

Objectives

The objective of this policy is to assist owner-occupiers who have limited capacity to pay their rates from their income and are older, experiencing extreme hardship or otherwise in special circumstances, to continue living in their home.

Criteria

In order to qualify for rates postponement, Council must be satisfied that applicant(s) meet the following criteria:

The applicant(s) must be either:

- Aged 65 years or over, or
- Aged under 65 years and either:
- In extreme financial hardship; or
- In other special circumstances such that a postponement would be fair and reasonable.
- The applicant(s) must own the rating unit either directly or a trust or similar structure.
- Rating units must be classified as residential and used as the principal place of residence by the applicant(s)
- The applicant(s) must have no less than 20% forecast future equity in their rating unit when assessed against the Council's model to predict likely future equity; and
- The rating unit must be insured to its full value at all times. Applicants are required to provide an annual certificate of currency of insurance on the rating unit.

Conditions

All Council's financial and administrative costs of the postponement will be added to postponed rates. These costs will be added annually to the amount of the postponed rates and are payable at the same time those postponed rates are payable.

The financial costs will be the interest Council will incur at the rate of Council's average cost of borrowing for funding postponed rates plus a fixed charge to cover administrative costs.

Metered water charges do not qualify for rates postponement and will be invoiced separately in the usual way.

Rates postponed under this policy will be postponed until, and shall be immediately due and payable immediately upon, the earlier of:

- The death of the last surviving ratepayer granted the postponement; or
- The ratepayer(s) cease to be the owner of the rating unit; or
- The rating units ceases to be the principal place of residence of the ratepayer(s); or
- The minimum equity threshold is reached based on annual estimate of forecast future equity; or
- The rating unit ceases to be insured to its full value; or
- An alternative date as agreed with Council.

It is recommended, and the Council reserves the right to require, that applicant(s) obtain independent advice as to advisability and effect of a rates postponement from an appropriately qualified person (being a Chartered Accountant, a financial adviser or nominated representative, appropriately engaged under a financial advice provider license or Solicitor) before postponement is granted.

Postponed rates will be registered as a statutory land charge on the rating unit title. This in effect means that Council will have first call on the proceeds of sale of the rating unit.

Council reserves the right to specify additional conditions before postponement will be granted for applicants aged under 65 years old.

General Matters

Postponed rates, or any part thereof, may be paid at any time. The applicant(s) may elect to postpone a lesser sum than that which they would be entitled to under this policy.

For the purposes of this policy, a “principal place of residence” is the main home of the applicant(s) that is mainly used as their residence (their home). Where a person has more than one home, their main home is the dwelling with which they have the greatest connection.

The calculation of ‘forecast future equity’ will involve estimating the term of the postponement. The term of the postponement will take into account the life expectancy of the applicant based on Statistics New Zealand’s cohort life expectancy tables.

The Council’s Long Term Plan projected rate increases, and interest expense assumption will be used in estimating the projected loan balance.

The Council will use the rateable value of the rating unit at the time of application to calculate forecast future equity.