



F1.1 REVENUE COLLECTION

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 covers the recovery of all revenues owed to the Shire, including outstanding rates, service charges and all other general debts. It also covers a rates incentive scheme to encourage the early payment of rates in full.

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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. As a means to encourage the early payment of rates in full, the Shire can administer a 'Rates Incentive Scheme'. This scheme provides eligible ratepayers with the opportunity to win prizes for prompt and full payment.

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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 fair, clear, equitable, consistent and transparent.
- (c) that account is taken of the circumstances of people with debt owing to the Shire, ~~and every attempt is made to structure payments in a way that ensures repayment but minimises distress before instituting external debt collection or recovery of debt, provided that the debtor is judged to be acting in good faith.~~
- (d) all reasonable action be undertaken to recover revenue before the debt is written off.
 - debt collection activities are in accordance with relevant legislation and standards and
 - credit controls are monitored to minimise potential financial loss.

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Provisions

Recovery of Rates and Service Charges

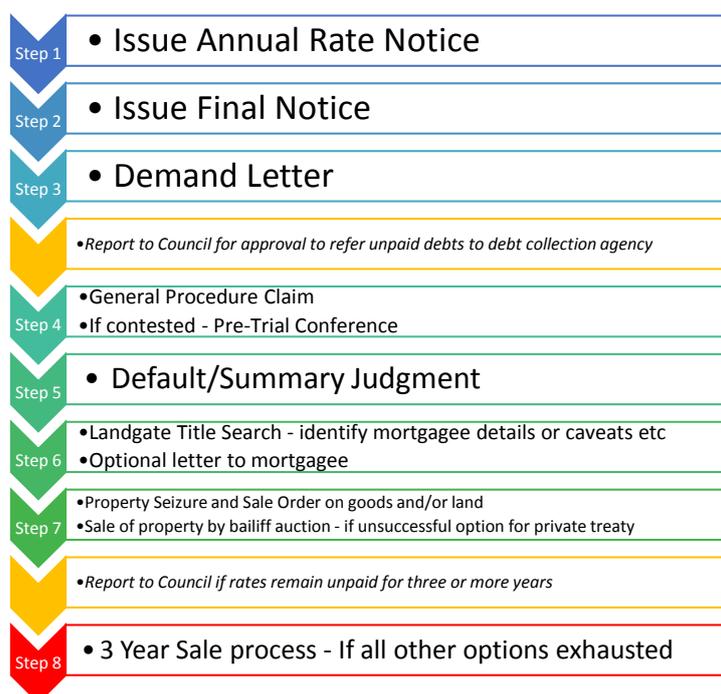
Rates and other charges are due and payable within 35 days of the issue of a notice. Payment may be made either in full by the due date or in four instalments, the first of which is payable by the initial due date.

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SHIRE OF YORK: POLICY MANUAL

[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 Council adopted Recovery Process \(Resolution 180616\) outlines the steps the Shire is to take when attempting to recover outstanding rates and charges.](#)



1. Payment Agreements

[1.1 A ratepayer is eligible to make application for a payment agreement for the current year's rates only, provided all arrears are paid in full prior to the arrangement taking effect.](#)

[1.2 The Chief Executive Officer has Delegated Authority to accept payment agreements for outstanding rates and service charges \(DE3-3\) provided the debt is cleared prior to 30 June of the relevant financial year.](#)

[1.3 Agreements that do not come under the scope of DE3-3 are to be presented to Council for acceptance or rejection.](#)

SHIRE OF YORK: POLICY MANUAL

2. ~~Unpaid for less than two (2) years~~ Rates and Charges in Excess of \$500

~~2.1 The Chief Executive Officer be authorised to recover rates and charges by engaging the services of a debt collection agency firm.~~

~~2.2 If no response or payment is received, a letter of demand will be issued on behalf of the Shire of York by its appointed debt collection agent.~~

~~2.3 As part of the debt collection process, once referred, telephone calls and/or emails will be made in order to contact the ratepayer to seek payment or enter into a payment arrangement.~~

~~2.4 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.~~

~~2.5 If all action is unsuccessful, and 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, subject to Council approval.~~

~~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 be 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.~~

~~4.0 The Chief Executive Officer be authorised to recover rates and service charges in a court of competent jurisdiction.~~

~~3.0 The Chief Executive Officer be authorised to recover rates and service charges by engaging the services of a debt collection agency firm, provided that prior to instituting such an action every attempt has been made directly by the Shire to enter into a structured debt repayment programme with the debtor, in a way that minimises where possible the imposition of financial sanctions.~~

4. ~~Unpaid for two (2) years~~

~~2.1 The Chief Executive Officer be 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.~~

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SHIRE OF YORK: POLICY MANUAL

~~2.2 The Chief Executive Officer be authorised to withdraw caveats lodged on land where the owner has met his/her obligation in full in relation to the rates and service charges outstanding.~~

7.3. Rates and Charges that Remain Unpaid for three years or more~~Unpaid for at least three (3) years~~

~~3.1. 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 CEO 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 be authorised to engage a debt collection agency to assist in administering the process and the Council approved action.~~

~~A report be presented to Council on an annual basis, detailing the amount of rates and services charges outstanding, by Assessment Number, and recommended action to be authorised by the Council. The Privacy Act prevents the property and owner's details from being published in a report to Council.~~

~~In addition to the above, the Shire will outline annually, in the Annual Budget, the interest charges for the late payment of rates charges and the number and general nature of debt repayment programmes entered into with debtors.~~

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.

