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## He murunga utu Rates relief for low-income households

Let's look at the proposal for a new rates remission policy for those experiencing financial hardship.

### What's the issue?

Everyone is feeling the impact of higher costs. We want to help those that really need extra assistance with their rates, as cost-of-living pressures are generally felt more by the lowest income households.

### Why does it matter?

We currently support ratepayers in financial difficulty through flexible payment arrangements and in some cases, remission of penalties.

We also process applications for the Government Rates Rebate Scheme. The scheme is part of how central government provides financial help with housing to those on a low-income. The scheme is funded by the Government and provides a partial rebate (up to \$750 in the current financial year\*) for eligible, low-income ratepayers who pay rates on their home.

Ratepayers who qualify must meet strict criteria including:

- total household income limit (additional allowance for dependants)
- amount of rates
- application must be for the house they live in
- they must be named as the ratepayer


### What we need your help with

We're proposing a new Rates Remission Policy which would extend the amount of financial help to eligible low-income ratepayers up to an additional \$250 per year. The same criteria as the Rates Rebates Scheme would apply.

This proposed policy will be introduced for three years, starting 1 July 2024. The effectiveness and future of the policy would be reviewed in the next 10 Year Plan in 2027.

Rates remissions are funded through the general rate, which is charged to all rateable properties. This means that the cost of any rates remissions granted are spread across all ratepayers.

Help us take the next steps and let us know if you support the idea to create a Rates Remission Policy that will provide financial relief for households experiencing financial hardship.

 **Check out the full proposed policy in our supporting documents at [hutt.city/10yearplandocs](https://hutt.city/10yearplandocs)**

\* The 2023–24 rates rebate is a maximum of \$750. This amount and the income threshold for entitlement is adjusted annually with inflation.

## ★ Preferred

### Option 1

**New Rates Remission Policy – up to \$250 remission per year for eligible households**

- ✓ Offers some financial support to our low-income home owners
- ✓ Simple application process that follows the Government's Rates Rebates Scheme
- ✗ The financial support is not available to renters

**Rates impact\*\*** \$19 per year from 2024–2027



**Debt Impact** N/A

**Additional operating cost\*\*\*** \$1.8 million over 3 years

### Option 2

**Maintain the status quo – not offer a rates remission based on financial hardship**

- ✓ Under this option, the increase to rates impact in Option 1 would be avoided
- ✗ Less support for low-income homeowners to ease rates burden

**Rates impact\*\*** N/A



**Debt Impact** N/A

**Additional operating cost** N/A

\*\* Rates figures are included to provide an indicative impact to an average residential property. Individual property charges will vary dependent on property value and rating category. The rates revenue impact of the preferred option is an increase of around 0.3% per year from 2024–25 to 2026–27.

\*\*\* The projected rates estimate assumes 2,100 approved rates rebate applications being granted the maximum \$250 proposed rates remission. Actual uptake could vary from this estimate.