Triple Bottom Line (TBL) Assessment Summary

The Triple Bottom Line Assessment is required to be published in accordance with Part 4, section 23 (1)(b) of the Freedom of Information Act 2016

19/516 Rates Amendment Bill 2020

Summary of Impacts
• Social impacts: Neutral overall — however, based on recent trends in the distribution of growth in land values, extending the averaging period to five years would likely result in a greater increase in general rates for households in suburbs where values do not increase as quickly as others. However, over the medium to long-term many property owners will benefit as different suburbs undergo periods of growth in demand due to factors including population growth, demographic shifts, and infrastructure corridor development. Households whose property values increase above average will experience a lower increase than would have otherwise occurred as the five-year smoothing is designed to assist them transition to the financial implications of a higher unimproved value. • Environmental impacts: Nil. • Economic impacts: Neutral — the recommended approach is positive for around 10 per cent commercial general rate payers in the ACT who have sharp increases property values. There will be a greater increase (mainly less than three per cent) for most other commercial rate payers (above tax reform) to compensate.

Level of impact	**Positive**	**Negative**	**Neutral**

Social

Housing and affordable housing	• Based on recent trends in the distribution of growth in land values, extending the averaging period to five years would likely result in a greater increase in general rates for households in suburbs where values do not increase as quickly as others, however, over the medium to long-term many property owners will benefit as different suburbs undergo periods of growth in demand due to factors including population growth, demographic shifts, and infrastructure corridor development. Households whose property values increase above average will experience a lower increase than would have otherwise occurred as the five-year smoothing is designed to assist them transition to the financial implications of a higher unimproved value.

Economic

ACT Government Budget	• Extending the averaging period to five years for residential properties would reduce land tax revenue over the forward estimates, as it would reduce the growth in the tax base. However, the rate rates will be adjusted in 2020/21 to compensate for this decrease in revenue and ensure revenue neutrality is retained.
Small business	• While most businesses will experience a marginally higher increase in their general rates than under current tax reform settings, they will also be isolated from future sharp, unpredictable increases.

Economic

Nil impact.