



## **POLICY – 4.6 Debt Recovery – Outstanding Rates and Sundry Debtors**

### **Relevant Delegation**

N/A

### **1. Objective**

To establish a formal standard for the recovery of outstanding rates and charges levied under the Local Government Act 1995 and of sundry debtors.

### **2. Policy Statement**

The Local Government Act 1995 provides for a Local Government to impose rates and charges on land in its district.

- 2.1 The Chief Executive Officer may accept payment of a rate, service charge or sundry debt due and payable by a person in accordance with an agreement made with the person.
  - a) in cases of known or evidenced hardship, special payment agreements may be entered into for payment of outstanding debts.
  - b) should the arrangement negotiated with the Chief Executive Officer not be kept, the provisions below may be implemented.
- 2.2 If not paid at time of incurring the debt, sundry debtors –
  - a) are to have an invoice issued as soon as possible after the amount owing is known,
  - b) a reminder issued at the end of the month
  - c) further reminder at the end of the following month advising of overdue
  - d) at the end of second month, a further invoice advising that legal action may be taken without further warning after 14 days.
- 2.3 Subject to an agreement, legal proceedings should be implemented and will continue until payment of the rates and service charges are made in full –
  - a) Issue Final Notices –
    - (i) A Final Notice is to be issued 14 days after the due date, to those persons who have made either no payment, or insufficient payment to cover the first instalment. The Final Notice is to specify that the ratepayer/s have fourteen (14) days to pay in full or to enter into a special repayment arrangement.
    - (ii) Final Notices are not to be issued to eligible persons registered to receive the pensioner rebate under the Rates and Charges (Rebates and Deferments) Act 1992 as such persons have until 30 June in the year of rating to make payment, without incurring any late payment penalties.

b) Debt Collections –

- (i) After (14) days after the final notice period has expired and no payment has been received, all rates and charges are to be sent to Council's debt collector.
- (ii) The debt collector will follow a process to collect outstanding monies.
- (iii) The debt collector, if unable to collect outstanding rates and charges will advise the rates officer.
- (iv) The rates officer will present this to the Chief Executive Officer who will issue the debt collector an instruction to proceed with legal action.
- (v) Should the debt collector not be able to collect the rates and charges then:

2.4 Where the amount is relatively minor, and cost of recovery excessive compared to the debt, the Chief Executive Officer may defer legal action until such time as further debt may be incurred.

2.5 If any rates and charges which are due to Council in respect of any rateable land have been unpaid for at least 3 years, Council may take possession of the land under the Local Government Act 1995 s.6.64. The approval of Council is to be obtained before this course of action is initiated.

– End of Policy

#### COMMENT

In May 2012, Council resolved that debt collection should be undertaken by Dunn and Bradstreet. It is suggested that the collection agency does not need to be a Council decision but left to the administration.

Formerly	Delegation 7, 22 Policy 3.1, 3.11 – Replaced 29 November 2012	
New Policy		
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