

Section 2.4 – Financial Planning

APPENDIX 26

POLICY 2.4.4 - RATES CHARGES**OBJECTIVE**

To establish a standard for charges relating to rates in accordance with the Local Government Act 1995.

STATEMENT

The following payment options, time frames, discounts, charges and interest rates shall apply to rates, overdue payments and payment options.

Payment Options

- | | | |
|---|--|---|
| 1 | <u>one</u> payment in full of rates and other charges, providing a 2.5% discount plus entry into the rate incentive prize draw | 28 days following the issuing of rate notices |
| 2 | <u>two</u> payments (50% each)
• 1st instalment
• 2nd instalment | 35 days following the issuing of rate notices
63 days after due date of 1st instalment |

It is mandatory pursuant to Section 6.45 of the Local Government Act 1995, to provide an option for four equal instalments. Where a ratepayer elects to pay by instalments, an interval of at least 2 months must be given between the second and subsequent instalments.

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| 3 | <u>four</u> payments (25% each)

• 1st instalment
• 2nd instalment
• 3rd instalment
• 4th instalment | 35 days following the issuing of rate notices
63 days after due date of 1st instalment
63 days after due date of 2nd instalment
63 days after due date of 3rd instalment |
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Late Payment Interest

In accordance with the provisions of Section 6.13 and 6.51 of the Local Government Act 1995, the City may impose interest on all current and arrears general rates, current and arrears domestic refuse charges and current and arrears private swimming pool inspection fees at the rate of 11%, calculated on a simple interest basis on arrears amounts that remain unpaid and current amounts that remain unpaid after 35 days from the issue date of the original rate notice, or the due date of the instalment and continues until instalment is paid. Excluded are deferred rates, instalment current amounts not due under the four payment option, registered pensioner portions and current government pensioner rebate amounts. Such interest to be

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charged once per month on the outstanding balance on the day of calculation for the number of days, as previously detailed.

Instalments and Arrangements - Administration Fees and Interest Charges

In accordance with the provisions of Section 6.45 of the Local Government Act 1995, impose the following administration fees and interest charges for payment of rates, domestic refuse charges and private swimming pool inspection fees:

Two Instalment Option

An administration fee, together with an interest charge as determined at the adoption of the Council's annual budget, calculated on a simple interest basis on 50% of the total current general rate calculated 35 days from the date of issue of the annual rate notice to 63 days after the due date of the first instalment.

Four Instalment Option

An administration fee, together with an interest charge as determined at the adoption of the Council's annual budget, calculated on a simple interest basis on:

- 75% of the total current general rate calculated 35 days from the date of issue of the annual rate notice to 63 days after the due date of the first instalment;
- 50% of the total current general rate calculated from the due date of the second instalment to the due date of the third instalment;
- 25% of the total current general rate calculated from the due date of the third instalment to the due date of the fourth instalment.

Hardship Cases**Objective**

To reduce the burden on the City's residents who are currently experiencing (or who are at risk of experiencing) severe financial hardship.

Statement

Residents of the City who are financially secure will participate in their community with a sense of purpose and direction; will contribute from a position of security and stability and gain positive identity and improved overall health and well-being.

The City recognizes that not all residents are always in a position of financial security and some may experience hardship at particular times during their lives.

In providing support to residents who are experiencing severe financial hardship, the City will implement a number of Guiding Principles from its Strategic Plan. Those principles include working in partnership with the community, building capacity and focusing on improving the quality of life for residents.

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The City will respond to the needs of residents experiencing severe financial hardship by the ensuring that they are -

- Treated with respect and dignity
- Treated with fairness and equity
- Shown compassion and understanding when they express that they are experiencing severe financial hardship
- Made aware that certain means of relief may be able to be provided through the City's Financial Hardship policy
- Made aware that the means of accessing relief is through the City's confidential free Financial Counselling Service
- Made aware that the Financial Counselling Service has the responsibility for both providing financial information and assessment of financial circumstances for the purpose of advocating relief to the City's officers
- Made aware that a contribution from residents is expected even when relief is applied but that such a contribution will be judged according to circumstances

The City will determine the level of relief applicants receive using the following principles-

1. Circumstances:

- There is evidence of genuine hardship because of trauma/tragedy, level of income, reliance on Social Security, illness/disability, business failure, other factors

2. Applicant Contribution.

- The City will determine the financial contribution amount an applicant may contribute to the reduction of the debt
- If it is determined from evidence that the contribution will exacerbate the level of hardship then consideration may be given to writing off all or part of the late payment interest.

Previous Policy No:	B5-02; B5-05
Amendments:	CJ213-06/99, CJ121-06/02
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Related Documentation:	Local Government Act 1995 Annual Budget Delegated Authority Manual
