



POLICY ON RATES POSTPONEMENT		ACTIVITY GROUP:	CORPORATE SERVICES
Policy Type:	Council		
Approved by:	Council		
Department:	Finance		
Date Approved:	24 June 2021	Next Review Date:	24 June 2024
Relevant Legislation:	Local Government (Rating) Act 2002 sections 87 Local Government Act 2002 section 110		
Clutha District Council Documents referenced:	-		

PURPOSE

The objective of this policy is to assist ratepayers experiencing significant financial hardship which affects their ability to pay rates, whether directly through health or indirectly through economic issues.

This policy provides a mechanism through which ratepayers can apply to postpone paying rates for one year. Further applications can be made annually up to a maximum of three years.

SCOPE

This policy can apply to any ratepayers in the Clutha District who meet the conditions and criteria.

This policy can be applied from 1 July 2020. This policy will be reviewed by Council on 1 July 2021.

POLICY

1. Conditions and Criteria

1.1. The ratepayer must provide evidence from their bank, accountant or registered budget advisor, to the satisfaction of the Council, of significant financial hardship.

- Farming, commercial/industrial and small holding (used for economic return) properties must provide evidence of either:
 - Reduced revenue (by at least 30 per cent for a period of at least one month compared to the same period in the previous year); or
 - Inability to pay both rates and staff salaries; or
 - Inability to pay both rates and other due bills that are essential to ongoing business operations and viability (e.g. input suppliers).
- Residential and small holding (used as a lifestyle block) properties must provide evidence of either:

- Inability to pay both rates and essential necessities (e.g. food, medicine); or
 - Evidence they have applied for any relevant government support (including unemployment and other benefits) and a mortgage holiday from the bank (if relevant).
- 1.2. Upon approval, from 1 July 2020 annual rates for the postponement period of up to one year (and, if applicable, water meter rates) are postponed. Further applications will be required for further postponements. Applications can be made annually up to a maximum of three years.
 - 1.3. Interest shall be charged during the postponement, with the interest charge set to reflect the Council’s forecast investment rate.
 - 1.4. Ratepayers that are not the owner of the property must have the agreement of the property owner to the postponement.
 - 1.5. A rating charge will be registered on the certificate of title.
 - 1.6. The postponed rates will remain as a charge against the property and must be paid in full either at the end of the postponement period or when the property is sold.
 - 1.7. Decisions of the Chief Executive are final and there are no appeal rights to Council’s elected representatives.
 - 1.8. Council may suspend the operation of this policy if the Council is under financial pressure. If this occurs, staff must, as soon as reasonably practicable, notify the Council for a determination whether to revoke or resume the policy.
- 2. Delegations**
- 2.1. Decisions are delegated to the Chief Executive.

Version History			
Date:	Action:	Name:	Version:
25 June 2020	Policy Adopted	Council	1
25 June 2021	Policy Adopted as part of the 2021 Long Term Plan	Council	2