
Policy Number:	F1
Relevant Delegation:	1.1.21 Agreement as to Payment of Rates and Service Charges 1.1.18 Defer, Grant Discounts, Waive or Write Off Debts 1.1.23 Recovery of Rates or Service Charges
Adoption Details:	27 June 2016
Last Review Details:	27 April 2021

POLICY OBJECTIVE:

To provide guidance in the collection of all outstanding revenues owed to the Shire to ensure timely cashflow and to minimise bad debts.

POLICY SCOPE:

This Policy relates to the recovery of all revenues owed to the Shire, including outstanding rates, service charges and all other general debts.

POLICY STATEMENT:

INTRODUCTION

The Shire requires reliable revenue streams in order to meet the service provisions of the organisation. A significant proportion of revenue generated by the Shire is from property rates and charges and general fees and charges. To enable the Shire to meet its service obligations, it must ensure that revenues are received in a timely manner. It must also ensure that where revenue is not received in a timely manner, that appropriate measures are undertaken to recover outstanding amounts.

PRINCIPLES

- (a) The Shire's cashflow is optimised and bad debts minimised by ensuring timely collection of all revenue owing to the Shire.
- (b) The recovery of the Shire's revenue is clear, equitable, consistent and transparent.
- (c) That account is taken of the circumstances of people with debt owing to the Shire.
- (d) All reasonable action be undertaken to recover revenue before the debt is written off.
- (e) Debt collection activities are in accordance with relevant legislation and standards and credit controls are monitored to minimise potential financial loss.

