

Rates Postponement Policy

Objective

To assist owner-occupiers of property to continue living in their home – in particular for ratepayers aged 65 years and over, but also for younger ratepayers if they do not have the financial capacity to pay their rates or where the payment of rates would create financial hardship.

Postponement statement

Up to 100% of rates may be postponed for a period determined by the Council, where Council's rating staff consider that the applicant qualifies under this Policy.

Conditions and criteria

The postponement applies to properties that are the primary private residence owned and occupied by the ratepayer.

Applicants aged 65 years and over qualify automatically. Younger ratepayers may qualify if they can demonstrate that:

- a) they do not have the financial capacity to pay their rates; or
- b) the payment of rates would create financial hardship.

Written applications and a declaration of eligibility will generally be required for all postponements. However, staff may waive the written application provided they are satisfied there is good reason and provided that full details of the application are recorded.

Applications for postponement will be considered on their individual merits.

Rates penalties will not be applied or will be remitted for any rates that have been postponed.

The postponement will continue to apply until:

- a) the ratepayer ceases to be the owner or occupier of the rating unit; or
- b) the ratepayer ceases to use the property as their primary private residence; or
- c) (for younger ratepayers qualifying due to financial hardship) the ratepayer recovers the ability to pay; or
- d) a date specified by the Council at the time of granting the postponement;

whichever is the sooner.

Notwithstanding these criteria, the total amount postponed may not exceed 20% of the property's most recent Rating Valuation. If the postponed amount exceeds this figure, or Council rates staff consider that the continuation of postponement for another financial year will cause it to exceed this figure, the postponement will cease and all amounts will become due and payable. In such circumstance, the ratepayer may apply for a payment arrangement to avoid the imposition of late payment penalties (in accordance with Remission 3 of Council's Remissions Policy)

Postponement applies to:

Any land owned and occupied by the ratepayer as their primary private residence.

Postponement – general issues

The postponed rates will remain a charge against the property and must be paid either when the property ceases to be the place of residence of the applicant or the criteria no longer apply. Postponed rates may include rate arrears owing from previous financial years.

A fee (effectively interest) will be charged annually where rates have been postponed, and will be added to the total postponed amount. This fee will be calculated at the end of each rating year on the accrued amount postponed (including any fees) at the beginning of that financial year. The fee will be based on the Council's estimated cost of borrowing as published in the Annual Plan.

The Applicant must demonstrate understanding of the nature of compound interest, for example through evidence of adequate financial or legal advice. The Council may require this understanding to be re-confirmed each financial year.