

Recovery of Overdue Rates and Charges

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Business Unit	Revenue	Document ID	10964757

1. Objectives

The objective of this Procedure is to enable recovery of overdue rates and charges under Council's Revenue Policy CP00045.

2. Scope

This Procedure applies to all Council officers when undertaking recovery actions for overdue rates and charges.

3. Responsibility

The Chief Executive Officer and General Manager Council Sustainability are responsible for ensuring this Corporate Procedure is understood and adhered to.

The Revenue business unit will be responsible for ensuring compliance with relevant legislation and for the annual review in accordance with the annual budget modelling adopted by Council.

4. Procedure Actions

Recovery of Rates and Charges

Council will exercise its rate recovery powers to reduce the overall rate burden on ratepayers and will also:

- Ensure transparency by making clear the obligations of ratepayers and the processes used by Council in assisting them meet their obligations;
- Ensure the processes used to recover outstanding rates and charges are simple to administer and cost effective;
- Have regard to equity in the treatment for ratepayers in similar circumstances;
- Have regard to capacity to pay in determining appropriate payment commitments;
- Exercise flexibility by responding where necessary to changes in the local economy; and
- Adhere to the debt collection guidelines developed by the Australian Competition and Consumer Commission.

Council requires payment of rates and charges within the specified period (i.e. the discount period) and will pursue the collection of outstanding rates and charges diligently but with due regard for any financial hardship faced by ratepayers. Administrative processes will be used that allow for the payment of overdue rates and charges by payment commitments and for the application of various actions for the recovery of overdue rates and charges.

External Debt Recovery Costs

Subject to Section 132(1)(b) of the *Local Government Regulation 2012* and *Uniform Civil Procedure Rules 1999*, Council will include relevant external debt recovery costs and legal costs in debts for which recovery is sought.

Recovery Actions

The following actions will be used in the recovery of overdue rates and charges:

Action	Timing	Action Type	Severity	Response Time	Comment	Authority Level
1	14 days after expiration of the discount period for each rate generation	First Reminder Notice	Low	14 days	Further action suspended if ratepayer agrees and maintains an acceptable payment commitment	Rates Officer
2	14 days after the expiration of the Rate Reminder Notice	External Agency Final Demand Letter	Medium	7 days	Minimum arrears balance \$2,500. Further action suspended if ratepayer agrees and maintains an acceptable payment commitment	Revenue Team Leader
3	Ongoing	External Agency and Magistrates Court Action	High	28 days	Enforcement suspended if ratepayer agrees and maintains an acceptable payment commitment	General Manager Council Sustainability
4	Section 140(1)(c) of the <i>Local Government Regulation 2012</i> *	Sale of Land	High	Within legislative timeframe	Full payment including costs required to cease action	Council

1. First Reminder Notice

Council will allow a period of approximately fourteen (14) days after the close of the discount period to verify the accuracy of rate accounts and to identify those with overdue rates and charges.

The first reminder notices are sent to ratepayers whose accounts show outstanding amounts greater than \$10.00. The first notice encourages ratepayers to contact Council within fourteen (14) days if they are experiencing difficulties in paying their account to arrange a suitable Payment Agreement to clear the outstanding debt. Failure to make payment or enter into an appropriate plan within the 14 days may result in commencement of recovery action.

2. External Agency Final Demand Letter

Following the expiry of fourteen (14) days after the first reminder notice, a Final Demand Letter is issued from Council's External Recovery Agency on accounts that have:-

- Not responded by way of payment in full; or
- Not entered into an acceptable payment agreement; or
- Has defaulted on an agreed payment agreement and
- Has an amount outstanding of \$2,500 or greater

The letter will give the ratepayer a further fourteen (14) days to complete payment or make an appropriate payment plan. This letter contains Council's proposed action for recovery including an indicative amount in legal costs should this action be undertaken.

3. External Agency and Magistrates Court Action

Following the expiry of fourteen (14) days after the final demand letter is issued from Council's External Recovery Agency accounts that have not responded by way of payment in full or not entered into an acceptable payment agreement will be suggested for legal action those approved will be issued and served a Magistrates Court Statement of Claim.

Where a demand letter has been issued in the previous billing period and the commitment is in default after the next half yearly rates have been levied, a Statement of Claim can be issued for the account balance which includes all overdue levies without having to issue a further demand letter.

Council will have regard to individual ratepayer circumstances, including whether there is a genuine case for financial hardship relief, before taking legal or sale of land action. The amount of outstanding debt will also be considered before taking legal action.

4. Sale of Land

Periodically a list of ratepayers with rates outstanding in excess of the periods allowed is prepared in accordance with the requirements of Chapter 4, Part 12, Division 3 of the Local Government Regulation 2012, and tabled for Council's consideration at the earliest opportunity

*Some or all of the overdue rates or charges have been overdue for at least:

- (i) generally - 3 years; or
- (ii) if the rates or charges were levied on vacant land or land used only for commercial purposes, and the local government has obtained judgment for the overdue rates or charges - 1 year; or
- (iii) if the rates or charges were levied on a mining claim - 3 months.

Payment Commitments

Council will allow property owners who are unable to pay their rates by the due date to enter into a commitment to pay by instalments according to an agreed schedule, with no recovery action being taken while the commitment is being maintained. However, interest will be charged on any arrears of rates.

An acceptable payment commitment will generally result in all overdue rates and charges being paid in full by the end of the half year period in which the payment commitment is made. Failure to make and maintain an acceptable payment commitment will result in recovery actions continuing.

Payment Methods

Ratepayers who enter into agreed payment commitments will be offered all available payment options that Council accepts for rate payments.

Financial Hardship

Relief from payment of rates on the grounds of financial hardship will only apply to a natural person who uses the rated property as their principal place of residence. Applications for relief on the grounds of financial hardship must be supported with evidence that the hardship exists and may take the form of payment commitments that would not ordinarily be viewed as acceptable commitments or deferment of payment of rates. Interest will be charged on any overdue rates or charges unless waived by way of a Council resolution.

Reporting

A report on overdue rates and charges will be provided to Council on a monthly basis

5. Compliance and Reporting

This corporate procedure includes the required reporting to Council outlining the overdue rates and charges on a monthly basis.

Revenue will be responsible for ensuring compliance with relevant legislation and for the annual review in accordance with the annual budget modelling adopted by Council.

6. Definitions

Nil.

7. Related Documents

1. Local Government Act 2009;
2. Local Government Regulation 2012;
3. Uniform Civil Procedure Rules 1999;
4. Revenue Policy CP00045; and
5. Financial Hardship Policy CP00006.

This Procedure supports the Scenic Rim Regional Council Corporate Plan 2025-2030.

8. Version Information

Version No	Adoption Date	Key Changes	Approved by
1	13/06/2018	Special Meeting; New Guideline	Council
2	12/06/2019	Special Meeting Item No. 1.11; Annual Review	Council
3	06/07/2020	Special Meeting Item No. 5.15; Procedure replaces Guideline IF01.03GL02	Council
4	24/06/2021	Special Meeting Item No. 6.10; Annual Review	Council
5	11/07/2022	Special Meeting Item No. 6.15; Annual Review; updated in new Procedure template	Council
6	19/06/2023	Special Meeting Item No. 6.15; Annual Review; updated to include recovery actions thresholds and detailed action.	Council
7	28/06/2024	Special Meeting Item No. 5.15 Annual Review; updated in new Procedure template	Council
8	09/07/2025	Special Meeting Item No. 6.13 ; Annual Review	Council