IPTI Xtracts

Property Tax and Assessment News from Around the World

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Contents

Council nod to freeze rates

City of Kalgoorlie-Boulder councillors have voted to freeze differential rates for the next financial year.

Councillors at Monday night's meeting unanimously voted for a zero per cent increase in general land rates, despite earlier forecasting a 2 per cent rise.

The decision comes after a revaluation of properties by Landgate this year revealed the council stands to collect just more than $25 million from rates next year. '

That would equate to more than 4 per cent on the current financial year and City of Kalgoorlie-Boulder chief executive John Walker said it allowed the council wriggle room to deliver a fair deal to ratepayers.

The adoption of the recommendation will still have to pass ministerial approval and Mr Walker said it did not necessarily mean all ratepayers would not see an increase in their rates.

"It's slightly complicated because of the revaluation (by Landgate)," he said.

"Rates are calculated by two factors, the rate in the dollar and the valuation.

"The rate in the dollar won't move, so our side of the bargain is a zero increase, but there will be fluctuations in the individual values of individual properties.

"Some will go up and some will go down as a natural result of that revaluation."

Mr Walker said he expected no movement on some properties' rates after the revaluation while others could face an increase of about 5 per cent.

"It looks like we've got about a 5 per cent increase in the values of residential properties and people will say, 'how is that so?' Property prices haven't gone up," he said.

"But it's gross rental value and rental values that have gone up.

"In the industrial and commercial side, it looks like it's in a range of plus or minus one per cent so you shouldn't see any real movement there. It's complex, but the best the City could do is not increase the rate in the dollar at all and that's what we've done."

Councillors also voted unanimously for a general increase of 2 per cent on fees and charges next financial year and Mr Walker said it was better than the forecast.

"The base rate increase for fees and charges this year is two per cent, the long-term financial plan was three per cent but we found we were able to do it for less," he said.

AUSTRALIANS REJECT RISKY CHANGES TO PROPERTY TAX

The Property Council of Australia has congratulated Prime Minister Scott Morrison and the Coalition on last night's federal election result.

"This is an extraordinary electoral victory for the Government and we congratulate the Prime Minister and his colleagues for securing another term of office," said Ken Morrison, Chief Executive of the Property Council of Australia.

"While we don't yet know if the Coalition will have a majority in the Parliament, it's clear that they will be able to form government and we trust deliver stable government throughout the next parliamentary term.

"The Property Council also thanks outgoing Opposition Leader Bill Shorten and his colleagues for their service to the nation and for their engagement with us.

"The election result shows that Australians have rejected risky taxation changes at such an uncertain time in the property cycle.

"A key plank of the Opposition's policy agenda were big changes to negative gearing and big increases to capital gains tax, and the election result can only be seen as a repudiation of this policy.

"Construction activity is falling sharply, house prices are declining and economic growth is slowing – this was the wrong policy and the wrong time.

"Negative gearing has been a long-established feature of the Australian tax system and supports 1.3 million Australian property investors, the overwhelming majority of whom are everyday Australians saving for their future.

"These investors also support the housing choices for the one-third of Australian households who rent their home.

"Australians have sent a clear message to all of our parties to leave negative gearing and capital gains tax alone," Mr Morrison said.

"Labor had more than three years and two elections to try and persuade Australians of the merits of their policy, and they have been rejected on both occasions. It's time to put the issue to rest.

"Australia's housing markets – worth nearly three times the value of the stock market – are undergoing significant transitions with big impacts on the economy, households and housing choices.

"It will be important that the policy framework for housing be front and centre of the Government's agenda over this term of parliament."

Mr Morrison said the Property Council looked forward to working with the returned government on the issues that were important to the industry.

"We look forward to the Coalition's promised help for first home buyers, and investment in nation building and city shaping infrastructure projects which will drive productivity and improve liveability.

"There are challenges ahead in the property industry, especially in the residential construction sector which is slowing," Mr Morrison said.

"The Government needs to prioritise measures which will boost confidence and deliver certainty for one of the big engines of the Australian economy," Mr Morrison said.

