

5. Request for Drought Relief - Rural Support Trust

Reporting Officer: Helen McKenzie (Revenue Manager)

Date: 24 May 2010

Vision, Mission and Values

Providing a fair and equitable rating system which enables Council to provide the ultimate living environment.

Local Government Act 2002 – The Four Well-Beings

Cultural: *No direct link.*

Economic: *To provide short term financial relief to those adversely affected by drought whilst balancing fairness and equity with other ratepayers.*

Environmental: *No direct link.*

Social: *Recognising special circumstances by providing short term support for those in need.*

Request for Rates Relief

Although the recent rain has seen an end to the recent drought, some properties have been severely affected by the lack of rain over the past six or more months. The Rural Support Trust has written (letter attached) requesting relief in terms of allowing time for payment for those farmers who are experiencing extreme financial hardship.

This Council provided relief for properties affected by floods in March and July 2007. This took the form of allowing time (up to two years) to pay the outstanding rates for approved applicants. No late payment penalties accrued during this time.

The Rural Support Trust is offering to provide facilitators who could assess and recommend to Council farms that met the criteria for support. This would assist in identification of those worthy of assistance and the list of applicants could be approved by the Support Services Manager.

There would be an impact in terms of Council's cash flows however the actual revenue loss to Council would be minimal as all rates would eventually be paid. For the applicants it should provide some comfort and relief by delaying payments beyond the due dates without any penalties being applied.

Recommendation

That rates relief is granted to applicants affected by the drought and approved by the Group Manager Support Services by way of a rates postponement. Rates payable can be up to two instalments in arrears without penalties being added, with all arrears to be settled no later than 30 June 2012.

Attachment:

[Letter from Rural Support Northland](#)



10 May 2010

General Manager
Whangarei District Council
Private Bag 9023
Whangarei

Attention : Mark Simpson

Dear Sir

Classification of the Northland Drought 2009/10

As you are aware the farming industry in Northland is experiencing extreme financial hardship caused by the current severe drought conditions.

The Rural Support Trust Northland requests that the Council consider allowing a deferral of rate installments for farms that are experiencing severe financial hardship. The Rural Support Trust contract Ag Recovery Facilitators who could assess farms and recommend to Council which farms meet the set criteria.

The impact to the Council could be limited to allowing a maximum of two rate installments for a period of not more than two years.

We would ask Council to favorably consider this request. Please do not hesitate to contact the undersigned, or the RST-Coordinator (Helen Moodie - 021 354 605) with further queries

Yours sincerely

Sherrill Dackers MNZM
Chair, Rural Support Trust Northland