



# Rate Recovery Council Policy

## 1. PURPOSE

The purpose of this policy is to set out Council's principles in regard to the management of debt, and to provide consistent and ethical recovery of outstanding Rates and Charges across the region in accordance with the parameters and requirements of the *Local Government Regulation 2012*.

## 2. SCOPE & AUTHORITY

This policy applies to all owners of property within the Balonne Shire Council region who have outstanding rates and charges on any rateable property including any special rates and charges.

This is a discretionary policy, resolved by Council under its powers in accordance with the Queensland Local Government Act (2009) Chapter 2, Section 9 which states:

### **9 Powers of local governments generally**

- (1) *A local government has the power to do anything that is necessary or convenient for the good rule and local government of its local government area.*

The powers for Council to charge Rates and Charges are provided for under the Queensland Local Government Regulations (2012) Parts 1 to 11, Sections 71 to 131.

The powers for Council to recover overdue Rates and Charges and to charge Interest on overdue Rates and Charges are provided for under the Queensland Local Government Regulations (2012) Part 12, Sections 132 to 152.

## 3. POLICY STATEMENT

### 3.1 Overarching principles regarding recovery of rates debt

The management and recovery of outstanding revenue is an important aspect of the Council's financial management function. It is Council's policy to pursue the collection of outstanding revenue diligently but with due concern for any financial hardship faced by ratepayers.

The principles that apply in the management of and recovery of debt are as follows:

- Communication by making clear the obligations of ratepayers and the processes used by Council in assisting them meet their financial obligations
- Transparent by making the processes used to recover overdue rates and charges simple to administer and cost effective
- Equity by treating all ratepayers in similar circumstances in the same manner
- Flexibility by responding where necessary to changes in the local economy.

### 3.2 Recovery actions – overdue rates & charges

- 3.2.1 At 14 days after expiration of the discount period, a Reminder Letter is to be sent advising rates are overdue and offering the Rate Payer the option to set up an acceptable Payment Arrangement. The letter also advises the ratepayer that if they fail to pay outstanding rates or enter into an acceptable Payment Arrangement with Council within 14 days from the date of this letter then Council will refer the unpaid rates for debt recovery.
- 3.2.2 At 14 days after the Reminder Letter has been sent, all outstanding rates \$900.00 and over are to be referred to Council's Debt Recovery Agency Recoveries & Reconstruction (Aust) Pty Ltd for the issuing of Letter of Demand.



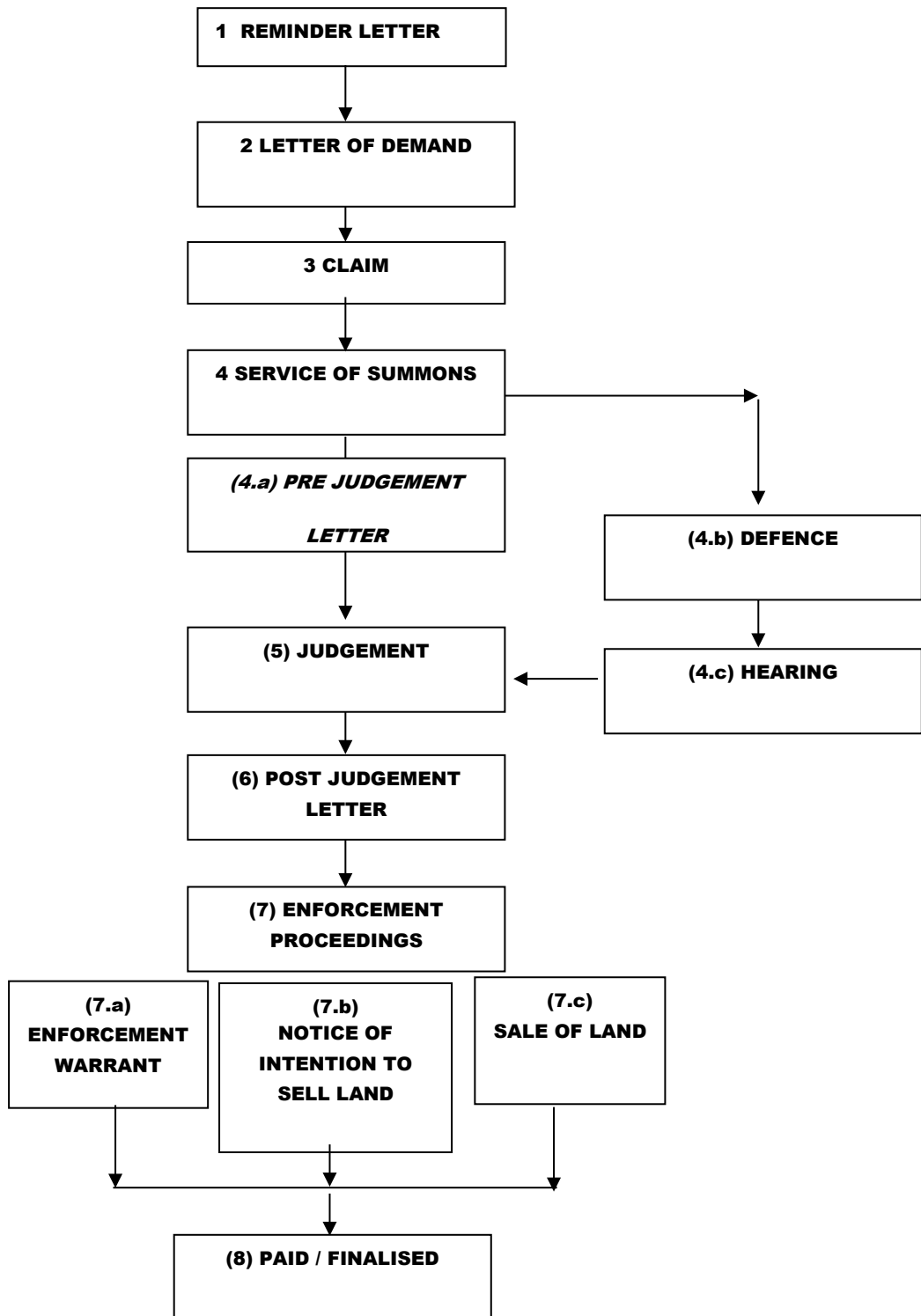
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- 3.2.3 Council shall proceed with legal recovery action against any Property Owner who has not satisfactorily responded to any Notices previously sent, by issuing a Claim that will be served on the Property Owner. Further action will proceed as outlined in the Collection Process Flowchart.
- 3.2.4 Further action is suspended at any point in the process up to gaining of judgment if:
- payment is made in full; or
  - the ratepayer enters into and maintains an approved payment arrangement.
- 3.2.5 Reminder Letter will not be issued to:
- Property Owners with an outstanding balance of less than \$50.00.
  - Property Owners who are maintaining an approved payment arrangement.
  - Property Owners against whom a form of legal action has already been commenced.
  - Property Owners who have lodged a formal Notice of Objection or have advised Council of a formal dispute regarding their most recent notice of Rates and Charges.
- 3.2.6 Council has determined to sell the land for recovery of outstanding rates and charges that are in arrears for at least:
- 3 months in relation to mining claim rates and charges
  - 1 year in relation to vacant land or land used only for commercial purposes, and judgment has been obtained for overdue rates and charges
  - 3 years for all other land and overdue rates and charges on properties not listed above.