Property revaluations could trigger tax hike

The government of South Australia's property revaluation initiative could trigger a tax hike, leading to millions in extra taxation revenue, according to a report from Deloitte Access Economics.

The Property Council of Australia commissioned the firm to identify the implications of property increases and the corresponding effects on land tax.

"This exercise has the potential to bankrupt owners of commercial property and significantly increase land tax bills for 'mum and dad' landlords," said SA Executive Director Daniel Gannon. "Under a scenario where property values increase by 10%, the state government could gouge $75 million in extra land tax revenue each year, the bulk of which would be delivered by the commercial sector."

Specific details of the government's revaluation program are not yet publicly available, but the South Australian Office of the Valuer-General started the program in mid-2018 and is expected to take five years to complete it. The program would likely involve "more rigorous valuation and data collection methods, more physical site inspections and less reliance on mass appraisal techniques currently used." It is widely anticipated that this process will raise official land values in South Australia in aggregate and, consequently, increase the land tax liabilities for property owners, according to the Deloitte report.

Gannon warned about the viability of the entire property industry, should the plan proceed— especially in a situation where valuations rise by 20%, 30% or even 40%.

"Given South Australia's lower incidence of institutional investment, it is possible that significant increases could render family-owned or small private-property businesses bankrupt. Taxes and costs have to be passed on, which means tenants and renters could be slugged," he said.

To counter the anticipated upswing in tax revenue, immediate adjustment to the state's land tax rates must be done, according to Gannon. Otherwise, the government's proposal might heighten the risk of bankruptcies, drive up costs for tenants, and put an end to investment funds.

Gannon said the following reforms would need to occur to attain a revenue neutral scenario following a 10% increase to site values: rates in the top marginal tax bracket would need to fall from 3.7 to 3.05%; rates in the bracket below would fall from 2.4 to 2.15%; rates in the next bracket down would fall from 1.65 to 1.42%; rates in the lowest bracket would fall from 0.5 to 0.43%

Property taxes to be hiked in Victoria's state budget

Victorian property owners will face millions of dollars in increased property taxes in this year's state budget, handed down today.

Taxes are increasing in Victoria, but Premier Daniel Andrews says it's so his re-elected government can do more than promised and not fill a $5.2 billion revenue void.

Treasurer Tim Pallas will deliver his fifth budget on Monday after delaying it by a month, blaming the federal election.

On Saturday he unveiled several new and increased charges along with a $5.2 billion shortfall in stamp duty over the next four years because of the softening property market.

On the eve of the budget, Mr Andrews defended the taxes while reaffirming the budget will have a surplus and pay for all of his election promises.

"We've always been focused on having that buffer, you run those surpluses and you promise within your means so that if you do have a write-down in revenue or you have unexpected expenditure you're still able to deliver on your promises," Mr Andrews told reporters.

"Yes there'll be some additional revenue coming in from some fairly modest changes to the tax system that affect a very small number of Victorians and some people who are not Victorians but buy property here and that allows us to go beyond the promises we made to do even more like the billion dollars we announced in prisons on Friday."

The foreign investor duty will rise from seven per cent to eight per cent from July 1 this year, while about 3000 foreign owners will be hit with a rise in the absentee owner tax from 1.5 per cent to two per cent from January 1. About 1700 metropolitan Melbourne property owners will also face paying land tax on vacant blocks they own beside their homes, unless they stump up around $600 to consolidate titles.

Further changes include a duty increase on luxury cars worth upward of $100,000 from July 1, expected to raise $260 million, and the state will introduce a 2.75 per cent gold royalty to all but small miners.

Since the federal election, the government has confirmed the funding of several election promises and on Sunday Mr Andrews was in Clyde for $321.9 million on dental vans in public schools.

The money is about $74 million less than the $395.8 million promised for the program in November.

Mr Andrews said the savings were made because of the way the program will be staggered out, but Opposition Leader Michael O'Brien said the state government was already making cuts so soon after being re-elected.

"This is going to be a budget tomorrow of new taxes and broken promises," Mr O'Brien told reporters yesterday.

