



Rates and Charges Debtor Management Policy

Local Government Act 2009

1. POLICY STATEMENT

This policy provides the framework that will be used in the collection of rates and charges payable to Townsville City Council (Council).

2. PRINCIPLES

The Council has a responsibility to recover monies owing to it in a timely and efficient manner to finance its operations and ensure effective cash management. When recovering rates and charges the Council will:

- make the recovery processes clear, simple to administer and cost effective;
- make clear to debtors their payment obligations and the processes used by Council to assist them to meet those obligations;
- consider each debtor's capacity to pay, while endeavouring to treat debtors consistently; and
- demonstrate flexibility when necessary in responding to changes in the local economy.

3. SCOPE

This policy applies to the recovery of rates and charges only and does not apply to the recovery of all debt owed to Council.

4. RESPONSIBILITY

The Chief Executive Officer and/or delegate are responsible for ensuring that this policy is understood and adhered to by all workers involved in the recovery of rates and charges.

5. DEFINITIONS

Charges – means any amount that is charged to the property that is not considered a rate.

Debt – means an amount owed to the Council, including Rates and Charges.

Debtor – means any person, group or entity that owes Council a debt.

Manager – includes persons appointed to positions including with the title, Team Manager, General Manager, Principal, Director and Chief.

Overdue – means a debt is **overdue** if any portion of it is unpaid on the day after the due date for payment stated in the original notice/invoice pursuant to section 132 of the *Local Government Regulation 2012*. For clarity, later dates set out in reminder notices, payment arrangements or other documents do not change that original due date.

Workers – includes employees, contractors, volunteers and all others who perform work on behalf of Council.

6. POLICY

6.1. SAFEGUARDING COUNCIL'S AND COMMUNITY'S INTERESTS

The Chief Executive Officer or delegate may direct that recovery action for any debt be conducted in a way that differs from the processes set out in this policy when that is considered to be in the Council's or the community's interest.

Nothing in this policy binds the Council to precisely follow any process, and a failure to follow any process does not change or relieve a debtor's obligation to pay a debt when due.

6.2. RATES AND CHARGES

Legal action for the recovery of outstanding rates and charges may commence any time after a rate becomes overdue in accordance with Part 12 of the *Local Government Regulation 2012*. Unless there are circumstances which justify

ELECTRONIC VERSION CURRENT UNCONTROLLED COPY VALID ONLY AT TIME OF PRINTING.

Document No. – 1098

Authorised By – General Manager Finance

Document Maintained by – Financial Services

Version No. 5

Initial Date of Adoption (Version 1) – 06.07.20

Current Version Reviewed – 13.12.23

Next Review Date – 13.12.27

taking an alternative course of action, the Council's usual process to recover overdue rates or charges is set out in this section.

6.2.1 RECOVERY STEPS

Rates and charges are levied by a rate notice (or a supplementary notice if the customer is not liable to pay rates but receives services for which charges are payable). The notice will show a due date for payment and in some cases a discount date.

a) OVERDUE REMINDER LETTERS

Council will issue an overdue reminder letter if:

- 7 days after the due date on the rates notices the debtor has \$20.00 or more in rates (or charges) owing to Council; and
- a current payment plan has not been entered into; and
- a Hardship application has not been approved; and
- no other recovery action has been commenced.

b) LETTER OF DEMAND

Council will issue a letter of demand if:

- 7 days after the date for payment set out in the overdue reminder letter the debtor has \$100.00 or more in rates (or charges) owing to Council; and
- a current payment plan has not been entered into; and
- a Hardship application has not been approved; and
- no other recovery action has been commenced.

c) CLAIM AND STATEMENT OF CLAIM

The usual practice of Council is that legal action will be commenced if:

- a letter of demand has been sent; and
- the debtor has \$1,000.00 or more in rates (or charges) owing to Council; and
- there is no current payment plan to pay the outstanding rates, or the payment plan has not been adhered to; and
- a Hardship application has not been approved, or if approved, has not been adhered to.

d) PROPERTIES WITH A PAYMENT PLAN

If there is a current payment plan, and/or hardship application in place, the Council will commence legal action if:

- the debtor has not fully complied with the terms of the agreed payment plan/hardship application; and
- the debtor has \$1,000.00 or more in rates (or charges) owing to Council.

Legal action may be temporarily suspended if the debtor enters into a payment plan satisfactory to Council which includes the provision for the payment of legal costs.

e) SALE OF LAND – RESIDENTIAL

Where rates and charges remain unpaid for 3 years and no approved payment plan exists, Council may, by resolution, commence proceedings to sell the property subject to and by virtue of its powers under section 95 of the Local Government Act 2009 and Chapter 4, Part 12 of the Local Government Regulation 2012.

f) SALE OF LAND – VACANT LAND AND COMMERCIAL PROPERTY

Where rates and charges remain unpaid on vacant land or land used solely for commercial purpose for 1 year or more and no approved payment plan exists and judgment has been obtained, Council may, upon resolution, and by virtue of its powers under section 95 of the *Local Government Act 2009* and Chapter 4, Part 12 of the *Local Government Regulation 2012*, commence proceedings to sell the property.

ELECTRONIC VERSION CURRENT UNCONTROLLED COPY VALID ONLY AT TIME OF PRINTING.

