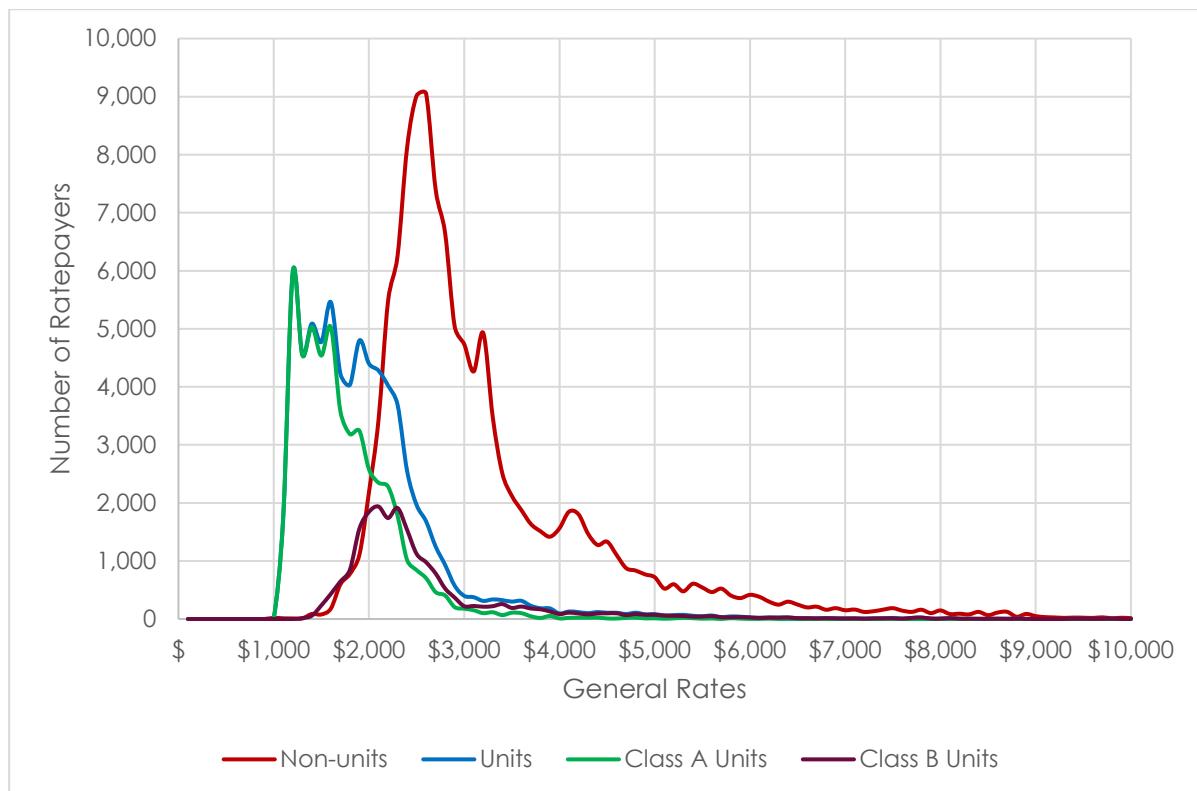
2019-20 Budget. The Government considers tax settings in each budget process and considers submissions from the public in the budget consultation process.

Further information is available in the response to [QTON No. 25](#) from the Inquiry into Appropriation Bill 2025-2026 and Appropriation (Office of the Legislative Assembly) Bill 2025-2026 at:

https://www.treasury.act.gov.au/_data/assets/pdf_file/0004/2869654/Aggregate-land-value-for-general-rates-settings-2025-26-Budget.pdf.

Figure 1 below shows the distribution of general rates across residential non-units, residential units, class A units and class B units.

Figure 1: Distribution of 2024-25 general rates by ratepayer category



Approved for circulation to the Member and incorporation into Hansard.

Chris Steel MLA
Treasurer

Date: 1/12/25

This response required 2hr to complete, at an approximate cost of \$276.47