



## **AGENDA**

**FOR FINANCE AND CORPORATE SERVICES COMMITTEE MEETING TO BE HELD ON**

**19 AUGUST 2024 AT THE CONCLUSION OF THE POLICY AND PLANNING COMMITTEE**

**IN LITTLE PARA CONFERENCE ROOMS, SALISBURY COMMUNITY HUB,  
34 CHURCH STREET, SALISBURY**

### **MEMBERS**

Cr B Brug (Chairman)  
Mayor G Aldridge  
Cr L Brug (Deputy Chairman)  
Deputy Mayor, Cr C Buchanan  
Cr J Chewparsad  
Cr A Graham  
Cr K Grenfell  
Cr D Hood  
Cr P Jensen  
Cr M Mazzeo  
Cr S McKell  
Cr S Ouk  
Cr S Reardon

### **REQUIRED STAFF**

Chief Executive Officer, Mr J Harry  
Deputy Chief Executive Officer, Mr C Mansueto  
General Manager City Infrastructure, Mr J Devine  
General Manager Community Development, Mrs A Pokoney Cramey  
General Manager City Development, Ms M English  
Manager Governance, Mr R Deco

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**APOLOGIES**

**LEAVE OF ABSENCE**

**PRESENTATION OF MINUTES**

Presentation of the Minutes of the Finance and Corporate Services Committee Meeting held on 15 July 2024.

**REPORTS**

*For Information*

2.2.1 Independent Living Units and Lifestyle SA Villages ..... 7

**QUESTIONS ON NOTICE**

There are no Questions on Notice.

**MOTIONS ON NOTICE**

There are no Motions on Notice.

**OTHER BUSINESS**

*(Questions Without Notice, Motions Without Notice, CEO Update)*

**CLOSE**



**MINUTES OF FINANCE AND CORPORATE SERVICES COMMITTEE MEETING  
HELD IN LITTLE PARA CONFERENCE ROOMS, SALISBURY COMMUNITY HUB,**

**34 CHURCH STREET, SALISBURY ON**

**15 JULY 2024**

**MEMBERS PRESENT**

Cr B Brug (Chairman)  
Mayor G Aldridge  
Cr L Brug (Deputy Chairman)  
Deputy Mayor, Cr C Buchanan (*via Video Conference Teams*)  
Cr J Chewparsad  
Cr A Graham  
Cr K Grenfell  
Cr D Hood  
Cr P Jensen  
Cr M Mazzeo  
Cr S McKell  
Cr S Ouk  
Cr S Reardon

**STAFF**

Chief Executive Officer, Mr J Harry  
A/General Manager Business Excellence, Ms J Emerson  
General Manager Community Development, Mrs A Pokoney Cramey  
General Manager City Development, Ms M English  
Manager Urban, Recreation and Natural Assets, Mr J Foong  
Manager Governance, Mr R Deco  
Team Leader Council Governance, Ms J O'Keefe-Craig  
Governance Support Officer, Ms K Boyd  
Assessment Manager, Mr C Zafiropoulos  
Senior Engineer, Mr D Pezzaniti  
Manager Infrastructure Design and Delivery, Mr J Collins  
Manager Community Experience, Ms C Kroepsch  
Audit and Risk Manager, Ms S Kinsella  
Governance Administration Officer, Ms K Hernen

The meeting commenced at 6.40pm.

The Chairman welcomed the Elected Members, members of the public and staff to the meeting.

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**APOLOGIES**

Nil

**LEAVE OF ABSENCE**

Nil

**PRESENTATION OF MINUTES**

Moved Cr J Chewparsad  
Seconded Cr S Reardon

The Minutes of the Finance and Corporate Services Committee Meeting held on 11 June 2024, be taken as read and confirmed.

