CP32 - Collection of Rates

Policy Objective

To provide guidance to the Chief Executive Officer in relation to their duty to collect rates on behalf of the City.

The aim of the City in relation to the collection of rates and charges is that rates should be collected within the instalment periods as per Council's adopted budget.

Policy Detail

1. The recovery of outstanding rates will be collected in a fair and timely manner. Rate notices are due for payment 35 days from date of issue in accordance with the *Local Government Act 1995 (WA)* (the Act).
2. Amounts that remain outstanding past the prescribed due date will have penalty interest applied. Penalty interest is calculated on the number of days from the due date of payment until the day prior to the payment being received by the City. Penalty interest is unable to be waived on outstanding rates.

3. Accounts unpaid by the due date shown on the Rate Notice

a) Where accounts remain outstanding a Final Notice shall be issued requesting full payment within 14 days unless the ratepayer has entered into a payment arrangement which has been approved in writing.

b) In accordance with the *Rates and Charges (Rebates and Deferments) Act 1992 (WA)*, registered pensioners or seniors will not receive a final notice.

4. Accounts unpaid after the due date shown on the Final Notice

a) Where amounts remain outstanding after the due date shown on the Final Notice, and there is no approved alternative payment arrangement, recovery action will commence based upon a risk management approach as determined by the value and type of debt.

b) Legal action may be undertaken to recover outstanding rates and charges. This action may include General Procedure Claims and Property Seizure and Sale Orders (Goods). Council approval shall be required

prior to any action to sell a property in order to recover unpaid rates noting that goods and land warrants can be initiated before 3 years rates are outstanding.

c) Any costs incurred in undertaking legal action in a Court of competent jurisdiction are recoverable from ratepayers under Section 6.56 of the Act.

5. Alternative Payment Arrangements

a) Where ratepayers are unable to make payment of their rates by one of the prescribed instalment options, they may apply for an alternative payment arrangement.

b) Alternative payments arrangements are to involve regular weekly, fortnightly or monthly repayments of a fixed amount, preferably by direct debit. For alternative payment arrangements for owner occupied residential properties, the end payment date can only be extended past 30 June or where an application for financial hardship has been approved by the City in writing. Alternative payment arrangements will incur a one-off Administration Fee in accordance with the City's adopted Fees and Charges.

c) Alternative payment arrangements for owners of commercial, industrial or non owner-occupied residential properties will not be extended past 30 June.

6. Seizure of Rent for Non-Payment of Rates

a) 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 provisions of Section 6.60 of the Act requiring the lessee or tenant to pay to the City the rent due that they would otherwise pay under the lease/tenancy agreement as it becomes due, until the amount in arrears has been paid.

b) 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.

7. Options to Recover Rates Debt where Rates are in Arrears for in Excess of 3 Years

7.1 Lodging a Caveat on the Title for Land

If rates and service charges which are due to the City in respect of any rateable land have been unpaid for at least 3 years a caveat may be registered on the title for the land, under the provisions of Section 6.64(3) of the Act.

7.2 Sale of Property

If rates and service charges which are due to the City in respect of any rateable land have been unpaid for at least 3 years, the City may take possession of the land under the provisions of Section 6.64 of the Act. The approval of Council is required to be obtained before this course of action is undertaken.

Reference/Associated Documents

Local Government Act 1995 (WA)

Local Government (Administration) Regulations 1996

Rates and Charges (Rebates and Deferments) Act 1992 (WA)

Reference to Internal Procedure

Process Maps - Debt Collection Rates

Issuing Rates Notices

Work Instruction - Rent Seizure

Delegation Register

Definitions

Nil.

This Policy is supported by:		
Policy No:	CP32	
Strategic Community Plan:	**Key Performance Area: Performance Outcome:** 10. Effective leadership, governance and financial management.	
Register of Delegations:	1.1.21 Recovery of Unpaid Rates	
Service Area:	Corporate and Governance	
Policy Owner:	Manager Finance	
Policy Stakeholder:	Coordinator Rates	
Amendment Status:		
Date of Amendment	Status of Amendment	Minute Item Reference
01/03/05		11.4.1
28/04/09		12.10
22/11/11		12.9
24/07/12		12.6
25/06/13		12.8
28/10/14	Review – Minor	12.4
22/09/15	Review – Minor	10.7
27/09/16	Review - Major	12.9
22/08/17	Review – None	12.2
25/09/18	Review – Minor	12.5
10/12/19	Review – Minor	12.8
24/05/22	Review – Minor	12.7
22/08/23	Review - Major	12.10
24/02/26	Review - Minor	12.11