

Submission to Discussion Paper

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Chapter 6 – Council Rates and Charges

I submit that there is a significant injustice in the way that Victorian Councils charge rates to Retirement Village villas.

- Council Rates cover the provision of such services as the maintenance of street lighting, construction and maintenance of footpaths, roads, drainage, street lighting network, landscaping, car parking spaces, street cleaning. In addition, councils provide the services to remove rubbish, green waste and hard rubbish collection yet these service **are not** provided to Retirement Villages.
- Residents of retirement villages are required to pay a monthly levy to the village owners to **pay for the above services not provided by councils**. The amount of rates owners of each property pay is perceived to be unfair, relative to the benefits they receive from council services (that is, the equity-benefits principle).

- The density of retirement village units results in the Council collecting 2-3 times the usual rate revenue than a residential street, a significantly enhanced revenue base for Council when considered with the financial benefit of undelivered services.
- Retirement villages provide many other *financial* and *social* benefits to the council and local community.
- The sale price that we (or our trustees) would achieve on departure of our villa incur Deferred Management Fees, Loss of Capital Gain, Refurbishment Fees and payment of the Monthly Levy up to 6 months of \$3,000 (plus CPI).
- Council rates are based on the Capital Improved Value which we can never achieve on sale of our villa due to the above costs which are not experienced with the sale of a normal domestic residence.
- The **Ministerial Guidelines for Differential Rates April 2013** provided guidance to Local Government to consider the reduction of the rate burden through use of a reduced differential rate for Retirement Village land (and other specific classes of land).

RECOMMENDATION: *In order to achieve both justice and consistency of Differential Rates for Victorian retirement villages, that a fair and reasonable reduction of the General rate be introduced for every Victorian retirement village unit.*