**CARRIED**

**REPORTS**

*Administration*

**2.0.1 Future Reports for the Finance and Corporate Services Committee**

Moved Cr D Hood  
Seconded Cr S McKell

That Council:

1. Notes the report.

**CARRIED**

*Mayor G Aldridge left the meeting at 6:41pm and did not return.*

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*For Decision*

**2.1.1 Certification of the 2023/24 Annual Financial Statements**

Moved Cr P Jensen  
Seconded Cr S Reardon

That Council:

1. Authorises the Mayor and Chief Executive Officer to sign the Council Certificate (Attachment 1, Item 2.1.1, Finance and Corporate Services Committee, 15 July 2024) certifying the Annual Financial Statements for the financial year ended 30 June 2024, following the Audit and Risk Committee's review of these Statements which is scheduled to occur on 9 October 2024.

**CARRIED**

**2.1.2 Treasury Report for the Year Ended 30 June 2024**

Moved Cr J Chewparsad  
Seconded Cr S McKell

That Council:

1. Notes the report.

**CARRIED**

*For Information*

**2.2.1 Council Finance Report - June 2024**

Moved Cr C Buchanan  
Seconded Cr L Brug

That Council:

1. Notes the report.

**CARRIED**

**QUESTIONS ON NOTICE**

*There were no Questions on Notice.*

**MOTIONS ON NOTICE**

*There were no Motions on Notice.*

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**OTHER BUSINESS**

*(Questions Without Notice, Motions Without Notice, CEO Update)*

*There were no Other Business items.*

The meeting closed at 6.43pm.

CHAIRMAN.....

DATE.....

<b>ITEM</b>	2.2.1
	<b>FINANCE AND CORPORATE SERVICES COMMITTEE</b>
<b>DATE</b>	19 August 2024
<b>HEADING</b>	Independent Living Units and Lifestyle SA Villages
<b>AUTHOR</b>	Kate George, Manager Finance and Procurement Services, Business Excellence
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community

**SUMMARY** This report provides information regarding the rating of independent living units and Lifestyle SA villages in particular in response to Council resolutions 0707/2024 and 0717/2024.

**RECOMMENDATION**

That Council:

1. Notes the report and that no discretionary rebate be provided to residents in Independent Living Units as the current level of rates imposed is not unfair or unreasonable given the distribution of rates across the community.

**ATTACHMENTS**

There are no attachments to this report.

**1. BACKGROUND**

1.1 At the May Council Meeting Council resolved:

**MWON4 Lifestyle Villages – Cr Buchanan**

That Council:

1. Requests the Administration to present a report that considers the following matters in regards to Lifestyle Villages:
  - Status and background to the rating of Lifestyle Villages
  - Options for Council in modifying the current approach to rating of Lifestyle Villages
  - Advice as to the implications of the rating options to Council and residents of Lifestyle Villages.

**CARRIED  
0707/2024**

- 1.2 At the June Council Meeting there was a deputation from a resident of the Lifestyle Village at Walkley Heights, and the following was resolved by Council

**MWON1 Deputation from Mr Hall - Cr A Graham**

That Council:

1. Thanks Mr Hall for his Deputation.
2. Notes that Council has already resolved the following:  
*Requests the Administration to present a report that considers the following matters in regards to Lifestyle Villages:*
  - *Status and background to the rating of Lifestyle Villages*
  - *Options for Council in modifying the current approach to rating of Lifestyle Villages*
  - *Advice as to the implications of the rating options to Council and residents of Lifestyle Villages.*
3. Requests that Staff incorporate the Deputation requests in the report.

**CARRIED**  
**0717/2024**

**2. DISCUSSION**

- 2.1 Lifestyle SA (LSSA) operate retirement villages and have three locations within the City of Salisbury, at Salisbury East, Parafield Gardens and Walkleys Heights.

