

1 May 2025

File Ref: IRC-8241

s7(2)(a)

Tēnā koe **s7(2)(a)**

Thank you for your email dated 1 April 2025 to Te Kaunihera o Pōneke | Wellington City Council (the Council) requesting the following information:

Your request has been considered under the Local Government Official Information and Meetings Act 1987 (LGOIMA).

The Recovery process of arrear rates for the previous rating year is done twice in the following rating year. Under section 62(1)(c) of the Local Government (Rating) Act 2002, we inform the Mortgagee if any rates are unpaid as of 30 June 2025. The ratepayer is given 90 days from the First Notice to either make a full payment or setup a payment arrangement. If, after, 90 days there is still a balance owing or the payment arrangement has been breached, then a Final Demand is sent to the Mortgagee to make payment on behalf of the ratepayer.

The Council endeavours to assist ratepayers to avoid a Final Demand being issued by:

1. Communicating with the ratepayer throughout the rating year of their arrear status and monitoring any payments coming in.
 2. Setting up payment plans until 31 July (an additional month extension. The rating year ends 30 June and invoices the first invoice is issued in August). This provides manageable support for ratepayers in their circumstances.
 3. Suppressing the penalty during the payment plan (at the discretion of the Council)
 4. Remitting penalty based on the policy and any extraordinary circumstances (this is at the discretion of the Council)
 5. Informing them of the Rate Rebate application (eligibility is based on the terms and conditions outlined in the application)
- ***How many such situations there are at present (ie as at April 1) in which the council has this in place (ie how many properties are subject to recovery of rates through the mortgage of the property)?***

As of 1 April 2025, there are no ratepayers in this situation as the Mortgagee process is based on the previous year's arrears. Any outstanding rates recovery for the year ending 30 June 2025 will start in August 2025.

As of 31 March 2025, there are 54,272 properties that maybe subject to recovery of rates through their mortgage, should their rates not be paid.

- ***Please also tell me the total amount of rates being recovered through this means (ie if possible, please tell me the total amount of rates being paid per month/year) via this means.***

For the rating period 2024-2025 rate recovery will not start until August 2025.

The following is an indication of the recovery for the 2023-24 rating year arrears collected in 2024-25 rating year.

- *1,454 First Notices were sent to Mortgagees totalling \$9,799,097.67.*
- *Of the 1454 Final Notices, 509 Final Demands were sent for payment totalling \$4,517,989.84.*
- ***Please also tell me the longest period of time over which rates have been paid on a particular property through this means (ie of those that are currently paying rates through this means).***

The current Credit Control Team have verified data for the last 3 years, based on this, we have 5 ratepayers, where we have sent Final Demands and received payment for 3 years consecutively.

- ***Of the properties from which council seeks payments of rates arrears, what sort of percentage would be the subject of a mortgage?***

For the rating period 2024-2025 recovery of unpaid will not start until August 2025.

With reference to the 2023-24 rating year figures, where 509 Final demands totalling \$4,517,989.84 was issued, 1% of the properties had their previous year's arrears paid by their mortgagee.

- ***Is the process of recovering unpaid rates through the mortgagee an effective means of recovering the debt, and is it more effective than other means?***

The most effective means to recover unpaid rates is through setting up payment plans and for those that are eligible informing them of rates rebates options. When these don't work, the Council issues First and Final Demand notices before we consider rate recovery through mortgage of a property.

- ***Was there any other comment the council wished to make about this matter?***

Please refer to the first part of the letter.

Please note, we may proactively release our response to your request with your personal information removed.

You have the right, by way of complaint under section 28(1) of the LGOIMA, to request an investigation and review of the Council's decision by the Ombudsman. Information about

how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

If you require further information, please contact official.information@wcc.govt.nz.

Nāku noa, nā

Asha Harry
Official Information & Privacy
Wellington City Council