

F.10 Recovery of Rates & Charges and General Debt Policy

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CEO Chief Executive Officer
MCCS Manager Corporate & Community Services
MES Manager Engineering Services
MFS Manager Financial Services

1 OBJECTIVE

To provide a framework for the recovery of rates & charges and general debt in accordance with the provisions of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

2 SCOPE

Council has two (2) types of debts that can be owed to it, those that are charged against a property (predominantly rates and utility charges) and those that are not charged against a property. The latter generally relates to services that have been provided to a resident, community member, contractor or organization.

This policy applies to the recovery of:

- Rates and charges; and
- General debt.

in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

3 STATEMENT

3.1 POLICY BACKGROUND AND PRINCIPLES – RATES AND CHARGES

Rates and charges are defined in The Local Government Regulation 2012 as including differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest or premium owing on outstanding balances.

To encourage the prompt payment of rates and charges Council will in accordance with *Section 130* of the *Local Government Regulation 2012*, allow a discount of 10% or as otherwise determined by Council on rates and charges if paid in full including any overdue rates for the year ending 30th June of that financial year by the discount date of the Rates Notice.

Where rates and charges remain unpaid at the end of the period specified in the rate notice, such rates and charges bear interest at the rate of 11% calculated at compound interest (calculated daily) as prescribed by *Section 133* of the *Local Government Regulation 2012* from the day the rates or charges become overdue.

Council will exercise its rates and charges recovery powers in order to reduce the overall rate burden on ratepayers. Council will be guided by principles of:

- Transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations;
- Making the processes used to recover outstanding rates and charges clear, simple to administer and cost effective;
- Equity by having regard to capacity to pay in determining appropriate arrangements for different sectors of the community;
- Providing the same treatment for ratepayers with similar circumstances; and
- Flexibility by responding where necessary to changes in the local economy.

3.2 POLICY BACKGROUND AND PRINCIPLES – GENERAL DEBT

Council has a number of services that it provides to residents, community members, contractors or organisations for the payment of a fee or charge. Fees and Charges are considered and approved annually by Council in the budget development process. A number of fees and charges are levied after the provision of the service, consistent with industry practice, which requires a debtor's invoice to be issued, which the debtor is then required to pay.

After the expiry of Council’s standard trading terms, there are numerous steps that Council can take to recover any outstanding monies that are owed from debtors. This can include reminder notices, other verbal or written communication and negotiation of payment arrangements, but can also escalate to include refusal of further services and referral of the debt to a specialist debt collector.

Unfortunately, there will also be situations, as a result of various circumstances where difficulty will be experienced with recovering a debt, and the debt collection process can reach a point where it is inappropriate, overly expensive or uneconomic to pursue further action. In these situations, it may be more cost effective for Council to write off the debts, rather than pursuing further action.

3.3 POLICY STATEMENT – RATES AND CHARGES

Actions for rates and charges recovery are viewed as an opportunity to liaise with ratepayers and assist them in meeting their financial obligations.

A quality database of timely and accurate information is an integral component of rates and charges recovery. Consequently, all rates and charges recovery action will be electronically recorded in the notes function of the PCS Rates module.

3.4 POLICY STATEMENT – GENERAL DEBT

At the discretion of an officer with delegated power, Council will write off debt in the following circumstances:

- The debtor has left the address given and cannot be traced.
- The amount is too small for legal action to be taken, or is not economically viable to pursue further.
- The debtor is deceased and the amount is uncollectable.
- The debtor has become bankrupt.
- Recommendation of the debt collector that the amount is not collectable.
- The debt is subject to a decision of a legal judgment or court order.
- Difficult circumstances as assessed by the relevant Council Officers.

4 DEFINITIONS

Nil

5 RELATED POLICIES | LEGISLATION | OTHER DOCUMENTS

Local Government Act 2009

Local Government Regulation 2012

IX #	Details
91110	F.10-A Recovery (General Debt) Procedure
91117	F.10-B Recovery (Rates & Charges) Procedure