

## Council Policy – Rates Collection and General Debtors

<b>Responsible Directorate</b>	Corporate Services
<b>Responsible Business Unit/s</b>	Financial Services
<b>Responsible Officer</b>	Manager Finance
<b>Affected Business Units</b>	Finance Rates

### Objective

The objectives of this Policy are to:

- Promote a fair, consistent, and accountable approach to managing and collecting debts in alignment with Council practices.
- Provide clear guiding principles for credit control, debt collection, and the handling of bad debt write-offs.
- Ensure the timely collection of all amounts owed to the Shire of Serpentine Jarrahdale (the Shire), optimizing cash flow and minimising bad debt write-offs.

### Scope

This Policy applies to the effective management and collection of outstanding sundry and rates debts owed to the Shire.

### Policy

#### Collection of Local Government Rates

In the event that the rates are unpaid by the due date, 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. Officers will seek either payment in full or for the ratepayer to enter in a satisfactory payment arrangement.

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.

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.

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 may 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.

### **Satisfactory Arrangements**

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.

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*.

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.

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.

Should a ratepayer choose to undertake instalments and then clear their account within the original due date, the administration and interest costs will be reversed. Should full payment be received after this date, no adjustment will be made to the costs.

For ratepayers and 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.

### **Sundry Debtors**

A sundry debt is a debt that relates to a charge for goods and services received other than Ordinary Rates and Charges

- All invoices will be issued in accordance with the fee and charges schedule and the services provided.
- Invoices will be issued with 14 day payment terms.
- Monthly statements will be issued for all unpaid invoices, clearly specifying the due date for payment.

- A debt collection procedure shall be followed as per steps outlined in Business Operating Procedure Recovery of Outstanding Sundry Debts -.
- A monthly report will be provided to the Council summarizing outstanding debts categorized as 30, 60, and 90+ days overdue. The report will include detailed explanations for debtors with over \$1,000 in debt that has been overdue for more than 90 days.

## Definitions

**Sundry Debtor** is an unsecured debt for goods and services received other than Ordinary Rates and Charges.

**Rates Debtor** means an individual, organisation or other party that has outstanding monies owed to the Shire of Serpentine Jarrahdale for rates and services charges levied by the Shire.

**Means Inquiry** means an inquiry conducted in Court to determine the debtor's means to pay the judgement debt.

**General Procedure Claim (GPC)** means the claim lodged with the Magistrates Court where the value of the claim or the relief claimed does not exceed \$75,000. Property Seizure and Sale Order (PSSO) is a court order that authorises a bailiff to seize and sell as much of the judgment debtor's real or personal property as necessary to satisfy the judgment debt wholly or partially.

## Related Documents

- Council Policy – Financial Hardship
- Register of Delegations and Authorisations
- Business Operating Procedure - Recovery of Outstanding Sundry Debts

## 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*

## Amendment Record

		Date	Resolution Number
<b>Council Adoption</b>		23/04/2001	C163/04/01
Version	Date	Resolution Number	Amendment Details
2	24/05/2004	SM047/05/04	
3	25/01/2010	OCM023.1/01/10	
4	28/02/2011	CGAM039/02/11	
5	29/09/2015	OCM187/09/15	
6	18/12/2017	OCM179/12/17	
7	27/07/2020	SCM241/07/20	
8	17/03/2025	OCM068/03/25	New template and formatting changes. Included definitions.