



## RATES DEBT RECOVERY POLICY

<b>Date Adopted:</b>	25 March 2014
<b>Council or Corporate Policy</b>	Council Policy
<b>Responsible Division:</b>	Corporate and Information Services
<b>Supporting documents, procedures &amp; forms of this policy:</b>	<a href="#">Application for Arrangement to Pay Rates and Charges</a>
<b>References &amp; Legislation:</b>	<a href="#">Section 564 of Local Government Act 1993</a>

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## 1 Purpose of Policy

The objectives of this policy are:

1. To outline the process for efficient and effective collection of outstanding rates and charges.
2. To fulfil statutory requirements of the *Local Government Act 1993* and other relevant legislation in relation to the recovery of rates and charges.

## 2 Policy Principles

This policy has been formulated under the following principles:

- Council recognises it has a responsibility to recover monies owing to it in a timely, efficient and effective manner to finance its operations and ensure effective cash flow management.
- Council will treat all people fairly and consistently under this policy.
- Council will consider all matters under this policy confidentially.
- Council will treat people with respect and compassion in considering their circumstances.

## 3 Roles & Responsibilities

### Reporting

A quarterly report on the status of all rate assessments undergoing debt recovery action will be provided to the General Manager.

## 4 Policy Implementation

### Rates and Charges Notice

Rates and charges notices are issued in July each year and are payable in full by 31 August or in four instalments by 31 August, 30 November, 28 February and 31 May. A rate notice, or rate instalment notice is issued at least 30 days before each instalment due date.

### Overdue Notice

If the whole or part of an instalment is not paid within 7 days of the instalment due date, then an overdue notice will be issued. The overdue notice will advise the following information:

- The amount of any overdue rates and charges and the due date.
- Confirm that interest charges are applying to the overdue amount.
- Advise ratepayers that they should contact the rates department to make an alternative payment arrangement if they are not in position to pay all of the overdue rates and charges.

### Letter of Demand

Following the nominated date on the overdue notice, a list of assessments that remain overdue is to be prepared and forwarded to the debt recovery agency for the issue of a letter of demand. This letter of demand contains the same information as an overdue notice together with advice that if the amount is not paid and the recovery progresses to a statement of claim, that legal costs will then be incurred.

### Letter advising Statement of Claim (Summons) will issue

As a final measure to have the matter resolved without legal action, another letter is issued advising that if the amount is not paid then a Statement of Claim (Summons) will be issued together with details of the amount of legal costs which will be incurred.

### Statement of Claim (Summons)

Any rate assessments that remain overdue after the nominated date for final payment in the above correspondence may then be followed up with a Statement of Claim. This process will incur legal costs that are raised against the rate assessment.

To ensure fairness with the instigation of legal proceedings, the following criteria will be used as a guide to determining if further recovery action is warranted:

- The amount of the outstanding debt is greater than \$600.
- The amount of the outstanding debt is at least two instalments in arrears.
- Every effort is made to contact the ratepayer prior to legal proceedings.

This includes a search of Council database to see if there are alternate contact details for the ratepayer.

### Further Legal Proceedings

After the issue of a Statement of Claim, the normal course of proceedings is to obtain Judgement on the debt and then take follow up action as provided in Division 4 and 5 of Chapter 17, Part 2 of the Local Government Act 1993 to recover the debt including, but not limited to, issuing writs of execution and garnishee orders. All further recovery proceedings will be done in conjunction with the debt recovery agency and will be authorised by the Rates and Revenue Coordinator.

Any legal or other expenses incurred by Council from the recovery of overdue rates and charges will be charged against the ratepayer in accordance with sections 550 and 605 of the Local Government Act 1993 and form part of the ratepayer's debt. Costs or any legal expenses incurred associated with the recovery of outstanding rates and charges will not be waived or reduced unless the Court determines the action as unlawful or Council is in error in instigating the relevant proceedings.

### Payment arrangements

Section 564 Local Government Act 1993 provides Council with an option to accept payment of rates and charges due and payable in accordance with an agreement made with the person and also to write off or reduce interest accrued on rates and charges if the person complies with the agreement.

