

Purpose

This policy serves as a framework for how the Shire of Northampton (Shire) will fairly, consistently and lawfully recover all monies owed to the Shire, while balancing financial responsibility with community obligations.

Background

The Shire of Northampton derives a large share of its revenue from property rates and charges and general fees and charges in order to meet the service provisions of the organisation. To enable the Shire to meet its service obligations, it must ensure that monies owing are collected in a timely, effective and efficient manner. It must also ensure that where revenue is not received in a timely manner, appropriate measures are undertaken to recover outstanding amounts in accordance with the *Local Government Act 1995* (the Act).

Objectives

The objective of this policy is to:

- Provide clear, accountable and transparent processes for the collection of any and all outstanding debts;
- Ensure that debt collection procedures are carried out in a fair and equitable manner;
- Make the process used to recover outstanding debts clear, simple to administer and cost effective; and
- Reduce the likelihood of debts for outstanding rates and service charges becoming unrecoverable, by closely monitoring and reviewing aged accounts.

Area of Application

This policy applies to all monies owed to the Shire of Northampton, including rates and service charges, fines, prosecutions and infringements, and any other general debts arising from the provision of services or enforcement of legislation.

Policy Measures

The Shire will exercise its debt recovery powers, as outlined in Part 6 of the *Local Government Act 1995* (the Act), in order to reduce the overall debt burden on ratepayers. It will be guided by the principles of equity, consistency and transparency, ensuring the following:

- Efficient and effective methods are in place for the collection of outstanding debts to optimise cashflow and minimise bad debts;
- Individual circumstances are considered, and flexibility offered for those experiencing genuine hardship;

- All reasonable action is undertaken to recover revenue before the debt is written off; and
- The Shire is compliant with all regulatory obligations.

1. Guidelines – Sundry Debtors

- 1.1 An invoice will be issued to the Sundry Debtor as soon as practicable, with payment due within seven (7) days of the invoice date.
- 1.2 A current statement will be issued at the end of each month.
- 1.3 A final statement will be issued at the end of the second month, accompanied by a courtesy letter or email reminding the Debtor that payment is due. The correspondence will advise that, if payment is not received or an approved payment plan is not entered into within fourteen (14) days, the outstanding amount will be referred to a debt collection agency or legal representative.
- 1.4 Any sundry debt remaining unpaid after ninety (90) days, where no approved payment plan is in place, will be referred to a debt collection agency or legal representative. Any costs incurred in the recovery of the debt will be charged to the Debtor.
- 1.5 Sundry Debtors with accounts in arrears for more than ninety (90) days will not be permitted to incur further debt with the Shire until the outstanding balance has been paid in full.
- 1.6 Employees with approved payroll deduction agreements in place are exempt from this process.

The Chief Executive Officer (CEO) may approve suitable payment arrangements for persons experiencing financial difficulty in relation to sundry debtor charges.

2. Guidelines – Fines, Prosecutions and Infringements

- 2.1 Fines, prosecutions and infringements are issued by an Authorised Person of the Shire and require payment within 28 days.
- 2.2 Where payment is not received within 28 days from the date of the infringement, a Final Demand Notice will be issued, with an applicable fee. The Final Demand Notice gives the customer a further 28 days to pay the infringement. Part payment is not permitted.
- 2.3 Should a debtor fail to pay an infringement within 28 days, the Shire shall lodge a notice with the Fines Enforcement Registry (FER). This carries further costs and may affect licences held in the debtor's name. The Shire will have no further involvement in the recovery of fines lodged with FER.
- 2.4 A debtor may seek a payment arrangement with the Fines Enforcement Registry.

3. Guidelines – Rates Debtors

- 3.1 An Annual Rate Notice will be issued outlining available payment options and due dates. Rates are payable within thirty-five (35) days of the date of issue. Interim Rate Notices will be issued as soon as practicable following receipt of a valuation and will be payable within thirty-five (35) days of the date of issue.
- 3.2 Where rates remain unpaid by the due date, a Final Notice will be issued fourteen (14) days after the due date.
- 3.3 Where no payment has been received within thirty (30) days of the due date, a courtesy letter will be issued by the Rates Officer reminding the ratepayer that rates are overdue and advising that, if payment is not received or an approved payment plan is not entered into within fourteen (14) days, the outstanding amount will be referred to a debt collection agency or legal representative.
- 3.4 Rates remaining unpaid after sixty (60) days from the due date and where no approved payment plan or instalment arrangement is in place, will be referred to a debt collection agency or legal representative. Any costs incurred in the recovery of the debt will be charged to the relevant property assessment.
- 3.5 Exemptions include eligible pensioners and employees with approved payroll deduction agreements in place.

