



## Paroo Shire Council

Council Policy	
Policy Name:	Rates & Charges Debt Collection and Recovery Policy
Policy Number:	GP-030
Version:	8.0 <i>Please note that once printed, this is no longer a controlled document. All care should be taken to ensure that you are operating from the current version.</i>
Commencement and Review:	This policy has been reviewed and commences from <b>1/07/2025</b> . It is reviewed annually.
Document Owner:	Finance Department
Approval Date:	17 <sup>th</sup> June 2025
Meeting Resolution:	M25/235

### 1 Statement of Intent

The intent of the Paroo Shire Council (Council) Rates and Charges Debt Collection and Recovery Policy is to provide a framework for the effective management of Council's outstanding rates and charges.

*Chapter 4, Part 12 of the Local Government Regulation 2012* set the parameters for Local Government management of overdue rates and charges. The objective 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 Commencement and Review of Policy

This Policy will commence from 1/07/2025. It replaces all other Rates and Charges Debt Collection and Recovery Policies (whether written or not).

This Policy will be reviewed annually from the commencement date in accordance with *Local Government Act 2009 (Local Government Act)* and the *Local Government Regulation 2012 (Local Government Regulation)* or earlier if deemed necessary through changes to legislation or business practice. Minor amendments that do not impact upon the intent of the policy may be made in consultation with and approved by the Chief Executive Officer (CEO).

### 3 Application of Policy

This policy applies to all employees and elected members of the Council and its related business activities.

## 4 Definitions

Debt Collection	the collection of payments from ratepayers and other debtors who have failed to pay their debt to Council
Debt Recovery	the process of making ratepayers and other debtors pay rate notices and invoices for the money that they owe to the Council

## 5 Council Rates and Charges Debt Collection and Recovery Policy

### 5.1 Management and Recovery of Outstanding Debt

The management and recovery of outstanding debt is an important aspect of the Council's financial management function. Rates and charges are defined in the *Local Government Act 2009* and include general rates, separate rates and charges, special rates and charges and utility charges.

In addition *Section 132 of the Local Government Regulation 2012* provides direction on what are overdue rates or charges:

- (b) *if the local government takes the ratepayer to court to recover rates or charges and the court orders the ratepayer to pay the council's costs—the costs; and*
- (c) *if the local government decides to sell land under section 140 and the land is not sold within 1 year after the local government gives the registered owner a notice of intention to sell—the expenses incurred by the local government in relation to selling the land; and*
- (d) *the interest, if interest is payable, on the rates or charges, or costs*

Initial costs in preparing to commence the court action are not usually recoverable.

### 5.2 Instalments Payment Plans

Council will suspend or refrain from pursuing recovery action against a ratepayer who has a written instalments payment plan with Council and is adhering to the agreed repayment schedule.

An instalments payment plan will require that future rates and charges are paid when due, to ensure the account does not fall further in arrears. An appropriate instalments payment plan will generally require that all overdue rates and charges are paid in full by the end of the half-year period in which the instalments payment plan is made.

For debts where the outstanding balance contains carried forward levy(ies) of 6 months or more the instalment rate must be sufficient to clear the debt, including interest, over a period not exceeding 12 months.

Council or Council's appointed debt collection agent will reserve the right to renegotiate or cancel an instalments payment plan should circumstances change such that the debt will not be paid within Council's current policy time frame.

In the event that an instalments payment plan is not discharged as agreed, Council will take the following steps:

**The 1<sup>st</sup> payment default** - A 1<sup>st</sup> Notice of Default letter will be issued to the ratepayer, advising that the commitment has been dishonoured, stating the overdue amount, and requiring the ratepayer to remedy the default before the next instalment payment date.

**The 2<sup>nd</sup> and final default** - The instalments payment agreement will terminate and engage Council's external legal representative/debt collector without further notice to the ratepayer.

As a general guide, an instalments payment plan will be agreed between Council or Council's appointed debt collection agent and the ratepayer. To avoid recovery action, a ratepayer seeking an instalment payment concession must make written application to Council before the payment deadline specified in the Council letter of demand. The relevant Council officer or Council delegate will consider the offer.

Council officers or Council's appointed legal representative or debt collection agent will undertake regular reviews of all instalment payment plans.

