

## WHAT IS THE SCHEME?

The Seniors Rate Postponement Scheme started on 1 July 2007.

If you are eligible, the Scheme will permit you to postpone payment of a large part of your council rates. After paying a minimum amount by the due date, the rest can be simply deferred until you or your executor sells or transfers your home.

The Scheme is similar to a reverse mortgage. It works for you, by relying on the equity that you have built up (and will presumably continue to build up) in your home. Rates that are postponed attract an interest rate as prescribed by the Local Government Act 1999 S182A (12).

Both the postponed rates and the accruing interest will have the effect of transferring to the council a small proportion of the value of your home. However, you retain complete control. If you choose to enter the Scheme, every rates bill (once every three months) will include a full statement, and will also advise you of your options. Provided you pay the minimum amount by the due date, you will have flexibility to choose how much or how little of the rest to postpone.

**Whenever you want, you can change how you use the Scheme. You can choose to pay off part or all of any rates you have previously postponed, or simply allow your homes expected growth in value to pay the rates bill, when you are eventually ready to sell your home.**

## AM I ELIGIBLE?

If you are aged 60 or over, and you are buying or own your own home (either by yourself or with a spouse) then the answer is almost certainly, yes.

The only eligibility requirement is that you (at least one of you, if a couple) must be the holder of a current State Seniors Card. (We will need to sight your card as part of the approval process).

(You can even participate if you are entitled to a State Seniors Card, have applied for it, and are waiting for the card to arrive.)

The [State Seniors Card](#) is available to:

- Permanent Australian residents
- Aged 60 years or over, who are
- Working no more than 20 hours per week in paid employment

Application forms for the State Seniors Card are available from:

- All Post Offices
- Your nearest [Families SA Office](#)
- [Office for the Ageing](#)
- RevenueSA

## HOW DO I DO IT?

Getting approval to postpone your rates is fairly simple. Your rates notice includes information about how to apply.

Provided you are the holder of a State Seniors Card, your Council will ask you to fill out an application form, and will ask you to provide just one supporting document.

- If you have a mortgage over your home (and the mortgage was registered before 25 January 2007) then the council will need to receive documentary proof from the bank (or other financial institution) that holds your mortgage about the level of security it is holding. In other words, what is the maximum credit available under your mortgage? Any options such as a mortgage re-draw, or a revolving line of credit must be taken into account, even if you don't intend to use those options. Provided the total *potential* debt is no more than 50% of the Valuer-General's capital value of your home, then your application will be approved.
- If you have *no* mortgage over your home (or if you have only a mortgage that was registered on or after 25 January 2007) then the Council only needs to receive documentary proof from the Lands Titles Office to that effect.

If you cannot provide one or the other of these documents, then the Council may (at its discretion) refuse your application to postpone payment of rates.

However, provided your application is approved, there will be no need to re-apply in following years. Your application, once approved, gives you the option to keep on postponing rates for:

- As long as you are still eligible - i.e. as long as you (or one of you, if a couple) holds a State Seniors Card; and
- As long as the property remains your principal place of residence.

## Does my council participate?

All councils in South Australia participate. You have the right to postpone rates, if you choose, through section 182A of the [Local Government Act 1999](#).

## Is there an application fee?

No, there is no application fee.

## Can my Council reject my application?

Provided you are eligible, there is only one reason why a council may reject your application.

The Council is entitled to say "no" only if you have a mortgage on your home (entered into before 25 January 2007) and the total amount that you are entitled to borrow (or re-borrow) under that mortgage exceeds 50% of the Valuer-General's capital value of your home. For most ratepayers, this valuation appears on your rates notice. Mortgages entered into after 25 January 2007 are irrelevant to a council for this purpose.

## Do I need to re-apply every year?

No. One application covers you for as long as you are eligible. Provided your initial application is accepted, then every year after that you will be entitled to postpone any rates over the minimum amount.

**What is the minimum amount that cannot be postponed?**

The minimum amount of rates that cannot be postponed is \$500 per year (\$125 per quarter).

**What documents will I need to provide?**

Just one piece of paper needs to accompany your application. The Council will need to see independent documentary evidence about your mortgage, if any. That means your application cannot be considered until you provide either:

- Proof of the level of credit available under your mortgage, or
- Proof that you have no mortgage over the property.

If you are unsure, the Council will advise you how to obtain the necessary document.

**Can I postpone rates on my shack or holiday house?**

No. The scheme applies only to your principal place of residence. If you live for part of the time at one address, and part of the time at another address, you will need to nominate one as your principal place of residence and this must be, in fact, where you spend the greater proportion of your time.

**Can I postpone rates on my investment property?**

No. The scheme applies only to your principal place of residence.

**Can I change my mind after I join the scheme?**

Yes. After your application is approved, you can postpone payment of rates (apart from the minimum payment) as often as you wish, or not at all. Every three months when you get a rates notice, you can choose how much to pay or postpone (subject to paying at least the required minimum). Your rates notice will inform you how much has previously been postponed and how much interest has been added to the postponed rates. You can choose to clear some or all of your postponed rates debt at any time.

**I postponed rates, then increased my employment hours and had to give up my State Seniors Card. What should I do?**

You are eligible to postpone rates on your principal place of residence only if you (or your spouse, if a couple) holds a *current* State Seniors Card. Therefore if you (or both of you) lose entitlement to a State Seniors Card you must notify the Council that you are no longer eligible. Failing to notify the Council within six months would be an offence. While you are ineligible, you cannot postpone any more rates, but you do not need to repay any previously-postponed rates until/unless the ownership of the property is being transferred. However, when you are once again eligible to hold a State Seniors Card, you can recommence postponing rates.

**I am moving home. Can the postponed rates from my old home be transferred to my new home?**

No. Selling the home is the trigger for the Council to call in the debt. The proceeds of your sale will be reduced by whatever amount has accrued in postponed rates, plus interest. However, if you are still eligible you can begin postponing rates on your new home.

**My partner and I are not married. Do the same rules apply to us as to married couples?**

Yes. For purposes of this scheme, "spouse" includes a de facto spouse.

**My mum/dad is moving out, but we are not sure whether the home will be sold. What should we do?**

If one member of an eligible couple moves out, rates may continue to be postponed, provided that the person remaining in the house is the holder of a current State Seniors Card. If no eligible senior remains in the home, you must notify the Council within 6 months. It is an offence to fail to do so. If the home is no longer the residence of any eligible Senior, no further rates on the home can be postponed, but any previously-postponed rates do not need to be paid until the ownership of the property is being transferred.

**Who do I speak to, for more information?**

Your Council has Rates Officers who will be pleased to answer any other questions you may have.