"If Daniel Andrews thinks that putting more taxes onto property is going to help the fact that the property market's going to slump, he doesn't know the first thing about economics — if you want to stop people from doing something you tax them, that's why you tax cigarettes."

BUDGET WISH LIST

• Victorian Council of Social Service: Closing the state's child prisons and redirecting the savings to diversion and prevention programs

• Victorian Chamber of Commerce: Build the East West Link road as well as the North East Link

• Public Transport Users Association: Delay the North East Link and Suburban Rail Loop to reassess other projects with potential for greater benefit, such as the Melbourne Metro 2 rail tunnel

• Law Institute of Victoria: Increased legal aid funding

• Jesuit Social Su: Build at least 3000 new public housing properties each year over the next four years and boost support for people with multiple and complex needs

• Early Learning Association Australia: pay equity for kindergarten teachers

• Rural Councils Victoria: Create a ministry for rural communities

• Victorian Tourism Industry Council: Redevelopment of Bendigo Airport to take more interstate flights and upgrade the Queenscliff and Sorrento ferry terminals to cope with demand.

Tasmanian councils rate figures incomplete, 20 councils without Valuer General figures

A lack of definitive figures to set council rates has been labelled disappointing by the Meander Valley Council mayor.

Without the figures Tasmanian councils will set their rates through gazetted figures from the Valuer General.

Every six years property prices in each municipal area are reevaluated to allow councils to set rates at an appropriate level.

A Department of Primary Industries, Parks, Water and Environment spokesman said Break O'Day, George Town, Northern Midlands and Meander Valley, Brighton, Burnie, Central Coast, Circular Head and Clarence councils have all been completed and the data provided to the councils.

"Adjustment factors have been gazetted for the remaining 20 municipal areas effective for the 2019-2020 rating year," the spokesman said.

However, some councils claim they still do not have the full details they need to set rates.

Meander Valley Council received some data from the valuer general, but said there were omissions. The council was told it did not matter because they were not the final figures, but have not received any further information.

That data is needed to set rates, which should be done by June. Mayor Wayne Johnston said with five new councillors who campaigned on keeping rates low, it would be difficult to set the rates without the information.

"It's disappointing. It only happens once every six years, so I don't know how it's not done," he said.

The DPIPWE spokesman said all the required information had been provided to councils as far as the department was aware, and would work with councils to resolve any issues.

West Tamar mayor Christina Holmdahl said the valuer general had not completed the scheduled reevaluation for the area, so council had gazetted adjustment figures for the coming financial year.

"These adjustment factors are designed to minimise large fluctuations to valuations that can sometimes occur between reevaluation," she said. "They normally represent the estimated market movement for an area or a suburb and that takes into account the class of property."

West Tamar council has not delayed setting its rates and gazetted reevaluations proposing a 2.75 per cent rise.

NSW Valuer General's final prices for valuation services to councils

The Independent Pricing and Regulatory Tribunal (IPART) today released its final decision on the maximum prices that the Valuer General can charge NSW councils for land valuation services over the next six years.

Land valuations are supplied to councils to use in their calculation of rates.

Under the Determination, councils will be required to pay $7.51, $6.40, $5.90 and $12.21 per property valuation if they fall within the Country, Coastal, Metro and City of Sydney zones, respectively.

“We have accepted the Valuer General’s proposal for zonal prices, as we consider this structure is more transparent and better reflects the costs of providing valuations, which can be driven by various factors, including the number and mix of property types, travel distance to conduct valuations, and the number of complex and high-risk properties in an area,” IPART Chair, Dr Paul Paterson said.

The average annual revenue that the Valuer General collected from all councils across NSW in the last determination period was around $16.9 million. Under our decision, this will increase marginally to $17.1 million. Dr Paterson, said however, “the cost per valuation is decreasing as the number of valuations undertaken each year is increasing.”

“We estimate that 99 of the 128 NSW councils will see their bills decrease from 1 July 2019. The prices we have set are in aggregate 4.5% lower than those proposed by the Valuer General,” Dr Paterson said.