Rate Instalments

- 3.1 A person using the instalment payment method must make at least the first payment by the due date and will not have outstanding rates and charges from prior years on their account. The instalment payment plan is subject to an administration charge and instalment charge as set by Council for that year. Should a person default on payment of instalments, legal proceedings may be instituted to recover any outstanding amount.

Back Rates

- 3.6 The Shire may, under Section 6.39 of the Act, amend the rate record for the five years preceding the current financial year. Should the amount of back rates total less than \$20.00 in respect of one rating year, this charge will not be imposed. Service charges will be included in back rating.

Unpaid Rates

- 3.8 The CEO is authorised to recover unpaid rates and charges by engaging the services of a debt recovery service provider. The pre-legal stage of the debt recovery process involves letters of demand, issued on behalf of the Shire by its appointed service provider, along with telephone calls and/or emails.

- 3.9 If all pre-legal action is unsuccessful, in accordance with Section 6.56 of the Act, the CEO is authorised to recover rates and services charges in a court of competent jurisdiction.
- 3.10 If a Property Seizure and Sale Order (PSSO) on goods is unsuccessful, the next step is to proceed with a PSSO against land.
- 3.11 If a property is leased, the Shire may recover outstanding rates and charges by collecting rent payments from the lessee under the provisions of Section 6.60 of the Act. Notices must be given to the lessee and lessor.
- 3.12 Under the provisions of Section 6.64(3) of the Act, the CEO is authorised to lodge caveats on land where rates and service charges are in arrears, and it is considered appropriate that the interest of the Council should be protected.
- 3.13 The CEO is authorised to withdraw caveats lodged on land where the owner has met his/her obligation in full in relation to the rates and charges outstanding.
- 3.14 Council will be consulted if debt collection action is proposed for the collection of amounts owed by pensioners.

Where Rates or Service Charges are outstanding for three years or more.

- 3.15 If all reasonable attempts outlined above result in no successful recovery and the rates and charges remain unpaid for three years or more, the CEO is authorised to take possession of the land to lease or sell the land; or transfer the land to the Crown or itself, in accordance with Section 6.64(1) of the Act.
- 3.16 A report is to be presented to Council detailing the amount of rates and charges outstanding, the attempts to recover the debt and the recommended action.
- 3.17 The CEO is authorised to engage a debt recovery service provider to assist in administering the process and the Council approved action.

4. Approved Payment Plan

The CEO may allow persons experiencing financial difficulties to apply for an approved payment plan.

- 4.1 Upon application to the Rates Officer or Debtors Officer, a debtor may apply to enter into an agreed payment plan, subject to the following conditions:
- a) Penalty interest, as adopted in the Council Budget, will continue to accrue on the outstanding balance.
 - b) Reminder notices or accounts will not be issued while the payment plan remains in place.
 - c) Rate Debtors will be advised of the Shire of Northampton Financial Hardship (Rate Relief) Policy.
- 4.2 All agreed payment plans will be monitored by officers. Any default on an agreed payment plan will result in the matter being immediately referred to a debt collection agency or legal representative.

5. Small Balance Write-off

The CEO is authorised to write off small balance amounts on a monthly basis, being balances of fifty cents (\$0.50) or less for Rates accounts and one dollar (\$1.00) or less for Sundry Debtor accounts.

6. Debt Referral Threshold Amount

Recovery action will only proceed where the cost of recovery is reasonable and proportionate to the value of the debt. Debts where the cost of recovery exceeds the outstanding amount will not be escalated unless exceptional circumstances apply.

- 6.1 Debts with an outstanding balance of less than one hundred dollars (\$100) will not be referred for debt collection.
- 6.2 The CEO may approve an exception to clause 6.1 where there are justifiable circumstances.

Adoption and Date Due for Revision

ADOPTED 19 February 2026

NEXT DUE FOR REVIEW February 2031

The Administration of this Policy is by Office of the CEO.