**Valuations**

- 2.2 Previous to 2013 some retirement villages were rated as a single assessment, whereas others had valuations applied by the Valuer-General on each unit and on communal facilities. City of Salisbury had individual assessments prior to 2013, and as for all properties Council adopt the valuations from the Valuer General.
- 2.3 The Valuer-General undertook a review of retirement villages across South Australia in 2013 and at that time standardised the approach. From that time all retirement village units have individual valuations with the value of communal facilities is incorporated into the valuation.
- 2.4 At this time there was a significant increase in valuations, which was driven by corrections to the values that the VG had previously recorded. Typically where an error is identified and resolved by the VG the ratepayer must accept that their rates have increased, and they have benefited by having lower rates than should have applied in previous years.
- 2.5 For the residents of LSSA within the City of Salisbury, Council considered the level of rate increase and the impact that this would have on these residents and adopted a rate cap that applied for several years.



- 2.6 There has been a further change in 2021 with the VG having a single valuation record for each retirement village, with tenancy valuation maintained for each retirement unit / independent living unit (ILU). Some councils choose to rate the village owner, who then apportions the rates based on the tenancy valuation provided. City of Salisbury raise rates on each tenancy rather than the village owner. Both methods result in the same quantum of rates being raised and distribution to each occupier of each ILU. Rating each individual unit means that each owner has the flexibility to determine the frequency that rates are paid, and the payment method used.

#### **Maintenance of Facilities**

- 2.7 All of the facilities and infrastructure within retirement villages are maintained at the cost of the occupiers, as is the case for residents in strata title and community title homes. The size of the facility, and the standard of the communal assets contribute to the costs of maintenance.
- 2.8 In the case of LSSA the villages in City of Salisbury are gated communities with facilities available at all three Salisbury locations including Indoor heated swimming pool and spa, Bowling Green, Gymnasium, Library, Billiards room, Multi-purpose hall, Hairdressing salon, Dining room, Caravan storage, Vehicle and pedestrian security gates, All hours emergency call system, Internal phone and TV system, maintained landscaping, and a Treatment room.

#### **Deputation**

- 2.9 The deputation to 24 June 2024 Council meeting asked that a differential rate be considered. The deputation detailed the facilities that residents of the LSSA village have access to, and that council services within the village itself are limited, which has been discussed in the section above “Maintenance of Facilities”. In the deputation it was stated that rates are approximately \$1k and management fees charged by the LSSA are approximately \$5k per annum.
- 2.10 The deputation specifically requested that differential rates be considered for LSSA villages. Section 156 of the Local Government Act details the basis of differential rates, and irrespective of other matters to be considered for differential rates (being the need to undertake a rate review and associated public consultation process), this section states that
- (5) *If a council declares differential rates according to the use of land and thus provides for a distinct residential rate, the residential rate must be applied to land occupied by any of the following:*
- (a) *supported accommodation;*
- (b) *independent living units;*
- (c) *day therapy centres.*
- 2.11 The choice of applying a different rate in the dollar to LSSA villages which are comprised of independent living units is not available to Council as a result of S156(5) of the Act.

### Concession for Independent Living Units

- 2.12 Council has a minimum rate, which for 2024/25 has been set at \$1,228. Under S158 of the Local Government Act the minimum rate cannot be imposed on ILU such as those within Lifestyle SA village complexes. This means that where the unit value is below \$394,982 the rate in the dollar will be applied to the valuation rather than the minimum being imposed. This concession does not apply to any other ratepayers, for example, retirees living in non-retirement village units.
- 2.13 The table below provides a summary of the S158 concession at the LSSA units within City of Salisbury:

Location	Number of Units	S158 Concession				Rates Charged			
		Total	Average	Lowest	Highest	Total	Average	Lowest	Highest
Parafield Gardens	210	69,086	329	9	533	188,794	899	695	1,219
Salisbury East	158	50,318	318	0	555	143,714	910	673	1,235
Walkleys	214	62,106	290	142	539	200,686	938	689	1,086

- 2.14 The total cost of this concession for the City of Salisbury is \$527k, which is funded through cross-subsidisation from other ratepayers, and is equivalent to 0.4% of total rate revenue, meaning that other ratepayers pay 0.4% higher rates as a result of S158 concession.

