

MESSAGE FROM THE MINISTER

(To Elected Members and CEOs)

RATING OF RETIREMENT VILLAGES

I would like to remind Councils of their responsibilities under the *Local Government Act 1999* in relation to the rating of retirement villages. This issue was considered in the review of the *Local Government Act 1934* and specific provisions have been incorporated in the current Act.

Differential Rates and Minimum Rates

Where a Council declares differential rates on the basis of use, retirement villages must be rated at the residential rate (rather than, for example, the commercial rate) [s. 156(5) of the 1999 Act], and any minimum rate set cannot be charged on individual units in a retirement village [s.158(2)(b) of the 1999 Act].

Transitional Exemptions

Transitional provisions maintain rate exemptions granted under the previous Act [s.23(5) of the Local Government (Implementation) Act 1999]. Proclamation made under s168(2)(h) of the 1934 Act for the 1999/2000 financial year will continue to apply until 30 June 2005, provided the relevant land continues to be used (wholly or predominantly) for the purpose or purposes for which it was being used on 1 July 1999.

The effect is that any retirement villages that were, by proclamation, exempt from paying rates in 1999/2000 will continue to be exempt for a transitional period up to and including 2004/2005. The proclamation was made on 24 June 1999 and details are available from the South Australian Government Gazette pages 3416 to 3155 [www.governmentgazette.sa.gov.au].

Mandatory Rate Rebates

Not-for-profit community services organisations providing residential care facilities approved for Commonwealth funding under the *Aged Care Act 1997 (Cwlth)* are entitled to a 75% mandatory rate rebate [see s.161 of the 1999 Act and the definition of “supported accommodation” in s.4(1)]. A Council may grant a higher rate rebate under this provision at their discretion.

Discretionary Rate Rebates

Provision has been made for rate rebates to be granted to retirement villages at the discretion of Councils [s.166(1)(h) of the 1999 Act]. Councils should give careful consideration to applications for discretionary rate rebates from retirement villages and the outcome should be determined in accordance with the issues of equity and consistency addressed in the Council’s rating policy.

Rating Policy

Annually each Council must, in conjunction with its declaration of rates, adopt a rating policy which addresses how the issue of equity arising from circumstances where ratepayers provide or maintain infrastructure which might otherwise be provided or maintained by the Council is resolved in its rating strategy [s.171(2)(d)(vi) of the 1999 Act].

Parliamentary Reporting

In Parliament's consideration of the issue of discretionary rate rebates for retirement villages, implementation provisions were passed to require reporting for the first three years of rating under the new Act [s.23(4) of the Local Government (Implementation) Act 1999].

Councils must prepare and publish a report on how they have dealt with applications for rate rebates from retirement villages. The report must specify the number of applications, the result of those applications and the way in which the Council's policy on issues of equity arising from circumstances where ratepayers provide or maintain infrastructure that might otherwise be provided or maintained by the Council has been applied in relation to each application, insofar as that policy is relevant to the application [s.23(4)(a) of the Local Government (Implementation) Act 1999].

Councils would need to submit their first report to Parliament on this matter in conjunction with their annual report by 31 December 2001 [s.23(4) of the Local Government (Implementation) Act 1999 and Regulation 9(2) of the Local Government (General) Regulations 1999].

Information Availability

Copies of both the report to Parliament and the rating policy must be made available for inspection (without charge) or purchase (on payment of a fee fixed by the Council) at the principal office of the Council [s.23(4)(b)(ii) of the Local Government (Implementation) Act 1999 and s.171(3) of the Local Government Act 1999].

Further information

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