



Minister for Local Government and Regional Development;
Fisheries; the Kimberley, Pilbara and Gascoyne

300

Our ref: M0601396

City of Joondalup DOCUMENT REGISTRATION
Reference # : 00104
Letter # : 622534
Action Officer : CSRM01 CC: CEO MAYOR
Date Received : 04/08/2006
Action Required: ACTION

Mr Troy Pickard
Mayor
City of Joondalup
PO Box 21
JOONDALUP DC WA 6919

Dear Cr Pickard

LOCAL GOVERNMENT RATING OF LAND USED FOR CHARITABLE PURPOSES

In December 2004, the then Minister for Local Government and Regional Development, the Hon Ljiljanna Ravlich MLC, in response to a number of approaches made to her office, requested that the Local Government Advisory Board examine and report on the general issue of local government rating of land used for charitable purposes.

The Board has completed its investigation and has provided its report to me. I have considered the recommendations made by the Board and propose to implement the following strategy.

1. Independent Living Units (ILUs) owned and operated by religious, charitable and other not-for-profit organisations (NFPOs) are to be rated if the accommodation is not subsidised. The nature and level of subsidy will be prescribed in the *Local Government Act 1995* Regulations.

These arrangements are to apply to ILUs in villages established after 1 July 2007 and, from 1 July 2015, to all retirement villages. Existing leaseholders will not be rated while they hold their lease.

2. Religious, charitable and other not-for-profit organisations providing aged care services and receiving care subsidies in accordance with the *Aged Care Act 1997* (Commonwealth) are to be exempted from rates. This may require an amendment to the Act and/or Regulations.
3. Land held by not-for-profit community housing providers and used for crisis accommodation or housing for people with a disability should be exempt from being rated. This may require an amendment to the Act and/or Regulations.



4. Request the Local Government Advisory Board to undertake further work to determine how to isolate the types of community housing that should be rated, without negatively impacting upon:
 - occupiers of this housing that are financially disadvantaged; and
 - community housing providers.

This may require an amendment to the Act and/or Regulations.

5. The Act and/or regulations to be amended to address the following matters in relation to vacant land:
 - vacant land that is held for use as a charitable purpose in the future is exempt from rates;
 - the owner of the vacant land seeking an exemption is to provide information to the relevant local government that is sufficient for it to be able to satisfy itself of the future land use intended; and
 - if the land is not eventually used for a charitable purpose, back rates are to be paid to compensate for the time it was previously exempted. Back-rating is to extend back for a period not exceeding 15 years from the time a decision is made that an exemption is not appropriate.
6. That the Act and/or Regulations be amended to prescribe that incidental and ancillary 'non-charitable' land uses do not jeopardise the overall dominant charitable purpose of a property.
7. That the Act and/or Regulations be amended to clarify that it is possible to rate part of a property, if that part is clearly non-charitable and not incidental or ancillary to a dominant charitable purpose.
8. That the Act and/or Regulations be amended so that organisations seeking a rate exemption are required to provide local governments with relevant information to allow it to make a considered decision about whether land is being used for a charitable purpose.

To help me progress this matter, I am seeking feedback from you and other key stakeholders on my proposals. It would be appreciated if you could submit your comments by the end of October 2006.

Once I have received feedback and have had an opportunity to consider that input, I will finalise my proposals.

Yours sincerely



Hon Jon Ford JP MLC
MINISTER FOR LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT

3 August 2006