### Further Options Available to Council

- 2.15 In considering whether any further concession ought to be applied Council may wish to consider the following:
- 2.15.1 It is a personal choice to live in a retirement village and the cost implications are the individual's responsibility to understand as part of this decision
- 2.15.2 There are many on fixed incomes in our communities, and providing a concession to ILU occupants increases the burden to others who may have limited capacity
- 2.15.3 LSSA village communities are gated and the facilities are only available to residents to enjoy, that is there is no benefit to the broader community
- 2.15.4 LSSA villages are promoted as providing a high standard of living.
- 2.15.5 The concept of minimum rates is that this is a fair contribution that all ratepayers should make, and S158 applies so this is not the case for residents in ILUs, and this creates a financial burden for all other ratepayers.
- 2.16 Should council wish to consider options to provide further concession to residents in ILUs then the available mechanism is S166 Discretionary rebate of rates, under part (m)

#### *166—Discretionary rebates of rates*

- (1) *A council may grant a rebate of rates or service charges in any of the following cases (not being cases that fall within a preceding provision of this Division):*

- (a) ...
- (m) *where the rebate is considered by the council to be appropriate to provide relief in order to avoid what would otherwise constitute—*
- (i) ...
- (ii) *a liability that is unfair or unreasonable;*
- 2.17 The approach taken by Council in relation to the granting of a discretionary rebate has been whether there is community benefit provided, and the impact for other ratepayers from granting the rebate. LSSA villages do not provide a community benefit, their facilities and services are for the use of residents of these villages, noting that these villages are gated.
- 2.18 As some occupiers of ILU already receive a considerable concession through the non-application of minimum rates, an approach could be for those ILU ratepayers who are paying closer to the minimum rate be provided with a rate rebate. Potential parameters for this would be for ILU ratepayers who are paying between 90% and 100% of the minimum rate that they be provided with a rate rebate to reduce their rates to 90% of the minimum rate, and for those who are paying above minimum rates they be provided with a 10% rebate on their rates.
- 2.19 Applying the rebate in this way will ensure that all ILU residents will receive at least a 10% reduction in their rates compared to other rate payers and also gives consideration to the significant concession that some receive through the non-application of minimum rates.
- 2.20 This additional rebate set with the parameters described in paragraph 2.16 will be a relatively minor cost of approximately \$8.5k and provide a benefit to around 100 ILU ratepayers. This approach requires a manual adjustment and will require system changes to support.
- 2.21 A discretionary rebate under S166(1)(m)(ii), that is on the basis that it is appropriate to provide relief for rates being unfair or unreasonable is not a view that is supported by the Administration. LSSA villages provide a high level of service to their residents and that is funded through a management fee which is understood by residents as part of becoming a village resident. There are many in our community struggling with cost of living pressures, needing to pay minimum rates or higher. There is the need to consider the equity of providing further relief to ILU when those in private dwellings living on government pensions do not receive relief any concession from the Council and are required to pay minimum rates.
- 2.22 Council provide a broad range of services to the community and rates are used to fund these services, whether an individual ratepayer access a broad range of services or not. Those in ILUs are already afforded a concession on rates as the minimum rate does not apply, and it could be argued that this is in recognition of the services that these villages provide rather than drawing on council services.
- 2.23 A decision to provide ILU a discretionary rebate under S166(1)(m)(ii) requires careful consideration including the potential for challenge from others in the community.

**3. CONCLUSION**

- 3.1 Minimum rates do not apply to ILUs and consequently occupiers are provided with a considerable reduction in rates on average, and the cost to other ratepayers is 0.4% of the total rates collected.
- 3.2 The act specifically precludes the utilization of a differential rate being applied to ILUs.
- 3.3 Providing further relief to occupiers of ILUs is possible under S166(1)(m)(ii) should council form the view that the rates imposed on ILU are unfair or unreasonable. This requires careful consideration given the tough economic conditions that many in the community are facing, and should council determine the application of a rebate for ILU residents the decision could be open to challenge from others in the community.