Invoices are payable within 14 days of the issue date of the invoice.

9.1. Debt Management

If the invoice is not paid by the due date then the following procedure will take place:

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- 1.1. A reminder notice will be issued in the first instance.
 - 1.2. If no payment has been received within 14 days of the issue of the reminder notice, a final notice will be issued advising the debtor that payment is expected within seven (7) days of the issue date of the notice or legal action may be taken.
 - 1.3. If no response is received from the debtor 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. The debtor will be advised that any fees incurred in recovering the debt will be passed on to the debtor.
 - 1.4. 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 collection agent.
 - 1.5. The Chief Executive Officer be authorised to recover fees and charges by engaging the services of a debt collection agency firm.
 - 1.6. The debt collection agent will 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.
 - 1.7. Once all reasonable attempts to either locate the debtor or to obtain payment have failed, the staff member responsible for raising the debt will be asked to submit a written request for the invoice to be considered for write off.
 - 1.8. Depending on the value of the debt, approval will be sought from the Chief Executive Officer, under Delegated Authority DE3-4 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.
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- 9.1 ~~A letter or reminder notice will be issued advising the debtor that if there exists a dispute or query to contact administration otherwise payment is expected within two weeks of the issue date of letter;~~
 - 9.2 ~~If no response is received from the debtor then following a review of the circumstances with the relevant staff members involved, a demand notice may be sent to the debtor advising that if payment is not made within two weeks of the date of the notice, then further action may be taken to recover the debt which could involve legal action. The debtor will be advised that any fees incurred in recovering the debt will be passed on to the debtor.~~
~~Before any third party is engaged to recover an outstanding debt, the Executive Manager Corporate and Community Services will be consulted to ensure that this action is appropriate given due consideration to all issues which have led to the debt being overdue and not paid. This will include consideration of the Shire entering into a structured debt repayment program with the debtor, in a way that minimises where possible the imposition of financial sanctions.~~
 - 9.3 ~~Once all reasonable attempts to either locate the Debtor or to obtain payment have failed, the staff member responsible for raising the debt will be asked to submit a written request for the invoice to be considered for write off.~~
 - 9.3 ~~Approval will be sought from the Chief Executive Officer and subsequently Council for~~

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SHIRE OF YORK: POLICY MANUAL

~~approval for the debt to be written off. Once approval has been received, the appropriate entries will be made in the Accounts Receivable Ledger.~~

40.2 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. Once this has been received a credit note request will be raised which is to be authorised by both the staff member who raised the initial invoice and the Executive Manager Corporate and Community Services.

44.3 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*.~~

~~Interest can be calculated on the total outstanding debt once it has exceeded the due date of the invoice. The decision to impose interest is up to the discretion of the Executive Manager Corporate and Community Services. The rate of interest imposed is that as determined by Council as contained in the Annual Budget and in accordance with Section 6.13 of the Local Government Act.~~

43. *Recovery of Fines and Infringements*

Infringements are issued by authorised officers of the Shire of York. There is no provision for part payments or payment arrangements with infringements due to making them unenforceable with the Fines Enforcement Registry (FER).

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44.1 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.~~

~~14.1 Where payment is not received within twenty eight (28) days from the date of the infringement, a First Warning letter shall be issued requesting full payment within ten (10) days.~~

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~~14.2 Where the customer fails to pay the infringement by the expiry of the period defined above, 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.~~

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~~14.31.2 Where the customer fails to pay the infringement by the expiry of the period defined above, the infringement is referred to the Fines Enforcement Registry where further charges will be incurred.~~

SHIRE OF YORK: POLICY MANUAL

~~14.4 Referrals to the Fines Enforcement Registry may result in an individual's licence being suspended.~~

~~14.51.3~~ The Shire has no control over the collection process undertaken by the Fines Enforcement Registry and cannot take any action on its own.

~~14.61.4~~ From time to time, write off of debts will be required when the Fines Enforcement Registry deem the fines and/or costs uncollectible. 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.

Rates Incentive Scheme

A rate incentive scheme, in the form of prizes donated by sponsors, will be operated in each rating year on the basis that:

- a) Only those who have paid their rates in full, within thirty-five days of the date of assessment, be eligible for the draw.
- b) The winners to be selected electronically at random via the Shire Rating System in the presence of the major sponsor (other than the Shire).

Key Terms/Definitions
Not Applicable

Policy Administration

Responsible Directorate/Division: Finance Department

Author/Contact Officer Position: ~~Financial Controller~~ [Finance Manager](#)

Relevant Delegation: DE3-3 - Agreement as to Payment of Rates and Service Charges
DE3-4 - Write Off of Monies Owing (Not Rates and Services Charges)
DE3-8 - Rates or Service Charges Recoverable in Court

Relevant Legislation: *Local Government Act 1995* – Section 6.13
Local Government Act 1995 – Section 6 (Subdivision 5)

Relevant Documents:

Date Adopted: 27 June 2016

Reviews/Amendments: 24 October 2016

27 June 2016

[27 November 2017](#)

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SHIRE OF YORK: POLICY MANUAL

Replaces:

- Recovery of Rates and Service Charges
28 January 2016 - Council Resolution 120116
- 15 February 2010 – Council Resolution 200210
- Recovery of Non-Rate Charges
15 February 2010 – Council Resolution 200210
- Rates Collection and Incentive Scheme
18 June 1989
18 March 1996
15 September 1997
21 August 2006 – Council Resolution 19086