

Draft Remission and Postponement of Rate Policy

Summary of proposed changes for consultation (March 2021)

About the draft Remission and Postponement of Rates Policy

The Remission and Postponement of Rates Policy specifies the circumstances where the Council will consider remitting or postponing rates.

It is important to note that rate remissions or postponements do not reduce the overall amount of rates Council needs to collect. If we provide a rate remission to a certain ratepayer or property, then we will need to charge other ratepayers or properties more so we still have the funding needed to pay for all of the services that we provide.

Rates remission

- a reduction to the amount of rates to be paid



Typically used to:

- simplify/support administration of the rating system
- ease/shift changes in incidence of rates
- support policy objectives (e.g. worthy causes like sports/cultural groups)
- allow discretion when the unexpected happens

Rates postponement

- a delay in the payment of rates



Typically used to assist those in hardship (temporary)

What we need your feedback on

Council is proposing to make some changes to its rate remissions and postponements and we have updated our policy for these changes. The main changes we are making are to:

1. **Bring in a new rate remission/postponement for significant extraordinary circumstances which would be used for significant events affecting ratepayers in the Southland district.**

This could include earthquakes, floods or pandemics. This would replace our existing remissions for natural disasters and emergencies and give us more flexibility in times of hardship or where we need to respond quickly and also allow us to postpone rates as well as remit rates. It is expected that the policy would probably be used where large parts of our community are impacted rather than at an individual ratepayer level, which is already provided for in our current policy. We would need to decide the details of the criteria and conditions for each circumstance and we would do this by passing a specific resolution. This policy change, when applied, would most likely reduce the income Council receives from rates at that time.

2. **Include additional clauses to allow additional flexibility for Council to remit rate penalties to encourage ratepayers to bring their accounts up to date.**
3. **Include a separate clause to allow for remission of small balances where these are uneconomical to collect.**
4. **Expand the remission for community facilities owned by persons, general clubs, societies or associations to include facilities used for “community service” and “healthcare” to reflect that these facilities also provide a benefit to the community as a whole.** The current policy provides remission community facilities used for public halls, libraries, museums, art galleries or other similar institutions.

5. Clarify that community facilities will be excluded from receiving a remission if they receive “operational” funding from government or associated agencies (not capital funding).
6. Remove reference to the 50% rate remission for community facilities owned by persons, general clubs, societies or associations as these are already provided for under Schedule 1 (Part 2) of the Local Government Rating Act 2002.
7. Include additional criteria in provisions for remission/postponement for extreme financial hardship. This information clarifies that the ratepayer:
 - doesn’t have an interest in other property or assets; and
 - has taken all steps necessary to claim any central government benefits or allowances; and
 - does not have the financial capacity to pay their rates.

We have also made a number of other administrative changes to the policy to reduce duplication and consolidate related information together, particularly details of the supporting information required to be provided under each provision.

A copy of the amended Remission and Postponement of Rates Policy, can be found on www.makeitstick.nz including more information about the proposed amendments. Copies of the policy with the changes highlighted are also available on request.

More information about the proposed changes (as well as other options Council considered but decided not to proceed with) can be found in the Council meeting agenda for 10 March 2021.

When can you have your say?

Submit your feedback on the proposed Remission and Postponement of Rates Policy from 9am 12 March 2021 to 5pm 14 April 2021.

If you would like to speak to Council personally about your submission, let us know. Meetings to hear feedback will most likely be held in Invercargill as part of the hearings for the Long Term Plan scheduled for 27 and 28 April, 2021 with deliberations (where decisions are likely to be made) scheduled for 5 May, 2021.

What happens next?

Your feedback will be considered by Council and a decision will be made to adopt the proposed amendments by June 2021. We will let you know the outcome.