### 5.3 Recovery Process

It is Council's policy to pursue the collection of outstanding debt diligently but with due concern for any financial hardship faced by ratepayers.

The principles Council, Council's appointed legal representative, or debt collection agent will apply in the management of, and recovery of debt are:

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

STAGE	TIMING	ACTION TYPE	AUTHORITY LEVEL
1	30 days after expiration of the discount period.	Reminder Letter - Notice advising rates are overdue and interest may accrue or continue to accrue at 12.12%. Legal or debt collection action may be initiated unless the debt is paid in full or an approved payment instalments payment plan is entered into.  Further action is suspended if: <ul style="list-style-type: none"> <li>○ payment is made in full or</li> <li>○ the ratepayer enters into and maintains an approved instalments payment plan.</li> </ul>	Finance Department
2	30 days after issue date of Reminder Letter	Council shall proceed with recovery action against any Property Owner who has not satisfactorily responded to any Notice previously sent.  Council will issue a letter of final demand to advise that if payment in full or an instalments payment plan is not entered recovery action may commence.  Council will seek full payment of Outstanding Rates & Charges.	Finance Department
3	03 Months after issue date of Final Demand Letter	Council can proceed to instruct its appointed legal representative/debt recovery agent to commence action for recovery of overdue rates and charges against any rate payer or debtor that has failed to pay or enter into a satisfactory payment arrangement from the letter of demand.	Chief Executive Officer
4	Notice of Sale of Land	Notice in accordance with legislation informing the owner of Council's intention to make a resolution to sell the land for recovery of outstanding rates and charges that are in arrears for at least: <ul style="list-style-type: none"> <li>○ 1 year - vacant land or land used only for commercial purposes, and judgment has been obtained for overdue rates and charges</li> <li>○ 3 years - for all other land and overdue rates and charges on properties not listed above.</li> </ul>	Council
5	Sale of land	Sale of Land should rates and charges be in arrears for	Council

STAGE	TIMING	ACTION TYPE	AUTHORITY LEVEL
	within legislative timeframes.	at least: <ul style="list-style-type: none"> <li>1 year - vacant land or land used only for commercial purposes, and judgment has been obtained for overdue rates and charges</li> <li>3 years - for all other land and overdue rates and charges on properties not listed above.</li> </ul> Full payment including costs will be required to cease action.	

At any point after Stage 1, Council officers may attempt to contact ratepayers in order to secure payment. Such contact is optional, at Council's discretion and additional to the minimum requirements of the process.

Reminder Letters will not be issued to Property Owners:

- with an outstanding balance of less than \$20.00,
- who are maintaining an approved instalment payment plan,
- against whom a form of legal action has already been commenced, and;
- who have lodged a formal notice of Objection.

#### 5.4 Interest

In accordance with *Section 133 of the Local Government Regulation 2012*, rates and charges levied during the financial year, all future and previous financial years and which are not paid 30 days after the due date shall bear interest at the rate of 12.12%, compounding on daily basis.

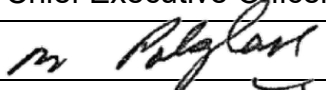
As per section 133 of the *Local Government Regulation 2012*, Council's decision about the rate of interest, and the date from which interest is payable on overdue rates or charges, must apply equally to all ratepayers.

## 6 Breach of Policy

A breach of this policy may result in failure to provide consistent and ethical management of outstanding receivables as prescribed by legislation.

## 7 Relevant Links

- *Local Government Act 2009*
- *Local Government Regulation 2012*
- *Revenue Policy*
- *Revenue Statement*

<b>Endorsed</b>		<b>Date: 17/06/2025</b>
<b>Name:</b>	Neil Polglase	
<b>Title:</b>	Chief Executive Officer	
<b>Signature:</b>		

**Version Control**

<b>Date</b>	<b>Version</b>	<b>Meeting Resolution</b>	<b>Amendments / Comments</b>
3/05/2019	1.0		Review at Budget Workshop
18/06/2019	2.0	M19/116	Annual review
30/06/2020	3.0	M20/114	Annual review
27/07/2021	4.0	M21/115	Annual review
21/06/2022	5.0	M22/123	Annual review
20/06/2023	6.0	M23/85	Annual review
25/06/2024	7.0	M24/131	Annual review
17/06/2025	8.0	M25/235	Annual review