

FINANCE POLICY 2

Rates and Accounts Collection

1. Policy Purpose

The purpose of this policy is to provide Council staff with guidelines for the collection of outstanding debts owed to Council.

2. Policy Objectives

- To provide consistency and equal treatment in the collection of outstanding rates and sundry debtors.
- To provide the community with information on how Council staff are instructed to collect outstanding rates and sundry debtors.
- To formalise the process for entering into a payment arrangement to pay off outstanding debts owing to Council.

3. Policy

It is Council policy that the following procedure shall apply for the collection of unpaid debts:

UNPAID AND OVERDUE RATES

1. Where rates remain outstanding 14 days after the due date shown on the Rate Notice, and the ratepayer has NOT elected to pay by the 2 or 4 installment option, a Final Notice shall be issued requesting full payment within 14 days.
2. Rates remaining unpaid after the expiry date shown on the Final Notice will result in a Letter of Demand sent to the ratepayer.
3. Where payment still remains outstanding despite the issue of a Letter of Demand and the ratepayer has not entered into a payment arrangement a General Procedure Claim will be issued for recovery.
4. Where a claim has been issued and served and remains unsatisfied, action will be taken to pursue that Claim by whatever means, through Council's solicitors or collection agency as the case may be, to secure payment of the debt.
5. Following the issue of a Claim and addition of legal costs, a reasonable offer to enter into a payment agreement, will not be refused.
6. Legal proceedings will continue until payment of rates imposed is secured. This includes the issue of a Property Seizure and Sale Order (PSSO) against goods AND land if necessary.
 - If a Property Seizure and Sale Order against land is proposed to collect outstanding rates due on a property where the owner resides, approval of Council shall be obtained before the PSSO is lodged.
 - PSSOs against land will be used to collect outstanding amounts in respect to investment properties without a requirement that these be referred to Council.
7. In cases where the owner of a leased or rented property on which rates are outstanding cannot be located, or refuses to settle rates owed, notice will be served on the lessee under the provisions of section 6.60 of the Local Government Act 1995, requiring the lessee to pay to Council the rent due under the lease/tenancy agreement as it becomes due, until the amount in arrears has been fully paid.

SUNDRY DEBTORS

1. Invoices are due and payable within 14 days of the date of issue.
2. At the end of each month, Council issues a statement of account.
3. At expiration of further 30 day period from issue of statement of account, any remaining outstanding debtors will be sent a Letter of Demand, with 14 days to pay.
4. Where payment still remains outstanding despite the issue of a Letter of Demand and the debtor has not entered into a payment arrangement a General Procedure Claim (GPC) will be issued for recovery.
5. Following the issue of a GPC and addition of legal costs, a reasonable offer to enter a payment agreement will not be refused.
6. Where a GPC has been issued and served and remains unsatisfied, action will be taken to pursue that Claim by whatever means, through Council's solicitors or collection agency as the case may be, to secure payment of the debt.
7. That in all cases following GPC, Council authorise the Chief Executive Officer to proceed by means of PSSO (Property Seizure and Sale Order), unless alternative arrangements are made prior to PSSO being served.