DEBT RECOVERY ON UNPAID RATES AND CHARGES POLICY

1. POLICY OBJECTIVE

Council will ensure rate and other overdue property debts are recovered in a timely and fair manner.

2. POLICY SCOPE

The policy is required to provide quantitative guidelines to the general statutory obligations of the Local Government Act 1989 in relation to property debt recovery.

3. GUIDELINES

The following guidance applies to unpaid accounts where no payment arrangement has been made with Council. A flowchart detailing each stage is at the end of this policy.

- Within 1 month after the due date of the principal charge Reminder/Final Notices will be sent for default accounts. The Reminder/Final Notices shall advise the ratepayer of the Rates and Charges Hardship Policy.

- Ratepayers can apply under the Rates and Charges Hardship Policy C53, in writing within 10 days of receiving the Reminder/Final Notice. Failure to do so will result in an account in default and will be referred to Council’s debt collection agency for issuing of Demand Letters.

- Council’s Debt Collection Agency will send a Demand Letter on behalf of Council advising ratepayers they have 10 days to pay or to make a payment arrangement.

- If there is no response from the ratepayer to the Demand Letter, the Debt Collection Agency shall refer default accounts to Council for authorisation to proceed with legal action.

- If at any time a payment arrangement is received from the ratepayer it shall be monitored by the Debt Collection Agency. If a hardship application is received and accepted, the account is closed and monitored internally.

- If the debt is greater than 3 years and all debt recovery avenues have been exhausted, Council may sell the property in accordance with the provisions of Section 181 of the Local Government Act 1989.

- Council Delegated officers shall have discretionary power to waive interest in cases of financial hardship in accordance with the Rates and Charges Hardship Policy C53.
4. **RISK ASSESSMENT**

- Inconsistent and non-transparent decisions made outside of a determined framework.
- Non-compliance with legislation and poor governance practices.

5. **ROLES AND RESPONSIBILITIES STATEMENT**

This Policy will be published on Council’s website. The Policy will be administered by the CEO, Director Corporate and Community Services, Finance Manager, Senior Revenue Officer and Rates and Valuations Coordinator.

6. **POLICY DEFINITIONS**

<table>
<thead>
<tr>
<th>Council</th>
<th>South Gippsland Shire Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>Any person, including Councillors, employed by South Gippsland Shire Council (as defined by the Workplace Injury Rehabilitation and Compensation Act 2013)</td>
</tr>
<tr>
<td>EPA</td>
<td>Environmental Protection Authority</td>
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7. **REFERENCE DOCUMENTS**

*Council Policy*

Nil

*Legislative Provisions, Standards, Guidelines and Principles*

Part 8 Division 2 Payment of Rates and Charges of the Local Government Act 1989

8. **ATTACHMENTS**

Attachment 1 – Flowchart
DEBT RECOVERY ON UNPAID RATES AND CHARGES POLICY
FLOWCHART

Policy Number: C15

December 2019

START

Overdue Rates Notice issued to Customer

Final Reminder Notice

Refer account in default to Debt Collection Agency

Authorises Legal Action

Under Section 181 of Local Government Act 1989 – Property sold

Receives notification from Council of account in default

Issues Letter of Demand with advice to arrange payment plan within 10 days

Refers to Council for authorisation to proceed to Legal Action

Lodges complaint with Magistrates Court

Attends Magistrates Court for judgement

Advice Council outcome of Judgement at Magistrates Court

Can make payment via plan with Debt Collection Agency

Fails to adhere to payment plan with Debt collection Agency

Rates remain unpaid for 3 years

Does not pay outstanding rates

Customer

Debt Collection Agency

Finance Department/Rates

South Gippsland Shire Council

Agenda - 26 February 2020

Ordinary Meeting of Council No.442 - 26 February 2020