



## Chapter 6 – Council rates and charges

### **1. Is the current method of declaring rates and charges based on “land” still appropriate?**

For general rate payers this may be appropriate, however by using the full lease purchase price within retirement villages to establish the CIV it greatly over values the property. The lease fee payable to the owner of the village on leaving the village.

### **2. What powers do councils require in relation to levying rates and charges?**

Current powers are adequate, however the increases should be based on CPI raises only.

### **3. What obligations or restrictions should be imposed on councils in relation to these powers?**

Current restrictions on Councils who do not use the CIV for setting rates, prevent them from providing a different rate for retirement villages. This anomaly should be removed from the Act.

### **4. What rights should rate-payers have in relation to the exercise of council’s powers in relation to levying rates and charges?**

Current rate payers rights are satisfactory at this time but there should be a wider review of how rates are struck and the ability to challenge those rates and increases when excessive.

### **5. Should there be detailed legislative provisions regarding processes associated with levying rates and charges? If so, are the current processes for levying rates and charges in the Act appropriate? If not, what changes should be made?**

To ensure consistency the legislation should be more prescriptive. Where a Council has discretionary powers it will lead to vastly different outcomes for rate payers depending on Municipalities. The current method of settling rates and determining differential rates and concessions results in inconsistencies in the level of rates applied. The Act should require Councils to set a 25% reduced differential rate for retirement villages. This would address the inequity in the valuation system and take account of the additional factors such as;

Councils gaining an unfair benefit as the units and apartments are smaller than general properties in the area and thus provide a far greater density (i.e. more rates) in a retirement village.



Most residences within the village have only one or two occupants and thus place a lesser demand on facilities within the Council for the number of dwellings.

Also the street surfaces, lighting, cleaning and landscaping within the village is maintained by the residents via their monthly fees to the lease holder.

**6. What sanctions should be imposed on councils failing to comply with the requirements relating to levying rates and charges?**

The Minister should alter the Act to bring all Councils into a fair and equitable area in relation to retirement villages and the 25% reduction in rates and should be able to override a Council decision where it has not complied within the Act, or unfairly dealt with a rate payer.

**7. Do you have any other questions/comments about the content in this chapter?**

**Response:**

1. If discretion is afforded to Council their decision will be based on financial based on rates rather than Community based.

