

Council changes policy on remittance of penalties in certain circumstances

Legislation	Ombudsmen Act 1975
Agency	Local authority
Ombudsman	John Robertson
Case number(s)	W25213
Date	1992

Rates—late payment penalty

A local authority was taking what it called a ‘hard line’ on payment of rates not received before the penalty date. Although the complainant alleged his cheque for the rates instalment was sent by post, the Council claimed not to have received it and the penalty permitted by the rates legislation then in force was imposed.

The Council explained that it maintained a strict system for inward payments by mail. For this reason, in addition to the fact it could not be shown whether any failure was the fault of the Council, the ratepayer, or NZ Post, it was not the Council’s policy to remit penalties incurred. Individual circumstances such as severe financial hardship would be taken into account, but that was evidently not a factor in this case.

The complainant referred the dispute to the Ombudsman, and in its report the Council gave the above explanation but advised that for some time the Treasurer had been concerned that such disputes were not in the best interests of ratepayers or the Council. The Ombudsman was informed that the Council was therefore adopting a new policy giving the Treasurer delegated authority to remit penalties on properties owned by residential ratepayers who had made no application for rates remission within the previous five years. This policy was then applied to the case of the complainant, and accordingly the investigation was discontinued.

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