

Council Policy 3.2.9 – Rates Collection and General Debtors

Responsible Directorate	Corporate Services
Responsible Business Unit/s	Financial Services
Responsible Officer	Manager Finance
Affected Business Units	Accounts Rates

Objective

The objective of this Policy is to ensure that monies owed to the Shire of Serpentine Jarrahdale (the Shire) are paid when due and that effective steps are taken for debt management.

Scope

This Policy establishes the parameters within which the Council expects the Chief Executive Officer to ensure staff are controlling the rates and general debtor collection function.

Policy

Collection of Local Government Rates

1. A copy of the rate assessment marked "**Final Notice**" shall be issued fifty (50) days after issue of the original assessment, allowing fourteen (14) days for payment of the account.
2. For outstanding rate accounts for which no satisfactory arrangements have been made, a **Letter of Demand** shall be sent advising of impending legal action for recovery of outstanding rates. The Letter of Demand shall be issued allowing ten (10) days for payment in full or the establishment of a Council approved payment arrangement.
3. For outstanding rate accounts for which no satisfactory arrangements have been made, Shire officers will commence court proceedings in accordance with section 6.56 of the *Local Government Act 1995*. The process to enforce judgement is as follows:
 - The Shire will lodge a **General Procedure Claim (GPC)**
 - If the GPC is not served and the debtor cannot be located, the Shire may instruct an agent to undertake a **Skip Trace**.
 - If no formal agreement is established within 14 days of the GPC being served, a **Default Judgement** will be obtained.
 - A **Means Inquiry** or **Property Sale and Seizure Order (PSSO)** will be sought in accordance with the Magistrate Court to pay the judgment debt.
4. Other Courses of action that may be taken include:
 - In accordance with section 6.60 of the *Local Government Act 1995*, the Shire of Serpentine Jarrahdale may require the lessee to pay the rent as it falls due to the Local Government;
 - The Shire may contact the Mortgagee for payment of outstanding rates and services charges;
 - For rates remaining unrecoverable after legal action, a caveat is to be lodged;
 - If any rates or service charges which is due to the Shire in respect of any rateable land, has been unpaid for at least three years and the Shire has attempted to commence



legal proceedings at least once within the period of three years prior to the exercise of the power of sale, the Council if it resolves, may take possession of the land and sell the land to recover the outstanding payment amounts.

Sundry Debtors

1. Whenever practical, pre-payment be sought for works, services and facilities. The estimated cost may form the basis of pre-payment.
2. In all other cases invoices shall be forwarded within seven (7) days of the debt being incurred.
3. If the account is outstanding beyond thirty (30) days, a reminder notice is forwarded requesting a payment within seven (7) days.
4. If the debt remains outstanding, a reasonable debt collection process is to be initiated.
5. A sundry debtor report shall be submitted monthly to the Council.

Satisfactory Arrangements

1. Where a ratepayer's circumstances do not suit the payment options under the Act a formal payment arrangement (via **Direct Debit**) may be entered into. Refer to Council's Payment Arrangement Application Form.
2. The formal payment arrangement is the only option available if the debtor cannot satisfy the payment options set out in the *Local Government Act 1995*.
3. All formal payment arrangement debts will need to be finalised before 30 June of the financial year. This can include any claim of financial hardship. Refer to Council Policy – Financial Hardship.
4. Where the ratepayer has defaulted three times or more from the Council approved payment arrangement, the Shire may proceed with legal action and not agree to enter into another payment arrangement.
5. Should a ratepayer choose to undertake instalments and then clear their account within the original due date, then administration and interest costs will be reversed. Should full payment be received after this date, no adjustment will be made to the costs.
6. For debtors with significant outstanding debts, where it is impractical to satisfy the entire debt by 30 June of the financial year, the Shire may accept a payment arrangement that will see the debt reduce over time, to be determined by Shire Officers.

Definitions

Nil

Relevant Policies/Council Documents

- Council Policy 3.2.13 – Financial Hardship
- Register of Delegations and Authorisations

**Legislation/Local Law Requirements**

- *Local Government Act 1995*
- *Local Government (Financial Management) Regulations 1996*
- *Civil Judgments Enforcement Act 2004*
- *Rates and Charges (Rebates and Deferments) Act 1992*

Office Use Only				
Relevant Delegations	1.1.20 Rate Record Amendment 1.1.21 Agreement as to Payment of Rates and Service Charges 1.1.22 Determine Due Date for Rates or Service Charges 1.1.23 Recovery of Rates or Service Charges 1.1.24 Recovery of Rates Debts – Require Lessee to Pay Rent 1.1.25 Recovery of Rates Debts - Actions to Take Possession of the Land 1.1.26 Rate Record – Objections			
Council Adoption	Date	23/04/2001	Resolution #	C163/04/01
Reviewed/Modified	Date	24/05/2004	Resolution #	SM047/05/04
Reviewed/Modified	Date	25/01/2010	Resolution #	OCM023.1/01/10
Reviewed/Modified	Date	28/02/2011	Resolution #	CGAM039/02/11
Reviewed/Modified	Date	29/09/2015	Resolution #	OCM187/09/15
Reviewed/Modified	Date	18/12/2017	Resolution #	OCM179/12/17
Reviewed/Modified	Date	27/07/2020	Resolution #	SCM241/07/20