

Policy

Title: Rate Postponements

Category: Rates and Charges

Date Last Adopted 22 April 2020

1. Objectives

To define the application of postponement of Council Rates.

2. Background

Pursuant to Section 125 and 126 of the *Local Government Act 1993 (Tas)*, the Council is permitted to grant a postponement of the payment of rates for a specified period if satisfied that such payment would cause hardship.

Financial hardship is a temporary or ongoing circumstance that prevents a ratepayer from meeting basic living costs.

As outlined in the City of Hobart Financial Hardship Assistance Policy, a number of factors can contribute to or trigger serious financial hardship, including:

- Loss of employment of the property owner, family member or household primary income earner;
- Serious illness, including physical incapacity, hospitalization, or mental illness of the property owner or family member;
- A natural disaster;
- A public health emergency or declared state of emergency;
- Family tragedy;
- Family breakdown;
- Financial misfortune;
- Other serious or complicating circumstances.

Section 127 of the *Local Government Act 1993 (Tas)* provides that Council may, at any time, revoke a postponement of payment of rates or charges by giving 60 days' notice in writing to the relevant ratepayer of the date on which the postponement will cease to operate.

3. Policy

3.1 Non COVID-19 Postponements

Postponements applied for and granted prior to 23 March 2020 were subject to the Council Policy – Rate Postponements, last adopted on 23 September 2019, being that:

Ratepayers who qualify for a remission of rates pursuant to the *Local Government Act 1993*, may be granted on application a postponement of rates payable by them in respect of the property so owned or occupied, subject to the following conditions:

- The amount to be postponed in any year to be the amount requested by the applicant but not exceeding 50% of the amount payable in that year.
- The period of postponement to be for the lifetime of the applicant or, should the property be sold during the applicant's lifetime, until the sale takes place, whereupon the amount will be due and payable.
- An interest rate of 5% shall be payable on the amount subject to postponement, and be payable on the same terms as the amount deferred, namely death or sale of the property, and interest be charged on the principle only. (Effective from 1 July 2000).

3.2 Postponements due to COVID-19

Ratepayers may be granted on application a postponement of rates, to be paid back at a later date, in full or in part, payable by them in respect of the property so owned or occupied, subject to the following conditions:

- The Council must be satisfied that payment would cause hardship. The City will ask the applicant to formally apply and provide evidence that they are suffering from financial hardship as outlined in the City of Hobart Financial Hardship Assistance Policy.
- The amount to be postponed in any year is to be the amount requested by the applicant up to the value of the annual rates.
- The postponement will not attract interest.
- The total postponed amount together with all interest charges (if applicable) must be paid in full if:
 - The ratepayer ceases to own or occupy the land in respect of which those rates are payable; or
 - The City revokes a postponement of payment of rates by giving 60 days' notice in writing to the ratepayer of the date on which the

postponement ceases to operate.

- All deferred payments must be repaid as specified in accordance with the deferral arrangements, otherwise regular late payment penalties and interest will apply.
- Ratepayers who are subject to a postponement arrangement who overcome their financial hardship circumstances are to begin repaying their deferred rates payments as early as they are able.

3.3 The General Manager is authorised to approve applications for rate postponement on the Council's behalf.

3.4 Ratepayers who qualify for a remission of rates pursuant to *the Local Government Act 1993*, on the basis that:

- They are entitled to possession of the land under a settlement, shall not be granted a postponement unless the application has been submitted by trustees of the land to which the application relates.
- They are entitled to possession of the land as shareholders of the company that owns the land, shall not be granted a postponement except upon the production of adequate evidence that the company consents to or has no interest in the application.
- They have contracted to purchase the land for a freehold estate in possession, shall not be granted a postponement except upon production of adequate evidence that the vendor consents to or has no interest in the application.
- They hold the land under a lease term which is for a period of not less than 99 years, shall not be granted a postponement except upon the production of adequate evidence that the lessor consents to or has no interest in the application.
- They hold that land under a temporary licence granted to them under Section 42 of the *Crown Lands Act 1976*, shall not be granted a postponement except upon the written consent of the Director of Environment and Land Management to the application being granted.

4. Those ratepayers on existing postponement arrangements may apply for the COVID-19 rates postponement should they meet the conditions outlined in section 3.2 above.
5. All postponements will be subject to an annual review process to determine whether postponements granted should continue into the next rating period.

Council may revoke a postponement of payment of rates by giving 60 days' notice in writing to the ratepayer of the date on which the postponement ceases to operate.

6. **Legislation, Terminology and References**

Sections 125 and 126 of the Local Government Act 1993

Section 42 of the Crown Lands Act 1976

City of Hobart Delegations Register

Responsible Officer:	Director City Governance
Policy first adopted by the Council:	27/6/1994
History	
Amended by Council	15/6/1999
Amended by Council	7/3/2016
Amended by Council	23/9/2019
Amended by Council Delegation	22/04/2020
Next Review Date:	April 2021