

## 18/711 Residential general rates structures

Summary of impacts	
<ul style="list-style-type: none"> <li>• The submission has neutral budget impacts over the forward estimates. Revenue would be redistributed from 2019-20 to the out years.</li> <li>• Under the new system, the impact of general rates increases would be distributed more evenly among all types of residential properties. It would also be easier to achieve equity between houses and units in the future. Those most affected would be unit owners in blocks with high unimproved land values.               <ul style="list-style-type: none"> <li>○ Raising the block AUV thresholds would tend to increase (in percentage terms) general rates of units in larger blocks by more than under the previous system. In the <i>illustrative</i> example provided, the average increases in 2019-20 for all units would be \$162 and 11 per cent; however, for units in blocks with AUVs above \$4,850,000, they would be \$205 and 14 per cent.</li> <li>○ If required, transitional arrangements could reduce the impacts for at least one year.</li> </ul> </li> <li>• The impact on different age groups and socio-economic groups is not clear, as rates are levied on the unimproved value of a property.</li> </ul>	

Key to impacts: Red – negative, Blue – neutral, Green – Positive.

### Social

The impact on different age groups and socioeconomic groups is not clear, as rates are levied on the unimproved value of a property.

The impact of general rates increases can be distributed more evenly among rate payers, for all types of residential properties. It will also be easier to retain equity between houses and units in the future. Those most impacted will be unit owners in blocks with high unimproved land values.

### Economic

<b>ACT Government Budget</b>	<ul style="list-style-type: none"> <li>• Budget neutral over the forward estimates. Revenue is redistributed from 2019-20 to the out years.</li> </ul>
<b>Cost of living</b>	<ul style="list-style-type: none"> <li>• The cost of living for some cohorts will increase, while for others it will decrease. Increases will predominately be for units in large blocks with AUVs above the top threshold.</li> </ul>

### Environmental

Nil impact.