

Response to question on notice

Questions on Notice Paper No 15

6 February 2026

Question No. 848

Ms Fiona Carrick MLA: To ask the Minister Finance

1. How often is the land use reviewed by the ACT Revenue Office where a property in a commercial zone can be used for either private residential, commercial or mixed use.
2. Is it reasonable that those using properties for private residential can experience average unimproved values (AUV) double of their neighbours and therefore pay higher rates, noting that the sales price for properties in commercial zones is often of similar value.
3. Do real estate agents have to declare at point of sale that the AUV advertised may differ if land use switches between commercial, mixed use and residential.

RACHEL STEPHEN-SMITH MLA - The answer to the Member's question is as follows:

Question 1 and 2

The ACT Revenue Office calculates commercial, residential and rural rates charges based on the provisions in rates legislation and a consideration of the permitted uses of land as set out in Crown lease purpose clauses.

Upon notification of a change in the permitted uses, the Revenue Office will consider whether a re-determination of the average unimproved value of the land is required, and if so, will adjust the rates charges to reflect the change.

As such, how land is actually used by an owner of land is not considered by the ACT Revenue Office when it raises rates assessments.

It is common where land is used for mixed purposes, that higher commercial rates charges will apply. The exception will be where an owner develops units on the land and seeks a determination from the ACT Revenue Office for an apportionment of rates to reflect the parts of the development to be built for residential purposes and those that are to be built for commercial purposes. Once constructed these parts would be separately unit-titled and provision made in lease purpose clauses for permitted residential or commercial uses. The rates charges for each unit will reflect the permitted uses.

The amount of rates an owner pays is made up of two components: a fixed charge and a valuation charge based on average unimproved value. The charges vary depending on whether the property is residential, commercial or rural. When determining the unimproved value for a property, valuers consider many factors in addition to the permitted uses of land as set out in Crown lease purpose clauses, including:

- size of the property
- location on the street
- views from the property
- development potential and restrictions such as location of power lines, sewerage pipes and contamination
- distance to shops, schools, public transport and other services
- development near the property.

Ratepayers dissatisfied with their rates assessments may exercise objection rights. Information about the process for lodging an objection is available on the ACT Revenue website.

Question 3

The ACT Revenue Office is not responsible for the regulation of the real estate agent industry and cannot comment on the requirements of real estate agents and the publication of land sales information.

Approved for circulation to the Member and incorporation into Hansard.



**Rachel Stephen-Smith MLA
Minister for Finance**

Date: 15/3/20

This response required 2hrs 25mins to complete, at an approximate cost of \$295.03.