

## **Postponement Of Rates Policy**

**Policy Manual Number: 07-2**

**Council Minutes Ref:**           **Council 4<sup>th</sup> June 2001**  
  **Council Meeting 1<sup>st</sup> September 2003**  
  **Council Meeting 11<sup>th</sup> December 2006**

**File Ref:**                           **00099 Rates Policy**

### **Background**

Over a number of years Councils have had the power to grant a deferment of rates. These deferments are usually to pensioners of ill health or limited means who find it hard to fund their rates. These deferments require no payments towards annual rates and have been made interest exempt. Currently there are four properties with rate deferments.

The Local Government Act 1993 now refers to postponements instead of deferments and only to “hardship” not necessarily “financial hardship”.

The purpose of this policy is to provide Council with directions when considering an application for postponement of rates.

### **The Act**

Under section 125 of the Local Government Act 1993 a ratepayer may apply to the Council for a postponement of rates on the ground of hardship. The application needs to be made in writing and addressed to the General Manager.

Under section 126 of the same Act, a Council may grant a postponement on the payment of rates for a specified period if satisfied that such payment would cause hardship. Postponement is on the condition that the ratepayer pay interest on the amount of rates postponed at a rate fixed by the Council and any other condition the Council determines. Interest is not to exceed the prescribed percentage as calculated in section 128 (2).

Section 127 of the Act states the Council may revoke a postponement at any time (provided they give 60 days notice). Also a postponement terminates when the ratepayer ceases to own or occupy the land.

### **Policy Statement**

1. When considering any application to postpone rates, Council must be satisfied that every alternative for time repayment or temporary deferment has been discussed with the ratepayer prior to the application for postponement being made. The outcome of these discussions shall form part of the decision process.
2. Postponement of rates is only available where:

- (a) Council is of the opinion any payment would cause undue financial hardship; or
  - (b) Council is of the opinion the ratepayer has suffered significant personal tragedy
3. Where clause 2(a) applies the Council will refer the ratepayer to an independent community based financial counselling service who will make representations to Council based upon an assessment of the applicants financial circumstances.
  4. Where clause 2(b) applies the Council will require information from a professional practitioner or independent community based counselling service who will make representations to Council based upon an assessment of the applicants personal circumstances.
  5. However Council may at its discretion accept other documentary evidence from the affected ratepayer in lieu of that required in clauses 3 and 4.
  6. The Council shall have regard to the representations referred to in clauses 3 and 4 or the documentary evidence provided in clause 5 when considering the application.
  7. Postponements will be reviewed every two years which will include the need to provide an updated report produced by an independent third party who is familiar with the circumstances of the ratepayer or other documentary evidence as referred to in Point 5.
  8. So that the Council is not put into the situation where it is ultimately unable to recover accrued rates owing on a property, the total amount is not to exceed 60% of the land value of the property. Once this figure is reached, an amount equivalent to 60% of the land value will remain postponed however an agreement allowing direct deductions from a savings account or through Centrepay must be entered into for any amount in excess of the amount postponed.
  9. Interest will be charged in accordance with Councils Rates Collection policy.
  10. A postponement of payment of rates ceases to operate where:
    - (a) The ratepayer dies
    - (b) The ratepayer ceases to occupy the property except where it is necessary for the ratepayer to reside in a hospital, nursing home, psychiatric or other personal care facility for health reasons
    - (c) The ratepayer sells the property
    - (d) The financial or personal situation of the ratepayer improves
    - (e) The ratepayer does not comply with any provision of this policy
  11. A council may revoke a postponement of payment of rates pursuant to clause 10 by giving 60 days notice in writing to the ratepayer of the date on which the postponement ceases to operate

**Review:** 5 years

**Status:** *Current 11/12/2011*

## POLICY DOCUMENT CONTROL SHEET

**Policy Name:** Rates Postponement

**Policy Manual No:** 07-2

**Department:** Corporate Services

**Date Policy Approved by Council:**

<b>Reviewed by</b> (Name and Job Title of officer)	<b>Nature of Amendment</b> (List changes made to Policy)	<b>Date Council Endorsed Amendment</b>
Allan Wise R&CS Co-ord	Adopt Policy	4th June 2001
Allan Wise R&CS Co-ord	Renew policy with amended clauses 5 and 6 for a further 3 years	1 <sup>st</sup> September 2003
Allan Wise R&CS Co-ord	Renew policy as amended for a further 5 years	11 <sup>th</sup> December 2006