Document No. – 1098

Authorised By – General Manager Finance

Document Maintained by – Financial Services

Version No. 5

Initial Date of Adoption (Version 1) – 06.07.20

Current Version Reviewed – 13.12.23

Next Review Date – 13.12.27

6.2.2 RATES AND CHARGES RECOVERY COSTS

All costs incurred with respect to formal recovery action will be passed on to the debtor.

Once formal recovery action has been commenced it will not be discontinued until the amount of the claim and any further interest levied in accordance with the Local Government Act 2009 has been paid in full.

Legal action may be temporarily suspended if the debtor enters into a payment plan satisfactory to Council which includes the provision for the payment of legal costs.

6.2.3 AGREED PAYMENT PLAN

Council may grant a payment plan for the payment of rates and charges. There is no limitation of the scope of the payment plan that can be provided by the Act. However, due to practical and economic reasons this Council has determined that the arrears, including any additional charges applied in return for Council agreeing to defer payment of rates or charges, should be paid in full by the end of the relevant rating period.

All payment plans will be confirmed in writing. Failure to meet the agreed payments will result in the cancellation of the payment plan. A broken payment plan letter will be forwarded to the debtor upon cancellation of the agreed payment plan. The broken arrangement letter should allow the debtor at least 7 days in which to bring the payment plan back into order. In particular circumstances, legal recovery action may commence immediately in the event of default by the debtor.

If a debtor is eligible under Council's Hardship Concession Policy, a 3-month interest free deferral of the due date and/or an interest free payment plan may be granted where overdue rates and charges and any accruing rates and charges will be paid within specific timeframes. (Refer Council's Hardship Concessions Policy for eligibility criteria)

6.2.4 PENSIONERS

Council recognises that Pensioners as a class may face financial difficulties in meeting their obligations however, as specific concessions are provided to them and extended times to pay, pensioners with arrears are encouraged to take advantage of payment schedules that will ensure that the balance in arrears does not escalate beyond their means.

Properties identified in the Pre-2016 Pensioner Arrears Concession Policy are encouraged to negotiate an acceptable payment arrangement with Council.

All other pensioners are subject to Council's usual recovery action for overdue rates in accordance with this policy.

6.3. REFERRAL OF DEBT COLLECTION TO THIRD PARTIES

Rates reminder notices are to enclose a collection notice advising that personal information may be disclosed to third parties including debt collectors and law practices for the use and purpose of recovering public revenue when overdue.

The rates notice is to include words to the effect that:

The Townsville City Council ("Council") is committed to the protection of Personal Information as detailed in the Information Privacy Act 2009 (IP Act) and the Right to Information Act 2009 (RTI Act). Council manages Personal Information in accordance with the IP Act, in order to fulfill its' roles, functions and regulatory powers under the Local Government Act 2009 and will collect information that is accurate, up to date and relevant to the purpose.

Council may refer the collection of debt to third parties for enforcement and recovery or otherwise as required when exercising its roles, functions and regulatory powers under the Local Government Act 2009 including collection agencies and law practices. In referring this matter, Council discloses the personal information of the debtor to facilitate and exercise the functions and regulatory powers to recover debt. This is part of Councils primary purposes under the Information Privacy Principles (as amended). In addition, Council affirms that this use and disclosure is reasonably necessary and expected by debtor for the protection of public revenue and exercising a legal or equitable claim.

ELECTRONIC VERSION CURRENT UNCONTROLLED COPY VALID ONLY AT TIME OF PRINTING.

Document No. – 1098

Authorised By – General Manager Finance

Document Maintained by – Financial Services

Version No. 5

Initial Date of Adoption (Version 1) – 06.07.20

Current Version Reviewed – 13.12.23

Next Review Date – 13.12.27

Rates notices are to refer to our Information Privacy Policy.

7. LEGAL PARAMETERS

Local Government Act 2009

Local Government Regulation 2012

8. ASSOCIATED DOCUMENTS

Commercial Debtor Management Administrative Directive

Hardship Concession Policy

Pensioner Rates Concession Policy

Pre-2016 Pensioner Arrears Concession Policy

Revenue Policy

Revenue Statement

9. DOCUMENT HISTORY

Date	Version	Amendment	Reviewer	Approved
13.12.23	5	Change of title, removal of commercial debtor content and addition of 6.3.	General Manager Finance	Ordinary Council

ELECTRONIC VERSION CURRENT UNCONTROLLED COPY VALID ONLY AT TIME OF PRINTING.

Document No. – 1098

Authorised By – General Manager Finance

Document Maintained by – Financial Services

Version No. 5

Initial Date of Adoption (Version 1) – 06.07.20

Current Version Reviewed – 13.12.23

Next Review Date – 13.12.27



Contact us

 103 Walker Street, Townsville City
 PO Box 1268, Townsville QLD 4810
 13 48 10
 enquiries@townsville.qld.gov.au
 townsville.qld.gov.au

ELECTRONIC VERSION CURRENT UNCONTROLLED COPY VALID ONLY AT TIME OF PRINTING.

Document No. – 1098
Authorised By – General Manager Finance
Document Maintained by – Financial Services

Version No. 5
Initial Date of Adoption (Version 1) – 06.07.16
Current Version Reviewed – 13.12.23
Next Review Date – 13.12.27