



3.11 – OVERDUE RATES DEBT RECOVERY POLICY

1. INTRODUCTION

The purpose of this policy is to provide a framework for Council to recover overdue rates.

2. POLICY OBJECTIVE

There are four primary objectives of this policy, they are to:

- ensure a fair and equitable process in the collection of overdue rates
- ensure both transparency and consistency in relation to the processes and procedures used to collect overdue rates
- ensure that Council meets its legislative obligations under the applied local government legislation
- ensure effective control over debts owed to Council and improved financial sustainability

3. POLICY SCOPE

This policy relates to the collection of unpaid rates, as well as accrued interest and any amounts incurred as a result of the application of this policy (and its related procedures) and, in the collection of overdue rates i.e. court costs.

This policy does not extend to the collection of other Council fees and charges which have legislated debt recovery requirements or, existing policies in relation to debt recovery, for example: electricity and telecom.

This policy applies to all Councillors, staff and agents of Council, as well as any other entity involved in Council debt recovery.

4. DEFINITIONS

Rateable land – means land that is rateable to an ordinary rate or a special rate

Rateable person – includes the Crown in respect of rateable land owned by the Crown and means:

- (a) An owner in any case where the applied Local Government Act provides that a rate is to be paid to the Council by the owner and,
- (b) A holder of a lease in any case where the applied Local Government Act provides that a rate is to be paid to the Council by the holder of the lease

The Act – *Local Government Act 1993 (NSW)(NI)*

The Regulations – *Local Government (General) Regulations 2005 (NSW)*

5. LEGAL AND POLICY FRAMEWORK

- *Local Government Act 1993 (NSW)(NI)*
- *Local Government (General) regulations 2005 (NSW)*
- Norfolk Island Regional Council Hardship Policy (3.02)
- Office of Local Government – Debt Management and Hardship Guidelines

6. IMPLEMENTATION

6.1 Communication

This policy will be communicated to the public via media release in local print and online newspapers, it will also be available on Councils website.

Internal communication of this policy to Council employees will be via email and, where required, in direct discussion with relevant staff.

6.2 Associated Documents

- 3.02 Hardship Policy

7. POLICY

7.1 Issuing of Rate Notices

Rates notices are levied annually by 31 July each year. Notices can be paid in full (by the end of the first instalment due date) or, they can be paid by instalment on, or before, the instalment due date. There are four instalments through the year with due dates of: 31 August, 30 November, 28 February and 31 May. Any amount that is not paid by the instalment due date is considered to be an overdue amount.

7.2 Payment Arrangements

Ratepayers experiencing hardship may enter into a mutual agreement with Council to pay rates by instalments under Councils Hardship Policy.

7.3 Reminder Notices

Reminder notices will be issued to ratepayers who have not entered into a payment arrangement and, whose rates remain outstanding after the due date.

- Reminder Notice 1: issued 30 days after the due date.
- Reminder Notice 2: issued 45 days after the due date.
- Final Reminder Notice: issued 53 days after the due date.

If the amount remains unpaid after the due date specified in the Final Reminder Notice, Council may then commence debt recovery action.

7.4 Debt Recovery

Recovery action may include: written correspondence, telephone calls, Notices of Demand, Summonses, Writs, Garnishee Orders, Warrant of Apprehension, notices to wind up a company and, in extreme circumstances, the sale of land for overdue rates under Section 713 *Local Government Act 1993*.

In order to proceed with the sale of land under section 713, a resolution of Council must be passed authorising the General Manager to proceed. No sale of land can proceed without this authorisation.

8. REVIEW AND VERSION CONTROL

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