

CORPORATE REVENUE DEBT COLLECTION COUNCIL POLICY

POLICY STATEMENT

The City of Bunbury will actively pursue all outstanding rates and sundry debtors. All outstanding rates and sundry debtors will be collected in accordance with the *Local Government Act 1995* and associated regulations.

POLICY SCOPE

This policy applies to Ratepayers and debtors of the City of Bunbury.

POLICY DETAILS

This policy will be applied to all:

- Ratepayers with balances outstanding 14 days after the due date of rates (excluding pensioners and ratepayers that have elected the Instalment option).
- Sundry debtors with balances outstanding greater than 7 days.

POLICY PROCEDURE

The following steps will be taken to recover outstanding rate debt:

1. A Final Notice will be issued to all ratepayers with an outstanding balance fourteen (14) days after the due date (excluding ratepayers that have elected the Instalment option). Final Notice recipients will have fourteen (14) days in which to respond.
2. A Notice of Intention to Summons will be issued by the City to any Final Notice recipient that has not responded within the fourteen (14) day period. Recipients of the Notice of Intention to Summons will have fourteen (14) days in which to respond.
3. At the conclusion of the Notice of Intention to Summon due date, and if the debtor has not entered into an arrangement to pay or made satisfactory efforts to clear the debt the account will be forwarded to a Debt Collection Agency for action.

Before proceeding to this step, the following checks will be undertaken:

- Ownership of the property confirmed through a Title Search;
- Postal address cross referenced with Aqwest or Water Corporation;
- Search of White Pages for a contact number
- Other means deemed appropriate by Management

4. Council's Debt Collection Agency will be requested to issue Minor Case Claim. During this period, the Bailiff will attempt to deliver the Claim to the ratepayer. The Ratepayer has a further fourteen (14) days to respond to the Claim.
5. The lodgement of a Claim will immediately affect the Ratepayers credit rating by recording the default payment. Legal costs will also be incurred at this time in which the costs will be charged to the property owner's assessment.
6. If the ratepayers fail to acknowledge the service of the Claim, the Debt Collection Agency will be requested to apply for default Judgement.
7. Once Judgment has been entered, the Ratepayer will be issued with a Means Enquiry Summons, which will force the Ratepayer to attend a Court and the Court will determine the Ratepayer's means to pay off the debt.

Once the debt is settled by either full payment or by entering into a payment arrangement all action will be ceased immediately.

POLICY PROCESS

(a) *Credit File Letter*

If a Ratepayer is referred to Council's Debt Collection Agency and full payment of the outstanding debt is received, the City of Bunbury will issue a Credit File letter to the Ratepayer and Equifax advising that the claim has been satisfied by full payment of the outstanding amount. This will be recorded against the Ratepayer's credit rating.

(b) *Notice of Discontinuance*

The City of Bunbury will not issue a Notice of Discontinuance unless a Claim was issued incorrectly against the Ratepayer.

(c) *Direct Debit*

1. An application for an alternative arrangement other than Option 1 (full payment) or Option 2 (4 instalments) must be entered into via a Direct Debit Request.
2. Payments are to be made on a regular weekly, fortnightly or monthly basis and are to be completed by the due date of the fourth Instalment, as set by Council.
3. An administration fee, as per City of Bunbury adopted Fees and Charges schedule will be debited to the assessment upon acceptance of the Direct Debit Request (eligible Pensioners excluded from this Fee).

(d) *Default Direct Debit*

The following process will apply for default direct debit payments.

1. Telephone or SMS contact will be made with the Ratepayer advising of the default payment and requesting that they make payment of the default amount via alternative means.
2. If the direct debit defaults twice, a Default Direct Debit letter is issued, requesting full payment of the defaulted amount, and advising the Ratepayer that if the dishonored amount is not paid with fourteen (14) days of issue of the letter the direct debit will be cancelled.
3. If payment is not received within seven (7) days of issue of the Default Direct Debit a Cancellation of Direct Debit letter is issued and Debt Recovery Procedure will commence.

(e) *Centrepay*

Eligible ratepayers may elect to have regular deductions taken from their Centrelink payments to pay off outstanding rates and charges.

(f) *Instalments*

1. Ratepayers may elect to pay rates in four equal instalments as detailed on the Original Rate Notice.
2. Where payment of rates on the four instalment option become two instalments in arrears fourteen (14) days after the due date of the third instalment a Final Notice will be issued requesting full payment within fourteen (14) days.
3. If an instalment remains unpaid after the issue of a Final Notice, the City of Bunbury will revoke the Ratepayers right to pay by instalments and issue a letter to the Ratepayer advising of the action.
4. If no contact is made from the Ratepayer after the issue of the letter Debt Recovery will commence.

(g) *Other Courses of Action that may be taken*

Prior approval from Manager or Council is required before proceeding with any of the following actions:

1. If the property is a rental, Section 6.60 Local Government Act – provides that the Council may divert rental payments due to the lessor to the City for payment of outstanding rates.
2. Lodge a caveat on the property so that the property cannot be settled until the debt is paid in full.
3. Issue a General Procedure Claim that may result in taking possession of the land under Section 6.64 of the Local Government Act 1995 after three years of non-payment.
4. Issue a Property (Seizure and Sale) Order that will authorise a bailiff to seize and sell as much of the ratepayers real or personal property as necessary to satisfy the judgement debt.
5. If Applicable issue correspondence to the financial institution if there is a mortgage against the property advising of rates outstanding and that the matter be discussed with their client.

(h) *Pensioners and Seniors*

1. Debt Collection will not proceed against eligible persons registered to receive pensioner or senior rebate under the Rates and Charges (Rebates and Deferments) Act 1992 as such persons have until the 30 June in the rating year to make payment.
2. Eligible persons will not incur any interest penalty.
3. Eligible persons will be sent a First Reminder letter in April every year advising that they are required to make full payment by 30 June in order to receive the State Government Rebate.
4. A follow up letter will be sent to all eligible persons during May every year.
5. Pensioners with arrears (i.e. refuse charges) and who are ineligible to defer payment of rates will be contacted by the City of Bunbury to discuss an alternative payment arrangement.

SUNDRY DEBTORS:

1. All City of Bunbury Sundry Debtor accounts are seven (7) day accounts.
2. Accounts unpaid after the due date will be issued with a Reminder Letter requesting payment within seven (7) days from date of letter.
3. A courtesy phone call and/or email will be made to ensure debtor has received all outstanding invoices/correspondence and requesting a timeframe for outstanding payment.
4. A Final Demand letter will be issued for all outstanding debtors 30+ days overdue requesting immediate payment. An additional phone call will be made at this stage to attempt to contact and arrange payment with debtor.
5. Unless a payment arrangement has been agreed to all accounts overdue at 45 days will be referred to Council's Debt Collection Agency for immediate action.

COMPLIANCE REQUIREMENTS**LEGISLATION**

- *Local Government Act 1995*
- *Local Government (Financial Management) Regulations 1996*
- *Rates and Charges (Rebates and Deferments) Act 1992*

INDUSTRY**ORGANISATIONAL**

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