

POLICY STATEMENT

NUMBER:

TITLE: ***RATES RECOVERY***

SECTION AND POSITION: Organisational Support Services

RELEVANT LEGISLATION: Local Government Act 2009
Local Government (Finance, Plans and Reporting) Regulation 2010

PURPOSE: The purpose of this policy is to provide procedural direction to ensure prompt follow-up and timely collection of overdue rate levies and other amounts owed to Council.

SCOPE: This policy and the procedures within apply to the recovery of all rates and charges levied by Council in accordance with the Local Government Act 2009 and Local Government (Finance, Plans and Reporting) Regulation 2010.

PREAMBLE: The key objectives of the Rate Recovery Policy are:

- To ensure that all debtors are treated in a consistent manner;
- To ensure that debtors are in no doubt as to the actions that will be pursued;
- To ensure timeliness in communication with all debtors;
- To provide a high level of accountability and transparency;
- To ensure the processes used to recover outstanding rates and charges are clear, simple to administer and cost effective;
- To reduce the level of overdue rates and charges.

DEFINITIONS: ***The Act*** shall mean the Local Government Act 2009.

The Regulation shall mean the Local Government (Finance, Plans and Reporting) Regulation 2010.

POLICY: Council needs to carefully monitor the level of overdue rates and charges and be efficient and vigilant in the recovery function to ensure that the provision of services and facilities to the community is not disrupted.

The community and individual property owners can be seriously affected if overdue rates and charges escalate over a period of time resulting in Council having to take strong measures to reduce those levels. Therefore it is preferable to consistently apply fair but firm recovery processes.

Council will implement a vigorous and efficient rate recovery process to recover overdue rates and charges whilst at the same time endeavouring to negotiate a compassionate albeit successful outcome for those property owners experiencing extreme financial hardship.

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Property owners experiencing extreme financial hardship will be encouraged and assisted to enter into instalment arrangements to avoid costly, painful and disruptive legal processes.

Payment Arrangements

In cases of genuine hardship arrangements for payment by regular instalments may be accepted.

Council will not pursue further recovery action against a property owner who has an agreed periodic payment arrangement, while the arrangement is current and the ratepayer adheres to the agreed repayment schedule. Council reserves the right to renegotiate or cancel a payment arrangement should circumstances change where the debt will not be paid within a reasonable time frame. In these circumstances, Council will not initiate further recovery action without first advising the property owner concerned.

Where an agreed payment arrangement has lapsed without approval, the property owner will be deemed to be in default and legal action may be commenced without further reference to the property owner.

As a general guide applications should be in writing and further recovery action will not be taken where payments are being made as follows:

- (a) For debts of less than \$2,500 payments should be of a sufficient amount and regularity to clear the outstanding debt over a period of no longer than six (6) months;
- (b) For debts of greater than \$2,500 payments should be of a sufficient amount and regularity to clear the outstanding debt of over a period of no longer than twelve (12) months.

Where these terms cannot be met the account will generally be referred for recovery action as detailed elsewhere in this Policy. Also, payments should ensure current rates and charges are paid as issued to ensure the account does not fall further in arrears.

Arrangements with terms greater than those outlined above may be approved in cases of extenuating circumstances (e.g. long term illness or unemployment) by the CEO.

When an arrangement has been reached for the payment of overdue rates and charges a letter confirming the arrangement and setting out conditions will be sent to the property owner.

Reminder Notices/Demand Letters

The following processes will be undertaken in-house as part of Council's internal recovery process.

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1st Reminder Letter – Issued within 14 days of the expiry of the discount period to all property owners with overdue rates and charges (except property owners where arrangements have been negotiated) advising that payment is overdue and payment should be made within 14 days.

2nd Reminder Letter – Issued within 14 days of the payment date advised in the 1st reminder letter to all property owners with debts greater than \$ 1,200. This letter shall be a final demand notice and clearly indicate that if payment is not made within 14 days Council may refer their file for debt recovery action. The letter will also indicate that legal fees may now be incurred and these will be recoverable from the property owner.

Implementation of Legal Action

Generally debt recovery or legal action will be instituted where rates and charges overdue are equal to or greater than \$2,000 and no satisfactory arrangements are in place. All relevant information will be supplied to a solicitor or Debt Collection Agency requesting a final letter of demand be issued advising that Court proceedings will be issued at the expiration of a further fourteen (14) days without further notice to the property owner.

Legal action may be instigated in circumstances where rates and charges for amounts less than \$ 2,000 have been overdue for a period of at least 12 months.

Council may engage a solicitor or Debt Collection Agency to instigate all legal action by way of recovery proceedings through the Magistrates Court or other appropriate means. If the account is not settled upon the issue of those proceedings Council will proceed to enter judgement on the debt and for any fees incurred.

Criteria for Taking Action to Sell Land for Overdue Rates

In accordance with section 74 of the Regulation Council has the ability to instigate sale proceedings where rates remain outstanding beyond set periods of time.

Council will exercise its rights under this section by resolution.

ADOPTED: 30th August, 2012

AMENDED:

**DUE FOR
REVISION:**