“But valuation costs will rise in some councils as a new 4-zone price structure is introduced to better reflect the costs of providing valuations in different areas.” This price structure reflects the Valuer General’s proposal, and is a move away from the current state-wide uniform prices to councils.

“We note that the Valuer General’s proposal incorporated 2.0% operating cost savings, resulting from the recent mass valuation procurement process, which we took into account in setting our prices. The Valuer General’s revenue will increase marginally over the determination period, but less than inflation, to reflect efficient costs.”

IPART last set the maximum prices for the Valuer General’s charges to councils in 2014. The Premier asked IPART to set the prices for these services to apply from 1 July 2019 for a 6-year period.

Information related to IPART’s review of the Valuer General’s prices from 1 July 2019 is available at www.ipart.nsw.gov.au.

CBH fears silo council rates slug

Australia’s biggest grain handler has warned foisting local government rates on its network of silos and infrastructure would threaten the competitiveness of wheat farmers in the global grain market.

Several councils have suggested during a community consultation period examining the Local Government Act that CBH Group should pay rates.

The Jimmy Wilson-led co-operative is in the middle of a cost-cutting mission to slash $100 million from its bottom line by the end of the year.

The grain group as a registered big charity is exempt from paying rates to councils, much like churches, and believes it is critical the status quo is maintained so downward pressure is not put on farmers.

A CBH spokeswoman said it already made ex gratia payments to local governments instead of rates.

“Removing CBH’s current ex gratia rates could lead to further costs being passed on to growers at a time when it is vital to help WA grain growers realise lower operating costs, so they can remain internationally competitive,” she said.

“CBH returns the majority of our operating surplus to our growers or reinvests this into our supply chain network to improve efficiencies.”

WA Local Government Association president Lynne Craigie said there should be a review of all groups receiving rate exemptions.

“It’s time that we take a look at which industries and organisations are receiving these benefits to ensure the reasons why they should not contribute to rates are still valid,” she said.

“We don’t have a policy position with particular focus on any one industry and so can’t speak to the arrangement with CBH, other than to say it has been in place for 15 years and may need review along with the rest.

“Across the board, councils have forgone $45 million as a result of ratings exemptions in the past financial year, which represents about 2 per cent of the total rates revenue.”

Mr Wilson reaped the benefits of high prices, good yields and an east coast drought in his first full season at the helm with the co-operative posting a $128 million surplus before farmer rebates during its 2017-18 financial year.

Australian Export Grain Innovation Centre estimates it costs Australian farmers $216 to produce a tonne of grain. Russian and Ukrainian farmers can produce a tonne of lower-quality grain for between $121 and $133.

Asian markets are choosing lower-quality, cheaper grain, or blending with Australian wheat.

Climate change could slash $571b from property values, study warns

A Climate Council study warns the value of Australian real estate could plunge over the next decade unless future governments have the political will to deal with climate change.

Key points:

- The Climate Council estimates Australian real estate will lose $571b, or almost 9pc, of its value by 2030
- The losses will be concentrated amongst 5-6pc of property owners, with many properties virtually uninsurable
- The report estimates $4 trillion could be wiped off economic growth over the next 80 years if carbon emissions do not fall

The research estimates residential property value losses of $571 billion by 2030 related to increased extreme weather events, inundation of some low-lying coastal properties and higher insurance premiums.

That would wipe approximately 9 per cent of the nation's total residential property value — about as much as has been lost so far in the current property downturn, which is on track to be the worst in Australia's recent history.

However, these losses would not be evenly spread, as an estimated 5-6 per cent of property owners bear the brunt of climate change risks.

As insurance companies reshape their risk strategies to manage extreme weather events, the report predicts, the cost of insuring properties — particularly those on the coast — could become unaffordable for one in 19 owners, who would have to pay annual premiums equivalent to 1 per cent of their property value.

A recent study by the Actuaries Institute — actuaries are the statisticians who calculate risk for insurers — warns that as many as one in 10 properties could become uninsurable by the end of this century due to climate change.