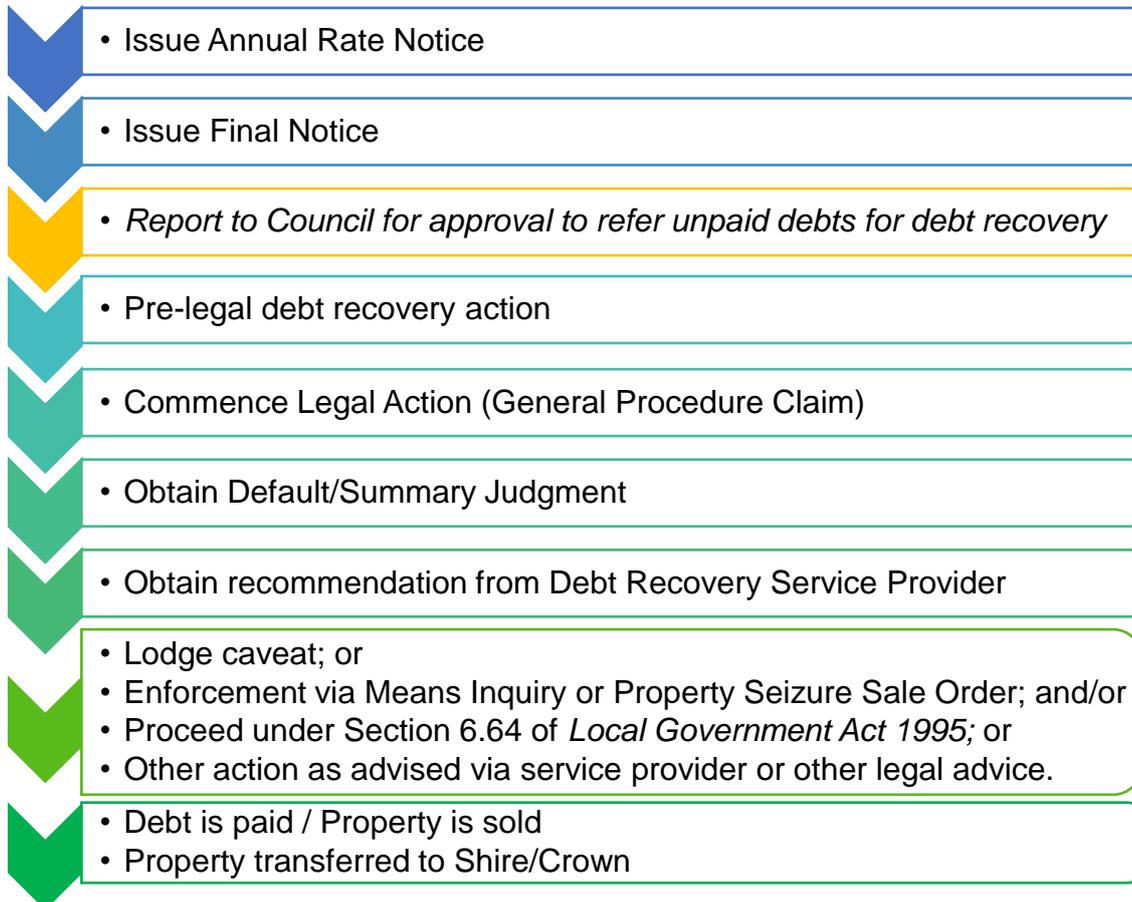
PROVISIONS

RECOVERY OF RATES AND SERVICE CHARGES

Rates and other charges are due and payable within 35 days of the issue of a notice. Payment may be made either in full by the due date or in four instalments, the first of which is payable by the initial due date.

Amounts that remain outstanding after the due date will be followed up within 30 days with a final notice requiring the ratepayer to pay their balance in full within fourteen days or contact the Shire to make an arrangement to pay.

The following Recovery Process outlines the steps the Shire is to take when attempting to recover outstanding rates and charges.



1. Payment Agreements

- 1.1 Under Delegation 1.1.21, a ratepayer is eligible to make application for a payment agreement for outstanding rates and charges.
- 1.2 The Chief Executive Officer has Delegated Authority to accept payment agreements for outstanding rates and service charges (1.1.21) provided the debt is cleared prior to 30 June of the relevant financial year.
- 1.3 Applications for agreements that do not come under the scope of Delegation 1.1.21 are to be presented to Council for acceptance or rejection.

2. Unpaid Rates and Charges in Excess of \$500

- 2.1 The Chief Executive Officer is authorised to recover rates and charges by engaging the services of a debt recovery service provider.
 - 2.2 The pre-legal stage of the debt recovery process involves letters of demand, issued on behalf of the Shire of York by its appointed service provider, along with telephone calls and/or emails.
 - 2.3 If all pre-legal action is unsuccessful, in accordance with Section 6.56 of the *Local Government Act 1995*, the Chief Executive Officer is authorised to recover rates and service charges in a court of competent jurisdiction.
-

2.4 The sequence of legal action is outlined in the debt recovery process. If a Property Seizure and Sale Order (PSSO) on goods is unsuccessful, the next step is to proceed with a PSSO against land. Prior to proceeding against land all Councillors are to be notified via a Council Notification. Councillors must consider the information and action taken to determine if a report to Council is required.

Other Options:

2.5 If a property is leased, under the provisions of Section 6.60 of the *Local Government Act 1995* the Shire may recover outstanding rates and charges by collecting rent payments from the lessee. Notices must be given to the lessee and lessor. Under delegation DE3-9, the Chief Executive Officer is authorised to give notice to a lessee in accordance with Section 6.60(2) of the *Local Government Act 1995*, requiring the lessee to pay any rent when due to the Shire to satisfy the outstanding rates and charges.

2.6 Under the provisions of Section 6.64(3) of the *Local Government Act 1995*, the Chief Executive Officer is authorised to lodge caveats on land where rates and service charges are in arrears and it is considered appropriate that the interest of the Council should be protected.

2.7 The Chief Executive Officer is authorised to withdraw caveats lodged on land where the owner has met his/her obligation in full in relation to the rates and charges outstanding.

