

	RATES RECOVERY POLICY	Doc No	
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GENERAL MANAGER	Council 21st February 2017 Minute No: 02.17.3924	February 2019	

OBJECTIVES

The objective of this policy is to ensure that money owed to Council is collected as soon as possible through efficient and effective debt recovery procedures.

LEGISLATIVE PROVISIONS & REFERENCES

Local Government (General) Regulation 2005
 Local Government (Water Services) Regulation 1999
 Local Government Act 1993
 Department of Local Government Rating and Revenue Raising Manual.

POLICY STATEMENT

1. Quarterly Installment Scheme

Payment of rates can be made, interest free, under quarterly instalment arrangements. The due dates for payment are:-

- 1st Instalment by 31 August
- 2nd Instalment by 30 November
- 3rd Instalment by 28 February
- 4th Instalment by 31 May

At least 30 days before each due date, Council will issue an instalment notice.

Late payments will be subject to interest charges- see comment on interest charges below.

Reference: Section 562 Local Government Act 1993

2. Interest Charges

Council charges interest on rates and charges that become overdue. The maximum rate of interest is determined annually by the Department of Local Government.

Council may waive (write off) accrued interest charges in mitigating circumstances affecting the ratepayer, e.g. Hospitalisation, death in the family, illness or other reasons that may cause the person hardship. Write offs are initiated at the discretion of the General Manager or Director of Corporate Services and will be submitted to Council for consideration. Council will be under no obligation to write off such charges.

Interest charges which may have been incorrectly raised by Council will be written off.

Reference: Section 566 and 567 Local Government Act 1993

3. Installment Payments for Supplementary Rate Issues

On occasions, Council has to levy a rate notice after the main issue date, in which case a ratepayer is entitled to an alternative arrangement for payment of the rate account.

If the supplementary issue is for the current year's rate levy only, then Council will ask for quarterly payments based on the remaining due dates provided for under the Act. For example, if the rate issue was made during October, the next instalment date is 30 November and Council would ask for the first two quarters to be paid by that date, with the remaining two quarters payable by 28 February and 31 May respectively.

If the supplementary rate issue involves more than the current year's levy, then the ratepayer is asked to make payment on a quarterly basis as per above *or* on a monthly basis. Where payment of instalments is not made by the instalment date, interest will become payable.

Reference: Section 564 Local Government Act 1993

4. Arrangements to Pay

a. Council ratepayers are considered to be a debtor of Council and as such any reference in this policy to a "debtor" also refers to ratepayers. This policy also applies to Council's sundry debtors for the purposes of debt recovery as listed in points 4, 5, 6 and 7.

b. Amounts owed to Council will be collected in a timely manner and in accordance with statutory provisions.

c. Any request from a debtor to pay a debt by instalments must be made in writing, and will be considered under delegated authority, using the following criteria:

(i). the debtor being able to show cause as to why the debt can not be paid in full and on time, and

(ii). the preferred period for re-payment of any debt by instalments is to be 12 months, unless;

* For individual persons; relevant and accurate financial information is presented which satisfies Council's officers that the debtor has insufficient means to clear the debt within twelve months, and

* For businesses and associations; audited financial statements are presented which satisfies Council's officers that the debtor has insufficient means to clear the debt within twelve months.

d. For the farming community and any other person or business who can demonstrate hardship caused by a drought, debtors will be given special consideration to have payments deferred, based on the following:

(i). Consideration for deferral of payment will only be given for a 12 month period at any time. Re-application can be made for each subsequent 12 month if the drought persists. The onus for reapplication rests on the applicant. Failure to reapply will lead to all outstanding debt becoming recoverable under this policy.

(ii). Applicants must furnish Council with a full financial background setting out projected incomes, expenditure commitments and available funds.

e. Where a debtor, having made an arrangement to pay the outstanding debt by instalments, has further difficulty meeting the repayment, and requests Council to be more lenient, and the delegated officer is of the view that the lower repayment amount is all that the debtor can afford, a further extension of any period granted to pay the debt can be made.

f. In the event of a debtor defaulting on any arrangement entered into, Council will issue a default letter. If the debtor does not then bring the arrangement up to date within 14 days, legal action may be initiated without any further correspondence from Council.

g. Any information collected by Council Officers regarding the financial circumstances of a debtor shall be maintained in the strictest confidence and shall not be made public under any circumstance.

h. The General Manager is authorised to write off debts (other than rates which remain a charge upon the property) up to and including \$1000. Amounts above this are to be submitted to Council for consideration.

5. Overdue Notices

If an account is overdue and an arrangement to pay has not been made, Council may issue an Overdue Notice calling for payment of the overdue amount at a suitable time within the current year. In most cases, the Overdue Notice will be issued within two weeks of the due date, then monthly after that.

6. Final Notices

For those accounts which are overdue and where no arrangement to pay exists, Council may issue a Final Notice, after the following stages have been reached:

1. The amount has been overdue for more than 2 months
2. The amount is greater than \$1,000.

If full payment or a satisfactory arrangement is not made as a consequence of the Final Notice, then further recovery proceedings may be commenced which may result in legal and /or professional costs being added to the amounts due.

7. Debt Collection

Once a debt has reached the guidelines outlined in point 6, or at the discretion of the Rates Clerk or Director of Corporate Services, the debt may be lodged with a Debt Collector appointed by Council. All listing fees and further legal costs will be charged to the debtors account.

The standard proceedings are listed below, but are only a guideline and may alter at the discretion of the Director of Corporate Services:

Overdue Notice from Council

Final Notice from Council

Listing with Debt Collection Agency

Letter from Debt Collector

Final Notice /Letter from Debt Collector's Solicitor

(If a payment agreement is entered at any stage, but not kept, then a Broken Payment Agreement Notice is sent)

Summons Charged, Issued, and Served

Judgment is entered (if Judgment cannot be served, then a sub-service is made on the property title)

SOE – Summons of Oral Examination (have to attend local court to ascertain ratepayers financial and employment details so that the court can determine an amount payable weekly by the ratepayer)

Garnish Wages (according to Court determination)

Garnish Rent if rental property

Pursue Sale of property (if debt greater than \$5,000 or older than 1 year in the case of vacant land or 5 years otherwise) in accordance with the Local Government Act.

Any property becoming eligible to be sold for recovery of rates and charges in accordance with S713 of the Local Government Act 1993 shall be submitted to Council for consideration.

8. Transfer of Ownership

For the purposes of a Section 603 certificate, the rates, charges and other amounts are taken to be due or payable, even though the requisite period (e.g. instalment) may not have expired.

Reference: Section 603 and 604 Local Government Act 1993

9. Reports to Council

A report providing a list of outstanding assessments is to be presented to Council at the end of each quarter in respect of those debtors with outstanding arrears over \$5,000. The report will also contain details of the action which has been taken by Council to recover those debts and the annual rates and charges applicable (based on the current year in which the report is produced).