Where ratepayers are experiencing financial difficulties in meeting their rates payments, they are requested to contact Council with a view to making a suitable payment arrangement. The following procedures will be followed with all payment arrangements:

- The application for a Payment Arrangement must be made on the appropriate form.
- The completed application must be returned to Council within 7 days.
- The Rates and Revenue Coordinator shall consider each case on its particular merit, and make a determination.
- A determination under this policy will be assessed against information provided by the applicant.
- The applicant will be advised in writing of the determination within 14 days.
- Payment arrangements may be weekly, fortnightly or monthly.
- Payment arrangements are to be by direct debit.
- Payment arrangements will be negotiated with a view to clearing all outstanding arrears as well as any current rates and charges, within a 6 month period. In exceptional circumstances,

the Rates & Revenue Coordinator can extend this period up to 12 months subject to the approval of the General Manager.

- All repayment schedules are to be reviewed at the end of each 6 month period and upon the raising of further rates and charges.
- Any future rates and charges raised against a property are due and payable by the due dates.
- Ratepayers may be offered an extension of time to pay a missed quarterly instalment. Extensions of time are limited to within 2 months. Beyond 2 months an alternative payment arrangement with regular payments will be negotiated.
- Normal interest charges will apply to arrangements unless interest is to be written off in accordance with the provisions of the Rates Financial Hardship Policy.

The Local Government Act does not provide for the writing off of rates under a payment arrangement. When negotiating payment arrangements, all ratepayers are to be advised that if a payment arrangement is not adhered to, legal recovery action may commence without further notice. Where an applicant does not complete an application form, or does not provide sufficient information to enable a determination, the application shall be refused.

#### Pensioners

No recovery action as specified in this policy will be taken against eligible pensioners (as defined in the Pensioner Concession Policy) who have applied to Council for deferment of their rates. Eligible pensioners that have not applied to Council for deferment of their rates will receive an overdue rate notice if they have outstanding rates. No further recovery action will be taken against eligible pensioners. Any eligible pensioners will be encouraged to take advantage of Council's "Pensioners - Accruing Rates and Charges Policy" that allows pensioners to defer payment of their outstanding rates and charges against their eventual estate. Council will write to eligible pensioners to encourage them to take advantage of Council's deferment of rates and charges – refer Council's Pensioners – Accruing Rates and Charges Policy.

## 5 Policy Review

This policy will be reviewed by 25 March 2016.

## 6 Version Control and Change History

Version Control	Date Effective	Approved By	Amendment
1	25 March 2014	Council	
2			



PLEASE ADDRESS YOUR APPLICATION :

ATTENTION - RATES AND REVENUE COORDINATOR  
PRIVATE AND CONFIDENTIAL

7-15 Wetherill Street, Leichhardt NSW 2040  
PO Box 45, Leichhardt NSW 2040  
Phone: (02) 9367 9222 Fax: (02) 9367 9111  
Email: [leichhardt@lmc.nsw.gov.au](mailto:leichhardt@lmc.nsw.gov.au)  
Website: [www.leichhardt.nsw.gov.au](http://www.leichhardt.nsw.gov.au)

## Application for Arrangement to Pay Rates and Charges

**Customer Reference Number** (found on the top right hand corner of your Rates Notice)

### Property Details

Unit No.	Street No.	Street Name
Suburb		Postcode

### Owners Details

Ms/Mr/Mrs/Other (please state)	Family Name	Given Name/s	
No.	Street	Suburb	Postcode
Mailing Address			
Tel (Home/Work)		Mobile	
Email			

### Payment Details

**PLEASE NOTE: Payment arrangements are to be by Direct Debit.**

I undertake to pay \$ \_\_\_\_\_ per  week  fortnight  month

Starting on \_\_\_\_/\_\_\_\_/\_\_\_\_

Rates and charges have fallen into arrears due to: \_\_\_\_\_

### I understand that:

- Interest will accrue on my account until payments are up to date.
- In addition to this arrangement all future rates and charges instalments are due and payable by the due dates.
- Should I fail to keep this arrangement Legal Action may commence without further notice.

Applicants Signature \_\_\_\_\_

Applicants Signature \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_

### Privacy Statement

The personal information provided on this form (including your name and other details) will be handled in accordance with the *Privacy and Personal Information Protection Act 1998* and may be available to the public under various legislation. Refer also to the Privacy Statement on Council's website.

Office Use Only:

Received by: \_\_\_\_\_  
(Council officers name and signature)

Date:- \_\_\_\_\_