Climate risk expert and report author Karl Mallon warned insurance companies were constantly updating their risk strategies, and could hike premiums to deal with extreme events such as rising sea levels, heatwaves and floods.

"Increasingly, Australians are also going to struggle to pay for home insurance. On current trends, by 2030 one in every 19 property owners faces the prospect of insurance premiums that will be effectively unaffordable," Dr Mallon said.

"Even for Australians who can afford to pay, general insurance currently does not cover damage from coastal inundation and erosion — events which are likely to become more common because of climate change."

'There are real costs of failing to act'

The report also warns $4 trillion could be wiped off economic growth over the next 80 years if carbon emissions do not fall.

Climate Council chief executive Amanda McKenzie told The World Today both major parties needed to confront climate change with policies that showed political will.

"Unfortunately this report shows there is a real cost of failing to act in the last four years," she argued.

"Pollution has gone up and up and up in Australia. At the same time we've seen mass bleaching on the Great Barrier Reef, we've seen nearly 50-degree days in some parts of Australia, fruit cooking on trees.

"The impact of climate change could be absolutely catastrophic, and you just have to look at the fact that it will be concentrated in areas that are vulnerable to climate change: coastal areas that are vulnerable to sea-level rise, bushfire-vulnerable houses."

The new report, Compound Costs, says coastal areas are likely to be hit hardest, and highly populated areas such as the Sunshine Coast, the Gold Coast and Melbourne are all vulnerable.

However, rural Australia is also in jeopardy, with the increasing frequency of drought likely to reduce agricultural activity and reduce GDP by 1 per cent each year.

"We've seen consistent drought across New South Wales, southern Queensland, Victoria recently, and we're expecting to see drought conditions worsen. That will have a huge economic impact in regional Australia," Ms McKenzie said.

"There are real costs of failing to act on climate change, and that's what we've tried to quantify in this report."

Climate an election issue

The study comes as Opposition Leader Bill Shorten is under increasing pressure to release the costings on Labor's climate change policy.

Less than a fortnight before election day, Ms McKenzie said voters were increasingly frustrated about a lack of leadership from both Prime Minister Scott Morrison and Mr Shorten.

"I think Australians are seeing this as the climate election. They are consistently saying they want action and are fed up with seeing a lack of action coming out of the Federal Government," Ms McKenzie said.

"They have to act. We're in a scenario now where we are seeing climate change all around us. This is not a future issue; it's absolutely an issue for today."

The Climate Council research follows warnings from the Reserve Bank and the Australian Prudential Regulation Authority that climate change poses serious economic risks and that companies need to disclose their exposures to investors.

Labor puts $1b on table for high-speed rail link via Canberra

Labor has put high-speed rail back on the election agenda with a $1 billion pledge to begin securing the corridor for a link from Brisbane to Melbourne via Sydney and Canberra.

Transport and infrastructure spokesperson Anthony Albanese says a Shorten Labor Government will create a High-Speed Rail Authority that will work with the governments of Queensland, New South Wales, Victoria and the Australian Capital Territory to finalise track alignment and commence land acquisitions.

It will also finalise an updated business case for the project in consultation with Infrastructure Australia and work with the private sector including international proponents with experience in building and operating high-speed rail.

The former Labor government completed a feasibility study for the project in 2013, which identified a 1748km route and found the project was not only viable, but would return more than $2 in public benefit for every dollar invested, according to Mr Albanese.

He said an independent panel including former deputy prime minister Tim Fischer and the Business Council of Australia's Jennifer Westacott recommended the creation of a High Speed Rail Authority but subsequent Coalition governments failed to act on this.

Mr Albanese said high-speed rail would revolutionise interstate travel and regional development in Australia, allowing passengers to move between capital cities in as little as three hours at speeds of up to 350km/h.

The project would also be an economic game-changer for communities along its path, including the Gold Coast, Grafton, Coffs Harbour, Port Macquarie, Newcastle, the Central Coast, Southern Highlands, Canberra, Wagga Wagga and Shepparton.

"It would bring these communities closer to capital cities, allowing for increased commuting while also strengthening the case for regional business investment," Mr Albanese said.

