

5 May 2021



Dear 

Re: Updated Rates Postponement Policy 2021: Loans to pay for Residential Properties' Pipe Repairs

I write in response to your emails to the Mayor on 21/3/2021, 22/3/2021, and 21/4/2021 along with the official information request dated 27/4/2021.

Thank you for your correspondence regarding the proposed change to our Rates Postponement Policy.

We have set aside some money to fund a roving crew to identify stormwater and wastewater pipe issues. Where there are issues identified on private land, the owner will be advised and action will need to be taken to remedy. We are proposing a financial assistance package as an option to help property owners in this situation. This is being consulted on as part of the Long Term Plan consultation. Final decisions are expected to be made by 30 June 2021.

Under this proposal, a property owner could instruct the Council to complete the remedial work and then volunteer to repay Council for the value of the work through a targeted rate. Under the proposed policy, the property owner can apply for postponement of the voluntary targeted rate. Properties that are subject to a rates postponement would have a caveat or charge registered against the record of title. This is to ensure any postponed rates are cleared in full before the property changes hands.

In your email, you raised the question of having more than one caveat on a property because your property already has a Residential Care Loan caveat registered against the title. I can confirm that there can be more than one caveat registered against a property's record of title.

You also asked about the requirement for approval of the mortgagee in respect of the postponement. There is no requirement to receive approval from the mortgagee for the new proposed rates postponement for repairs to private stormwater and wastewater pipes. We do have this requirement for a different area of the rates postponement policy where we have different criteria for rates postponement available.

To specifically respond to questions in your official information request:

What has been decided?

Council has decided to consult on a proposed updated rates postponement policy that includes a postponement option for rates postponement to fund repairs to private stormwater and wastewater pipes. Final decisions are expected to be made by 30 June 2021.

Is there a provision for loans?

Council is proposing to amend its rates postponement policy to enable ratepayers who elect to receive financial assistance to have access to a rates postponement scheme to enable repayment over time. Assistance will be by way Council incurring the costs of repairs or renewals and reclaiming through a targeted rate.

There are no provisions in relation to loans property owners have over properties already.

What loan security provisions are there to be?

There are no requirements on the ratepayers in relation to current loan security on the property. Properties that are granted a rates postponement will be subject to a statutory land charge being registered on the rating unit title. This serves to ensure that property settlements do not occur without all postponed rates and charges being fully paid.

Are any repairs to Council pipes laid on residential properties to be paid for by the Council?

Yes

Hopefully this addresses the questions that you have about the proposed policy. Please get in touch if you have any further questions.

Yours sincerely



Jenny Livschitz
Group Chief Financial Officer