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## Collection Process Flowchart





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## 3.3 Payment arrangements

Council will not pursue further recovery action against a ratepayer who has a signed payment commitment agreed by Council, while the arrangement is current, and the ratepayer adheres to the agreed payment schedule.

An agreed payment commitment arrangement ensures current rates and charges are paid and the rate account does not fall further in arrears. An agreed payment arrangement will generally result in all overdue rates and charges being paid in full within 26 weeks of the arrangement being made. Payment arrangements can be weekly, fortnightly or monthly. Council, through its Chief Executive Officer (or delegate) may also exercise discretion to:

- accept single or ad hoc payments related to a payment proposal submitted from a property owner.
- extend the period of the payment arrangement beyond 26 weeks (but not exceeding 12 months) in the circumstances of exceptional hardship.

In the event that a payment commitment is not maintained within the agreed terms, recovery action will continue. Ratepayers can request further arrangements, but a maximum of three (3) arrangements will be given before no further arrangements will be considered by Council.

## 3.4 Interest

In accordance with Section 133 of the Local Government Regulation 2012, any rates and charges which are not paid within the specified timeframe as per the respective Council Revenue Statement, shall bear interest compounding on daily rests at the rate resolved in the Council Revenue Statement at the council budget meeting for the financial year pertaining to the rates and charges which are overdue.

## 4. RESPONSIBILITIES

### 4.1 All Councillors and Council employees

- Must undertake any dealings with customers in relation to overdue Rates and charges or recovery of same, in compliance with this Policy.

### 4.2 Managers and Directors

- Must respect, promote and act compatibly with this policy.

### 4.2 Director Finance and Corporate Services

- Shall be the custodian of this policy
- Shall implement processes, control measures and training that provide assurance that Council acts in accordance with the policy

### 4.3 Chief Executive Officer

- Must consider and decide requests for Payment Arrangements in accordance with clause 3.3.

## 5. RISK

This policy aims to address the risks that debts owed to council due to overpaid rates and charges grow to unacceptable levels and impact council operations and financial sustainability. It also aims to address the risk that such debts are recovered inconsistently or unfairly. It addresses these by outlining how staff must address and recover such debts consistently and ethically, consistent with the provisions of the Local Government Regulations.

## 6. IMPACTS

**Corporate Plan:** Goal – 5. Governance; Program Areas – 5.3 Excellence in service delivery and project management; 5.4 High levels of accountability and compliance; 5.5 Financial management for long-term sustainability

**Human Rights Compatibility Statement:** This Policy has been assessed as compatible with the Human Rights protected under the Human Rights Act 2019



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**Engagement:** This policy has been developed in consultation with the Senior Leadership Group.

## 7. RELATED LAWS

- Queensland Local Government Act (Qld) 2009
- Local Government Regulation (Qld) 2012

## 8. RELATED COUNCIL DOCUMENTS

- Council Revenue Policy
- Council Revenue Statement

## 9. REVISION HISTORY

**Revokes:** Rate Recovery Policy ref# 79740 Version 2, adopted by council 18/07/2019

**Previous approved versions:** ref# 79740 Version 1

**Suggested to review by:** 21/10/2023

## 10. DEFINITIONS

**CEO** means the Chief Executive Officer of the Balonne Shire Council appointed in accordance with the Local Government Act 2009.

**Council** means Balonne Shire Council, its elected Councillors, its management and its employees.

**Council Employees** means all permanent, casual and temporary employees, contractors, volunteers, apprentices, trainees and work experience students.

**Payment Arrangement** means where the debtor forwards a written proposal for alternative arrangements for payment of the debt to the terms on the invoice and Council provides written approval of the proposal, in accordance with clause 3.3.

**Rates and charges** means as defined in the *Local Government Regulation (Qld) 2012* to include differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest on outstanding balances. In addition, as defined in Section 132 of the *Local Government Regulation 2012* if the local government takes the rate payer to court to recover rates or charges and the court orders the rate payer to pay the council's costs—the costs and interest on the costs.

## 11. ATTACHMENTS

Nil