3. Rates and Charges That Remain Unpaid For Three Years or More

3.1 If all reasonable attempts outlined in Section 2 result in no successful recovery and the rates and charges remain unpaid for three years or more the Chief Executive Officer is authorised to take possession of the land in accordance with Section 6.64(1) of the *Local Government Act 1995*.

3.2 A report is to be presented to Council detailing the amount of rates and charges outstanding, the attempts to recover the debt and the recommended action.

3.3 The Chief Executive Officer is authorised to engage a debt recovery service provider to assist in administering the process and the Council approved action.

RECOVERY OF FIREBREAK CONTRACTOR COSTS

Under the *Bush Fires Act 1954*, the Shire of York requires the owner or occupier of land to install a firebreak. If they fail to comply, Section 33(4) of the *Bush Fires Act 1954*, provides for the Shire of York to enter the property and employ a contractor to install a firebreak, the costs of which are payable by the owner or occupier of the land (Section 33(5)).

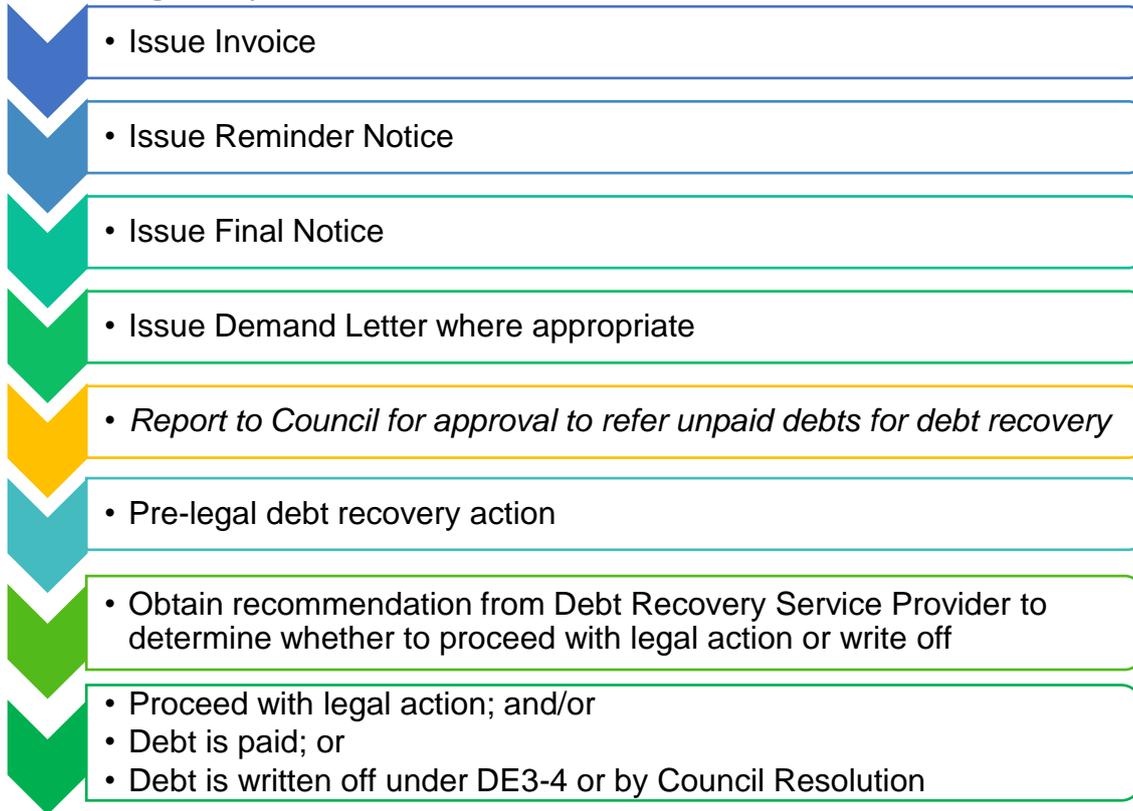
Section 33(8) of the *Bush Fires Act 1954* specifies that any charge made under Section 33 is a charge against the land with the same consequence as if it were a charge under the *Local Government Act 1995* for unpaid rates and is a debt due from the owner or occupier of the land.

