

## F8. Rates Recovery Policy

### Policy Objective

This policy outlines the Shires process in relation to the payment by instalment and the collection of outstanding rates.

### Policy Statement

Rates may be paid by instalments and will be recovered in accordance with the following

#### (1) Instalments:

- 1.1 The Shire will accept that there are ratepayers who cannot meet the 2 or 4 mandatory instalment options as provided by under section 6.45 of the Local Government Act 1995.
- 1.2 The Shire will allow the Rates Clerk to accept, by application in writing, an alternative payment schedule (an 'Agreement') at the Rates Clerk discretion. The ratepayer is to specify the dates when, and the amounts that are to be paid.
- 1.3 Any agreements will ensure that rates are paid in full prior to the end of the current financial year.
- 1.4 Upon acceptance of any agreement, written confirmation will be provided to the applicant to formalise the agreement and commit the ratepayer to the payment schedule.
- 1.5 Failure by the applicant will result in a letter of warning giving the applicant a further 14 days to make arrangements failing which the debt is passed on to the Shire's debt collectors who will issue a Final Demand.

#### (2) Overdue & Final Notices

- 2.1 Debts will be handed over to the Debt Collectors and Final Notices will be issued after 35 days from the due date of the notice for payment of rates when:
  - No payment has been made
  - No 'Agreement' has been made
  - Where there is no current valid instalment option (i.e. persons who have paid their first instalment option late).
- 2.2 Final Notices will indicate:
  - Rates are now overdue & payable; and
  - That penalty interest is being charged at the rate set by the Council

#### (3) Collection of Overdue rates by Debt Collectors

- 1.1 If no response from the rates debtor for the final notice, proceed with General Procedure Claim (GPC) against the rates debtor. Debtor has 14 days to respond to GPC.
- 1.2 If no response from debtor, enter into judgment. Judgment secures the debt and defaults the rate debtor's credit file for 12 years.
- 1.3 Once judgment has been entered and still no response from the defendant (rate debtor), proceed with enforcement by way of Property Seizure and Sale Order (PSSO) Goods and/or Land or Means Inquiry.
- 1.4 PSSO Goods, bailiff will go to the nominated address to put a paper seizure on goods estimated to be of value to cover the outstanding rates. If no goods found and debtor owns property, then request to proceed to PSSO Land. If goods are found, generally a vehicle, boat or caravan, then the bailiff has 21 days to confirm ownership. If ownership is confirmed, then

## **F8. Rates Recovery Policy**

the bailiff proceeds with the sale of the vehicle. If ownership is not confirmed, then proceed with either PSSO Land or Means Inquiry.

- 1.5 PSSO Land, bailiff will proceed with the sale of the property within 6 months. This process does take a while as the bailiffs need to get information from various places to confirm the value of the property and complete the sale.
- 1.6 Means Inquiry, the rate debtor is personally served and summonsed to court and the magistrate determines the debtor's disposable income and how much rate debtor can payment back and at what frequency.
- 1.7 If the debtor doesn't attend court, then solicitor will request orders to be made by the magistrate to issue a warrant for the debtor's arrest.

### **(4) Collection of Rent Due**

In cases where the owner of a leased or rented property on which rates are outstanding cannot be located or the owner refuses to settle the amount outstanding, notice will be served on the lessee. The lessee will then, under section 6.60 of the Local Government Act 1995, be required to pay the Shire any rent due until such time as the amount in arrears has been fully paid.

***Policy Reviewed October 2020***