

RATES COLLECTION POLICY

PURPOSE

To provide guidance in the recovery of all rates revenue owed to the Shire, including outstanding rates, rubbish charges and ESL charges, as the Shire requires reliable revenue streams in order to meet the service provisions of the organisation.

To enable the Shire to meet its service obligations, it is necessary to ensure that revenues are received in a timely manner. The Shire is required to ensure that where revenue is not received in a timely manner, that appropriate measures are undertaken to recover outstanding amounts.

As a means to encourage the early payment of rates in full, the Shire may offer and administer a 'rates incentive scheme'. This scheme provides eligible ratepayers with the opportunity to win prizes for prompt and full payment.

OBJECTIVE

To provide a framework for the efficient and effective collection of outstanding rates and charges debts to reduce the likely occurrence of unrecoverable debts and to ensure consistency for all debt collection activities, whilst treating all people respectfully, fairly and consistently, and to fulfil statutory requirements in relation to the collection of rates and charges.

POLICY

1. Recovery of rates, service and ESL charges

The recovery of outstanding rates will be collected in a fair and timely manner. Rate notices are due for payment 35 days from date of issue in accordance with the *Local Government Act 1995*.

1.1 Amounts that remain outstanding past the prescribed due date will have interest applied.

Interest is calculated on the number of days from the due date of payment until the day the payment is received by the Shire of Quairading. This includes overdue amounts where the rate payer has elected to pay by an instalment option.

1.2 Accounts unpaid by the due date shown on the rate notice

Where accounts remain outstanding after the prescribed due date, a final notice shall be issued requesting full payment within fourteen (14) days, unless the rate payer has entered into a payment arrangement which has been agreed upon by both parties.

Final notices are not to be issued to eligible persons registered to receive a pensioner or senior rebate under the *Rates and Charges (Rebates and Deferments) Act 1992*, as such persons have until the 30th June of the current financial year to make payment, without incurring any penalty interest. Final notices will, however, be issued to registered pensioners or seniors where there are unpaid charges which are not subject to a rebate or deferment e.g. rubbish collection charges.

1.3 Accounts unpaid after the expiry date shown on the final notice

Where amounts remain outstanding after the expiry date shown on the final notice, recovery action will commence based upon a risk management approach as determined by the value and type of debt and may include such action as referral to Council's debt collection agency.

1.4 Seizure of rent for non-payment of rates

Where the property owner of a leased or rented property on which rates and service charges are outstanding cannot be located or refuses to settle rates and service charges owed, a notice may be served on the lessee or tenant under the provisions of section 6.60 of the *Local Government Act 1995* requiring the lessee or tenant to pay to the Shire the rent due that they would otherwise pay under the lease/tenancy agreement as it becomes due, until the amount in arrears has been paid.

1.5 Options to recover rates debt where rates are in arrears for in excess of (3) years

Under the guidance of the Shire's debt collection service provider, legal action may be undertaken to recover outstanding rates and charges. This action may include general procedure claims and property seizure and sale orders (PSSO). Any costs incurred in undertaking legal action in a Court of competent jurisdiction are recoverable from ratepayers under section 6.56 of the *Local Government Act 1995*.

2. Alternative payment arrangement

Where ratepayers are unable to make payment of their rates by one of the prescribed instalment options, they may apply for a special payment arrangement in order to avoid legal action for recovery. Special payments arrangements are to involve regular weekly, fortnightly or monthly repayments of a fixed amount, and are to achieve full payment of outstanding rates by the end of the financial year. A minimum payment of an equivalent of \$25 per week is to apply. Special payment arrangements will incur a one-off administration fee in accordance with Council's adopted fees and charges. Interest on overdue amounts (arrears) will continue to accrue at the prevailing interest rate as set out in the adopted fees & charges.

Each alternative payment arrangement requires the approval of the Chief Executive Officer or Executive Manager Corporate Services in accordance with Delegation 1.1.17 – Agreement as to Payment of Rates and Service Charges.

