



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

2.1 Outstanding Rates and Service Charges

2.1.1 Issuance of Final Notice

- a) 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 specifies that the ratepayer(s) have seven (7) days to pay in full or enter into a special repayment arrangement.
- b) 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 these individuals have until 30 June in the year of rating to make payment without incurring any late payment penalties.

2.1.2 Outstanding Rates on Mining Tenements

- a) Depending on the amount owed, the Shire may lodge a caveat pursuant to section 122A of the Mining Act 1978 (WA) to preclude dealings in respect of the mining tenement whilst rates remain outstanding beyond the due date for payment.
- b) Rates on mining leases will be considered for write-off when a tenement expires and if:
 - (i) the holder is deregistered and the likelihood of collecting any outstanding rates is negligible; or
 - (ii) the holder is a going concern or individual, and normal collection process has been pursued until all avenues for recovery are exhausted or deemed unviable.

2.2 Sundry Debtor Accounts

If not paid at time of incurring the debt, sundry debtors:

- (i) are to have an invoice issued as soon as possible after the amount owing is known;
- (ii) a reminder issued at the end of the month;
- (iii) further reminder at the end of the following month advising of overdue;
- (iv) at the end of the second month, a further invoice advising that legal action may be taken without further warning after 14 days.

2.3 Payment Arrangements

The Chief Executive Officer may accept payment of a rate, service charge or sundry debt in accordance with an agreement made with the debtor.

- 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, legal actions may take place.

2.4 Debt Recovery/Legal Proceedings

2.4.1 Following the expiry date on the Final Notice/Demand, the Shire may, on a case-by-case basis, refer the debt to its collection agency to commence legal proceedings, which may include:

- (i) General Procedure Claim,
- (ii) Property Seizure and Sale Order

All legal costs incurred during the debt collection process shall be the responsibility of the debt owner and will, where applicable, remain a charge on the land/property.

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

2.4.3 If any rates and charges due to Council in respect of any rateable land have been unpaid for at least 3 years, the Council may take possession of the land under section 6.64 of the Local Government Act 1995 and have the right to lease, sell, or transfer the land to the Crown or itself. The approval of the Council must be obtained before this course of action is initiated.

2.5 Rates/Bad debts Write-off

Writing off unrecoverable rates and bad debts will only be considered when:

- (i) all reasonable attempts to recover the outstanding amount have been exhausted and it has resulted in a non-viable outcome; or
- (ii) the cost of recovery is estimated to exceed the potential return, with minimal prospect for successful collection.

The write-off process must follow Council delegation. Any decision to write off rates requires an absolute majority of the Council as per section 6.12(1)(c) of the Local Government Act 1995.

2.6 Collection Agency

The engagement of a collection agency does not require Council approval and is handled by the Shire administration.

– End of Policy

ADOPTED: 17 DECEMBER 2025