"As Australia's strong population growth continues in coming years, the already established case for high-speed rail will become more compelling. If we start to acquire the corridor now, we will protect it from development and thereby minimise costs.

"Indeed, in 2017 Infrastructure Australia calculated that early acquisition of the corridors for seven rail projects on its Infrastructure Priority List, including high-speed Rail, would save the public $11 billion in land acquisition and construction costs."

Route maps so far for high-speed rail proposals show a station to the north of Canberra with a spur line to the capital. Canberra Airport also has proposed a station there to create an integrated transport hub.

A land value capture model for property development has been proposed as a way to finance the expected $100 billion project but it will still need significant government support.

A private consortium Consolidated Land and Rail Australia (CLARA) – which includes Japanese company Hitachi, infrastructure services company Cardno and the CSIRO – plans to use the land value capture model along the route to fund and build eight inland 'smart' cities in conjunction with a high-speed rail network connecting Sydney and Melbourne via Canberra.

CLARA believes the 35-year eight cities project can deliver critical mass in passenger numbers for the HSR network, as well as unlock the significant financial benefits to the Australian economy of inland city development.

It says it is agnostic about technology and will choose the best on offer if its proposal is accepted. CLARA says research shows that there are at least four viable, currently available technologies that would enable CLARA to achieve its faster rail projections, including magnetic levitation and traditional systems.

CLARA's proposal has three distinct stages which it says are commercially viable in their own right. The first two to be built concurrently are Melbourne to Greater Shepparton with two CLARA cities and then Sydney to Canberra with three CLARA cities.

It says the Sydney to Canberra corridor will deliver 501,000 new dwellings over 35 years, accommodating about 1.2 million people. The Melbourne to Shepparton corridor involves 334,000 new dwelling allotments accommodating 801,000 people.

But the Greens in their policy for high-speed rail say the project should be totally publicly funded and not handed over to property developers.

Why a Sydney council wants to increase rates by almost 50 per cent

Apartment owners in the Sutherland Shire face an almost 50 per cent hike in rates as councils across Sydney seek to narrow the gap in average rates paid for apartments compared with houses.

Sutherland Shire Council has asked the Independent Pricing and Regulatory Tribunal to approve an increase in minimum rates from $602.30 to $900 – a huge rise compared to the maximum increase of 2.7 per cent permitted by the pricing regulator.

A council spokeswoman said most apartment owners in the Sutherland Shire paid minimum rates, which are less than half the $1482 levied on other residential properties, yet all residents are provided equal access to council services.

"An increase in the minimum rate will see the gap between average rates paid for apartments compared to houses reduce," she said.

"However, because traditional housing will generally have higher land values per individual ratepayers, these types of residential properties will still pay a higher amount of rates."

Other councils such as North Sydney and Randwick also argue the rates paid by apartment owners are too low because of the way council rates are calculated.

Rates in NSW are calculated according to a property's land value rather than market value. For apartments, the land value of a site is divided among all the ratepayers in the block, so they end up with a lower comparative land value than homeowners.

Linda Scott, the president of Local Government NSW and City of Sydney deputy mayor, said councils should be able to choose whether they base a component of rates on the market value of a property or just the land value.

IPART will decide this month whether to approve applications from 13 councils including Sutherland Shire to increase rates beyond the rate peg based on criteria such as financial need and the community's capacity and willingness to pay.

North Sydney mayor Jilly Gibson said all ratepayers used council facilities and services regardless of whether they owned an apartment or house: "However, apartment dwellers may use some services such as parks more than people who have a garden."

Most apartment owners in the North Sydney local government area paid $583 in council rates and charges this financial year - almost $200 less than owners of detached dwellings.

"While there's been a huge leap in property prices, our minimum rates have only increased slightly," Cr Gibson said, adding: "More affordable apartments away from the harbour that don't have highly prized views pay the same rates as apartments in prime positions."
Cr Gibson said the council's capacity to provide services was strained as the proportion of apartments increase.

"The discrepancy in the rating framework results in Council receiving less rate revenue per additional person that it services as the population increases with the new developments," she said.