On this basis, the costs incurred by the Shire of York to install a firebreak on a noncompliant property are to be levied against the property and, if unpaid, are recoverable through the rates debt recovery process.

RECOVERY OF NON-RATES CHARGES

Sundry debtor charges include all other services not specifically identified elsewhere in this policy.

The following Recovery Process outlines the steps the Shire is to take when attempting to recover outstanding sundry debts.



1. Debt Management

- 1.1. Invoices are payable within 30 days of the issue date of the invoice.
- 1.2. If an invoice remains unpaid after a Final Notice is issued, then following a review of the circumstances with the relevant staff members involved, a demand letter may be sent to the debtor advising them of what action is to be taken if payment is not made or an agreement to pay is not entered into.
- 1.3. Before any third party is engaged to recover an outstanding debt, a report is to be presented to Council seeking approval to refer the matter to the Shire of York's appointed debt recovery service provider.
- 1.4. The Chief Executive Officer is authorised to recover fees and charges by engaging the services of a debt recovery service provider.
- 1.5. The debt recovery service provider is to advise the Shire regarding the best course of action to ensure efficient and realistic collection of the amount owing. If legal action is required a report will be presented to Council seeking approval to proceed.
- 1.6. Once all reasonable attempts to either locate the debtor or to obtain payment have failed, the relevant department responsible for raising the debt will be asked to submit a written request for the invoice to be considered for write off.
- 1.7. Depending on the value of the debt, approval will be sought from the Chief Executive Officer under Delegation 1.1.18, or presented to Council for the debt to be written off. Once approval has been received, the appropriate entries will be made in the Accounts Receivable Ledger.

2. Debt Raised in Error or Debt Adjustment

If a debt has been raised in error or requires an adjustment, then an explanation will be sought from the relevant staff members or department. A credit note request is to be prepared by the responsible officer and authorised by the appropriate Executive.

3. Interest on Overdue Accounts

Council may elect to impose interest on outstanding debts. The rate of interest imposed is to be determined by Council in accordance with Section 6.13 of the *Local Government Act 1995*.

RECOVERY OF FINES AND INFRINGEMENTS

Infringements are issued by authorised officers of the Shire of York.

1. Debt Management

- 1.1. Where payment is not received within twenty-eight (28) days from the date of the infringement, a Final Demand Notice will be issued, with an applicable fee. The Final Demand Notice gives the customer a further twenty-eight (28) days to pay the infringement.
- 1.2. Where the customer fails to pay the infringement by the expiry of the period defined above, the infringement is to be referred to the Fines Enforcement Registry where further charges will be incurred.
- 1.3. The Shire has no control over the collection process undertaken by the Fines Enforcement Registry and cannot take any action on its own.
- 1.4. From time to time, write off of debts will be required when the Fines Enforcement Registry deem the fines and/or costs uncollectable. Approval will be sought from the Chief Executive Officer and subsequently Council for approval for the debt to be written off. Once approval has been received, the appropriate entries will be made in the Accounts Receivable Ledger.

KEY TERMS/DEFINITIONS:

Not applicable.

Responsible Officer:	Finance Manager
Contact Officer:	Finance Manager
Relevant Legislation:	Local Government Act 1995 – Section 6.13 Local Government Act 1995 – Section 6 (Subdivision 5)
Relevant Documents:	DLGSC Local Government Operational Guidelines – Number 22
Review History:	

Date Review Adopted:	Resolution Number
Adopted – 27 June 2016	
Reviewed – 24 October 2016	121016
Reviewed – 27 November 2017	
Reviewed – 25 February 2019	
Reviewed – 25 November 2019	291119
Reviewed – 29 March 2021	
Reviewed – 27 April 2021	050421
Former Policy No:	F1.1
