Rates Postponement Policy

The Local Government (Rating) Act 2002 allows Councils to have a rates postponement policy for any reason on any land and to any extent.

Rates postponement allows the ratepayer to charge their annual rates against their property (in effect a reverse mortgage) with repayment at a later date – usually on the sale of the property.

The objective of this policy is to provide qualifying ratepayers with the option of postponing payment of rates, subject to the full cost of postponement being met by the ratepayer and a minimal risk of loss to Council.

The Council may postpone rates for ratepayers who intend to use equity in their home to pay postponed rates at a later date.

In order to qualify for rates postponement:

- The applicant(s) must be aged 65 years or over;
- The applicant(s) must own the rating unit either directly or through a Trust or similar structure;
- Rating units must be classified as residential and used as the principal place of residence by the applicant; and
- The rating unit must be insured to its full value at all times.

Applications from ratepayers aged under 65 will be considered on a case by case basis by the Group Manager Organisational Performance.

Applications for postponement of rates due to extreme financial hardship will be considered on a case by case basis by the Group Manager Organisational Performance.

All financial and administration costs will be added to postponed rates. These costs will be added annually. The financial cost will be the interest Council will incur at the rate of Council's average cost of borrowing for funding postponed rates, plus a margin to cover other administrative costs.

Interest and fees payable will be added to the amount of postponed rates annually and be paid at the same time postponed rates are paid.

Metered water charges do not qualify for rates postponement and will be invoiced separately.

Council will assess applications for home equity rates postponement on a risk model to predict likely future equity. Applications with less than 20% forecast future equity will not be successful.

Rates under this provision will be postponed until:
The death of the ratepayer(s) (rates fall due within three months after grant of probate or letters of administration); or

- The ratepayer(s) ceases to be the owner of the rating unit; or
- The rating unit ceases to be the principal place of residence of the ratepayer(s); or
- The minimum equity threshold is reached; or
- An alternative date as agreed with Council.

Principal place of residence is a main home of the applicant 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.

An applicant must obtain independent advice from an appropriately qualified and trained person, as determined by Council. Confirmation that this advice has been sought will be required before postponement can be granted. An appropriate qualified person would include a Chartered Accountant, Solicitor or other such person deemed appropriate to provide this advice by the Group Manager Organisational Performance.

If there is a mortgage owing on the rating unit, the mortgagor must confirm their agreement in writing before rates postponement will be granted.

Council reserves the right to specify additional conditions before postponement will be granted.

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

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.