2.1 Options to recover rates debt where rates are in arrears for in excess of three (3) years.

(a) Lodging a caveat on the title for land

If rates and service charges which are due to Council in respect of any rateable land have been unpaid for at least three (3) years a caveat may be registered on the title for the land, under the provisions of Section 6.64 (3) of the *Local Government Act 1995*. The approval of Council is required before this course of action is undertaken.

(b) Sale of property

If rates and service charges which are due to Council in respect of any rateable land have been unpaid for at least three (3) years, Council may take possession of the land under the provisions of Section 6.64 of the *Local Government Act 1995*. The approval of Council is required to be obtained before this course of action is undertaken.

3. Write off debts

Financial hardship is not a ground to write off debt. Where a person is experiencing financial hardship and is unable to pay their outstanding debt, the Shire may assist the applicant, where applicable, to negotiate an alternative payment arrangement.

All write-offs will be presented to Council for consideration and will include:

- (a) Name of debtor / rate payer
- (b) Amount to be written off
- (c) Description of invoice / assessment number
- (d) Reason for write-off.

For a debt to be written off one of the following conditions must be satisfied:

- (a) The debtor cannot be located
- (b) Uneconomical to pursue the debt
- (c) The hardship circumstances of the debtor do not warrant the taking or continuation of recovery action
- (d) Legal proceedings through the courts have proved, or on legal advice would prove, unsuccessful.
- (e) The write-off of the debt will result in a favourable outcome to the Council.

4. Management reporting

Rates debtors:

Management are required to maintain a status report of recovery action against all rates in arrears of more than one year.

5. Rates incentive scheme

A rate incentive scheme, in the form of prizes donated by sponsors or by the Shire, will be operated in each rating year on the basis that:

- (a) Only those who have paid their rates in full, within thirty-five (35) days of the date of issue, be eligible for an entry in the draw.
- (b) The winners to be randomly selected using the Shire's computerised program within the rates module of the Enterprise resource planning (ERP) software, currently SynergySoft.
- (c) The prize draw to be administered and supervised by the Chief Executive Officer or Executive Manager Corporate Services.
- (d) Council to allocate a budget to provide/subsidise a rates incentive scheme.

GUIDELINES

Local Government Act 1995: Part 6, Division 4, Clause 6.13 - Interest on money owing to local governments

Local Government Act 1995: Part 6, Division 6, Subdivision 4, Clause 6.45 – Options for payment of rates and service charges

Local Government Act 1995: Part 6, Division 6, Subdivision 4, Clause 6.51 - Accrual of interest on overdue rates or service charges

Local Government Act 1995: Part 6, Division 6, Subdivision 5, Clause 6.56 - Rates or service charges recoverable in court

Local Government Act 1995: Part 6, Division 6, Subdivision 5, Clause 6.60 - Local government may require lessee to pay rent

Local Government Act 1995: Part 6, Division 6, Subdivision 6, Clause 6.64 - Actions to be taken

Local Government (Financial Management) Regulations 1996

Rates and Charges (Rebates and Deferments) Act 1992

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Rates and Charges (Rebates and Deferments) Act 1992

INTERNAL ENVIRONMENT

Delegation 1.1.16: Rate Record Amendment

Delegation 1.1.17: Agreement as to Payment of Rates & Service Charges

Delegation 1.1.18: Determine Due Date for Rates or Service Charges

Delegation 1.1.19: Recovery of Rates or Service Charges

Delegation 1.1.20: Recovery of Rates Debts: Actions to Take Possession of the Land

Record of Policy Review

Version	Author	Council Adoption	Resolution	Reason for Review	Review Date	CEO Signature
01	Nathan Gilfellow	19/12/19	93-19/20	New Policy for consideration	Dec 2020	
02	Nathan Gilfellow	17/12/20	97-20/21	Biennial Policy Review – Minor Amendment	Dec 2022	
03	Leah Horton	15/12/22	138 - 22/23	Biennial Policy Review – Minor Amendment	Dec 2024	