



Council Policy

Shire of Exmouth

CS011	Debt Recovery Processes
Directorate	Corporate Services
Adoption Date	20/09/2012
Last Review Date	14/12/2023

CS011 Debt Recovery Processes

OBJECTIVES

To establish guidelines that ensure consistency and transparency in the recovery of outstanding debts and to recover outstanding income in a timely manner.

POLICY STATEMENT/S

Note: This Policy should be read in conjunction with the Financial Hardship Policy.

Rates and Charges

Rate notices are due for payment 35 days from date of issue in accordance with the *Local Government Act 1995*.

Amounts that remain outstanding past the due date will have interest applied. Interest is calculated on the number of days after the due date until the day the payment is received.

Reminder Notices

Where rates are outstanding for 35 days after the issue date, and no prior written arrangement has been made with authorized Council Officers a Reminder Notice will be issued and give the ratepayer fourteen (14) days to either pay the outstanding amount in full or enter an alternate payment arrangement which has been agreed by both parties.

Final Notices

Where rates remain outstanding for 14 days after the reminder notices has been issued a final notice will be issued. The final notice will give the ratepayer fourteen (14) days to either pay the outstanding amount in full or enter an alternate payment arrangement which has been agreed by both parties.

Reminder and Final notices are not to be issued to eligible persons registered to receive a pensioner or senior rebate under the Rates and Charges (Rebates and Deferments) Act 1992, as such persons have until 30 June of the current financial year to make payment, without incurring any penalty interest.

Reminder and final notices will, however, be issued to registered pensioners or seniors where these are unpaid charges which are not subject to a rebate or deferment.

Legal Action

Where amounts remain outstanding after the final notice period, legal action will commence. Under the guidance of Council's debt collection service provider, legal action may be undertaken to recover outstanding rates and service charges. This action may include General Procedure Claims and Property Seizure and Sale Orders (Goods).

Any costs incurred in undertaking legal action in a Court of Competent Jurisdiction are recoverable from ratepayers under section 6.56 of the *Local Government Act 1995*.

Seizure of Rent for non-payment of Rates

Where the property owner of a leased or rented property on which rates and service charges are outstanding cannot be located or refuses to settle rates and service charges owed, a notice may be given to the lessee or tenant under the provision of Section 6.60 of the *Local Government Act 1995* requiring the lessee or tenant to pay to the Shire the

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rent due that they would otherwise pay under the lease/tenancy agreement as it becomes due, until the amount in arrears has been paid.

Property owners will be informed prior to a notice being given to the lessee or tenant and lessees and tenants will be given a receipt of payment of rent to present to their landlord or property manager as proof of payment.

Options to recover rates debt where rates in arrears are more than three (3) years:

- Lodging a Caveat on the Title for Land If rates and service charges which are due to Council in respect of any rateable land have been unpaid for at least three (3) years a caveat may be registered on the title for the land, under provision of section 6.64 (3) of the *Local Government Act 1995*. The approval of Council is required before this course of action is undertaken.
- Sale of Property If rates and service charges which are due to Council in respect of any rateable land have been unpaid for at least three (3) years, Council may take possession of the land under the provisions of Section 6.64 of the *Local Government Act 1995*. The approval of Council is required to be obtained before this course of action is undertaken.

Sundry Debtors

Amounts that remain outstanding past the due date (35 days after invoice) will have interest applied. Interest is calculated daily on the number of days after the due date until the day the payment is received.

First and Final Notice

Where amounts remain outstanding 30 days after invoice, and no prior written arrangement has been made with authorised Council Officers, a First and Final Notice will be issued and the customer will be given seven (7) days (final notice period) to either pay the outstanding amount in full or to enter into an alternate payment arrangement which has been agreed by both parties.

Where the customer fails to pay the outstanding balance within the final notice period, a "Letter of Demand" will be issued. This letter will give the customer a further seven (7) days (final demand period) to pay the outstanding balance in full.

Legal Action

Where amounts remain outstanding after the final notice period, and no prior written arrangement has been made with authorised Council Officers, credit may be suspended or services limited.

Where amounts remain outstanding after the final demand period, legal action may commence.

Under the guidance of Council's debt collection service provider, legal action may be undertaken to recover outstanding sundry debtors. This action may include General Procedure Claims.

Any costs incurred in undertaking legal action will be added to the outstanding debt of the customer.

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Responsible Officer	Executive Manager Corporate Services
Relevant Legislation	S6.13, 6.60, 6.64 <i>Local Government Act 1995</i> <i>Rates and Charges (Rebates and Deferments) Act 1992</i>
Relevant Delegation	N/A
Review History	
Date	Council Decision
22/11/2018	04-1118
19/12/2019	08-1219
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26/11/2020	03-1120
30/06/2022	02-0622
15/12/2022	09-1222
14/12/2023	07-1223