

Council Policy 3.2.11 – Rates Collection and General Debtors

Objectives: ~~Progressive~~

Outcome: ~~4.1 A resilient, efficient and effective organisation.~~

Strategy: ~~4.1.1 Provide efficient, effective, innovative, professional management of Shire operations to deliver the best outcome for the community within allocated resources.~~

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.

Purpose

~~It is essential for the good governance of the Shire that monies owed to the Shire are paid when due and that effective steps are taken for debt management. This policy establishes the parameters within which the Council expects the Chief Executive Officer to ensure staff are controlling the rates and general debtors function.~~

Definitions

Not applicable

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 ~~Notice of Intention to Claim~~ **Letter of Demand** shall be sent advising of impending legal action for recovery of outstanding rates. The ~~Notice of Intention to Claim~~ **Letter of Demand** shall be issued ~~seventy (70) days after issue of the original assessment,~~ allowing ~~seven~~ **ten (710)** days for payment **in full or the establishment of a Council approved payment arrangement.**



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3. For outstanding rate accounts for which no satisfactory arrangements have been made ~~within ninety (90) days after issue of the original assessment~~, Shire officers will commence court proceedings in accordance with section 6.56 of the *Local Government Act 1995*. The process to enforce judgment is as follows:
- ~~a) Preparation and issuing of a General Procedure Claim~~
 - ~~b) Service of Claim~~
 - ~~c) Judgement obtained after twenty one (21) days of service of claim~~
 - ~~d) Obtain a Property Seizure and Sale Order (PSSO)~~
- 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:
- a)• 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;
 - b)• For rates remaining unrecoverable after legal action, a caveat is to be lodged.;
 - c)• ~~In accordance with section 6.64 of the *Local Government Act 1995*, if any rates or service charges which are due to a local government in respect of any rateable land have been unpaid for at least 3 years the local government may, take possession of the land and hold the land as against a person having an estate or interest in the land.~~
 - 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.

~~Back Rating and Interim Valuations~~

1. ~~Back rating of properties:~~
- a) ~~On provision of a valuation from the Valuer General's Office indicating that a previously incorrect valuation has been applied (either undervalued or overvalued), the Council's Rates Officer shall forward a refund or adjusted assessment calculated to the date the valuation was effective, within the limitations of the *Local Government Act 1995*.~~



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- ~~b) Where a property settlement has occurred, back rates raised in 1(a) shall only be backdated to the date of settlement, thus not effective on the previous owners.~~
- ~~2. Interim valuations shall be applied from the effective date specified by the Valuer General's Office.~~
- ~~3. Ratepayers subjected to back rates are to be given the option to pay the same by instalments over an extended period.~~

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. Where the account remains outstanding after a further fourteen (14) days from the reminder notice, a "Notice of Intention to Claim" shall be issued allowing seven (7) days for payment.~~
- ~~5. The Chief Executive Officer is granted delegated authority to proceed with legal action to recover debts overdue by sixty (60) days.~~
- 4. If the debt remains outstanding, a reasonable debt collection process is to be initiated.
- 65. A sundry debtor report shall be submitted monthly to the Council.
- ~~7. Interest on outstanding debtors will be set by Council with the adoption of the annual budget.~~

Exemption Policy

- ~~1. Rating exemptions will be provided only in accordance with Section 6.26 of the Local Government Act 1995.~~
- ~~2. Exemptions will be granted from 1 July of the financial year in which applications are received or from the relevant date e.g. settlement or lease where applicable. Exemptions shall not be backdated into prior financial years.~~
- ~~3. Exemptions granted in accordance with Section 6.26 are to be reviewed every two (2) years where practicable and the list submitted to Council on an informational basis.~~

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 Councils Direct Debit Application Form **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*. ~~Both parties are to agree on the proposal, including any conditions imposed.~~
- 3. All formal payment arrangement debts will need to be finalised before 1 July **30 June** of the proceeding financial year. ~~Any debts that will exceed the financial year will need to be approved~~



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by Council. This can include the **any** claim of financial hardship; however, this must be confirmed by a financial counsellor. **Refer Council Policy –Financial Hardship.**

- ~~4. An administration fee and instalment interest will be imposed at the rate set within the budget each financial year.~~
4. Where the ratepayer has defaulted three times or more from the Council approved payment arrangement, Officers may proceed with legal action and decline 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



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Reviewed/Modified	Date	Resolution #	OCM
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References

Name of Policy	3.2.11 Rates Collection and General Debtors
Previous Policy	G903 – Rates Collection and General Debtors (E15/5096)
Date of Adoption and Resolution Number	Adopted C163/04/01 23/04/2001 Ordinary Council Meeting
Review dates and Resolution Numbers	<p>Reviewed SM047/05/04 24/05/2004</p> <p>Reviewed OCM023.1/01/10 25/01/2010 Ordinary Council Meeting</p> <p>Reviewed CGAM039/02/11 28/02/2011 Ordinary Council Meeting</p> <p>Reviewed OCM187/09/15 29/09/2015 Ordinary Council Meeting</p> <p>Modified OCM179/12/17 18/12/2017 Ordinary Council Meeting</p>
Next review date	
Related documents	<p>Acts/Regulations <i>Local Government Act 1995</i> <i>Civil Judgments Enforcement Act 2004</i> <i>Local Government (Financial Management) Regulations 1996</i> <i>Rates and Charges (Rebates and Deferments) Act 1992</i></p> <p>Plans/Strategies Strategic Community Plan 2017 – 2027</p> <p>Policies Nil</p> <p>References Nil</p> <p>Delegations C014D Waive a rate or service charge and alternative arrangement for payment C015D Actions against land where rates or service charges are unpaid</p> <p>Work Procedures TBD</p>

Note: changes to references may be made without the need to take the Policy to Council for review.