Sutherland Shire said in its application to IPART that an increase in residential developments had placed "significant strain" on existing infrastructure.

But the council's attempt to hike rates on apartments is opposed by owners such as Daniel Biro, who said he paid $602 in council rates on his two-bedroom apartment in Cronulla plus $475 for domestic waste collection and storm water management services.

Mr Biro said the rate rise would add to cost of living pressures given the rising price of utilities, financial services and health insurance.

In a submission to IPART Mr Biro said that the council had taken the "easiest and most unfair course of action" of seeking to impose higher rates on a minority of lower-income residents.

"We are hard-working, contributing residents; we do not ask for sympathy, but for a justful, transparent, and substantiated decision-making process by public servants," he said. "The constant erosion of middle class income has to stop."

A spokeswoman for Randwick City Council said it supported a move to assess rates based on a property's market value, as it would be more equitable: "This would mean that a house and an apartment, each with a market value of $1 million, would both pay the same rates regardless of their different land values."

But Rachel Lynn, the general manager of the Strata Community Association (NSW), said: "We strongly disagree with unit owners being burdened with more costs for no further benefit."
Ms Lynn said the cumulative rates of a large apartment complex often outstripped the rates paid for a single dwelling on the same land, yet the street frontages and infrastructure were comparable.

"We continue to maintain the view that strata unit owners are not a cash cow for additional revenue, she said.

Barr faces Liberal attack on rates rises

ACT Chief Minister Andrew Barr has defended his government's record on a 2012 pledge that a 20-year tax reform agenda would be "revenue neutral" during an opposition parliamentary attack.

Mr Barr made the claim when selling the reforms to move from stamp duty to rates revenue as the territory's treasurer in 2012, making the ACT the first state or territory to go down the path many economists recommend.

Since then, ABS data has shown a more than 130 per cent rise in rates, vastly outpacing growth in other jurisdictions, while the territory's stamp duty revenues have fluctuated but stayed largely above $200 million since the reform began.

The 2012 pledge also followed former treasurer Ted Quinlan's tax review, which recommended that land tax also be abolished along with stamp duty, a recommendation the government did not adopt.

The government has also equivocated on the election pledge in the years since as it has faced opposition pressure to abandon the reforms, amid Assembly inquiries into various parts of the ACT tax system.

Among those in recent times was an inquiry into the government's unexpected move to change the balance of rates revenue that has seen Canberra's unit owners facing exponential rates increases in the past two years.

But the inquiry in September last year urged the entire rates and land tax system be overhauled, a call the government has ignored, despite Mr Barr expressing some regret over how commercial rates had increased during a recent hearing of a separate inquiry.

Opposition Leader Alistair Coe opened question time on Tuesday by asking Mr Barr if he stood by his pledge that tax reform would be revenue-neutral given the 134 per cent increase in rates revenue, to which he said yes.

The Chief Minister then recited the government's agenda, which had also abolished insurance duties and stamp duty for first home buyers, while increasing the ACT's payroll tax threshold.

Mr Barr also defended the abolition of stamp duty and move to a further land tax-based revenue system given it was a more efficient revenue source.

Asked by opposition MLA Mark Parton how much more rates revenue would increase over the rest of the 20-year reform, Mr Barr said that rates had increased every year since self-government, and would continue to do so.

While the government has been reticent to release any long-term forecasts, possibly in part given the volatile nature of such estimates, he cited budget forecasts that rates revenue was expected to rise about 6 to 7 per cent for the next four years.

He also said that in the 2016 election campaign no one had argued anything else. He said the opposition's policy at the time would have led to even greater taxes for Canberrans, while the government was cutting some taxes.

Mr Coe has since promised that if elected, the Liberals would abolish the government's $500 million-a-year payroll tax and cut rates and land tax.

While the tax reform program has seen rates revenues increase an average of 19 per cent since reforms began, Mr Barr told the chamber that the heaviest lifting had already passed.

He also said people were already voting with their feet, citing 2016 census data that the territory had the highest population growth in the nation.