



STRATEGIC POLICY  
**MOUNT ISA CITY COUNCIL**  
**Rates and Charges Debt Recovery Policy**

RESOLUTION NO. **OM20/04/24** VERSION **V6**

**APPLIES TO STRATEGIC POLICIES ONLY**

This an official copy of the **Rates and Charges Debt Recovery Policy**, made in accordance with the provisions of *Local Government Act and Regulations, Public Records Act, Mount Isa City Council's Local Laws, Subordinate Local Laws and current Council Policies*.

Strategic policies are adopted by Council due to its desire to influence the direction of an issue or assist in the delegated decision making of Council officers. Strategic policies should follow the jurisdiction provided to Council through its Corporate Plan; the **Rates and Charges Debt Recovery Policy** is approved by the Mount Isa City Council for the operations and procedures of Council.

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 Tim Rose  
**Acting Chief Executive Officer**

**DOCUMENT VERSION CONTROL**

Governance/Policies/Strategic 14992 Doc ID# 32739			<b>POLICY TYPE</b>	Strategic (Council)
VERSION	DATE	RESOLUTION NO.	DETAILS	
V1	28.06.2017	OM/13/06/17	<b>Responsible Officer</b> - Manager Corporate & Financial Services	
V2	28.03.2018	OM/25/03/18	<b>Responsible Officer</b> - Manager Corporate & Financial Services	
V3	14.11.2018	OM23/11/18	<b>Responsible Officer</b> - Manager Corporate & Financial Services	
V4	26.06.2019	OM25/06/19	<b>Responsible Officer</b> - Manager Corporate & Financial Services	
V5	28.08.2019	OM19/08/19	<b>Responsible Officer</b> - Manager Corporate & Financial Services	
V6	20.04.2024	OM20/04/24	<b>Responsible Officer</b> – Manager Corporate & Financial Services	
			<b>REVIEW DUE</b>	30.06.2025

**DISTRIBUTION AND DISSEMINATION**

Internal email to all employees		Section meetings / Toolbox talks	
Internal email to all Councillors		Included in employee inductions	
Staff noticeboards		Uploaded to Council website	<b>X</b>



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Internal training to be provided		External training to be provided	
Registered in Magiq	X		

**1. PURPOSE**

Mount Isa City Council (“Council”) requires payment of rates and charges within a specified time period and will pursue the recovery of overdue rates and charges diligently. The objective of this policy is to set out Council’s principles in regard to the management of debt, and to provide a process which is consistent and ethical for the recovery of outstanding Rates and Charges across Council in accordance with the parameters and requirements of the *Local Government Regulation 2012*.

**2. COMMENCEMENT**

The Mount Isa City Council Rates and Charges Debt Recovery Policy will take effect on 24 April 2024 following its adoption by Council at the Ordinary Meeting on 24 April 2024.

**3. APPLICATION**

3.1 Rates and charges are defined in the *Local Government Regulation 2012* as including differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest on outstanding balances.

In addition, as defined in Section 132 of the *Local Government Regulation 2012*, rates and charges will include:

b) if the local government takes the ratepayer to court to recover rates or charges and the court orders the rate payer to pay the Council’s costs—the costs; and

d) the interest, if interest is payable, on the rates or charges, or costs.

3.2 The Rates and Charges Debt Recovery Policy provides scope for recovery procedures. This policy is guided by the following principles:

- a) Transparency by making clear the obligations of ratepayers and the processes used by Council is assisting them to meet their financial obligations;
- b) Making the administrative processes used to recover overdue rate and charges well defined and cost effective;
- c) Consistency by having regard to providing the same treatment for ratepayers in similar circumstances;
- d) Flexibility by responding where necessary to changes in the local economy; and
- e) Adherence to the debt collection guidelines developed by the Australian Competition and Consumer Commission.

**4. RECOVERY ACTIONS**

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

STAGE	TIMING	ACTION TYPE	COMMENT	AUTHORITY LEVEL	ACTION TAKEN BY
1	14 days after the due date on the rates notice or water consumption notice	<b>Final Reminder Notice</b> Advising rates and charges are overdue. Legal action maybe initiated unless the debt is paid in full or an approved payment commitment is entered into with 14 days.	Further Action suspended if: Rates and charges are paid in full or the rate payer enters into and maintains an approved payment commitment.	Revenue & Customer Service Coordinator	Council



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STAGE	TIMING	ACTION TYPE	COMMENT	AUTHORITY LEVEL	ACTION TAKEN BY
2	14 days after issue of Final Reminder Notice.	<p>Council shall proceed with legal recovery action against any Property Owner who has not satisfactorily responded to any Notices previously sent.</p> <p>Council or Council's appointed Legal Representative or Debt Recovery Agent will issue a letter of final demand to advise that if payment in full or an agreed payment arrangement is not entered into within fourteen (14) days, legal recovery action may commence.</p> <p>Council will seek full payment of Outstanding Rates and Charges.</p> <p>It will also advise that action may involve the Sale of Land should there be:</p> <p>(a) overdue rates or charges on land; and</p> <p>(b) the liability to pay the overdue rates or charges is not the subject of court proceedings; and</p> <p>(c) some or all of the overdue rates or charges have been overdue for at least—</p> <p><b>3 months</b> – mining claims;  <b>1 year</b> - vacant land or land used only for commercial purposes, <u>and</u> Council has obtained judgment for the overdue rates or charges; and  <b>3 years</b> – all other land.</p>	<p>Further Action suspended if:</p> <p>Rates and charges are paid in full or the rate payer enters into and maintains an approved payment commitment.</p>	<p>Manager Corporate and Financial Services;</p> <p>or</p> <p>Revenue &amp; Customer Service Coordinator.</p>	Council and Council's Debt Recovery Agent.
STAGE	TIMING	ACTION TYPE	COMMENT	AUTHORITY LEVEL	ACTION TAKEN BY
3	Notice of Sale of Land	<p><b>Notice in accordance with legislation.</b>            Notice informing the owner of Councils intention to make a resolution to sell the land for recovery of outstanding rates</p>	<p>Full payment including costs will be required to cease action.</p>	Council	Council or Council's appointed Legal Representative



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STAGE	TIMING	ACTION TYPE	COMMENT	AUTHORITY LEVEL	ACTION TAKEN BY
		and charges in arrears for at least:  <b>3 months</b> – mining claims; <b>1 year</b> - vacant land or land used only for commercial purposes, <u>and</u> Council has obtained judgment for the overdue rates or charges; and <b>3 years</b> – all other land.			
4	Sale of Land within legislative timeframe.	<b>Sale of land</b> should some or all of rates and charges remain in arrears for at least:  <b>3 months</b> – mining claims; <b>1 year</b> - vacant land or land used only for commercial purposes, <u>and</u> Council has obtained judgment for the overdue rates or charges; and <b>3 years</b> – all other land.	Full payment including costs will be required to cease action.	Council	Council or Council's appointed representative

At any point after Stage 1, Council staff or Council's Legal Representative or Debt Recovery Agent, may attempt to telephone ratepayers in order to secure payment. Such calls are optional, at Council's discretion and additional to the minimum requirements of the process.

**5. PAYMENT COMMITMENTS**

**Standard Payment Commitment**

5.1 Council may allow ratepayers to pay the outstanding rates balance by instalments. *Payment of arrears by instalments should be seen as a way to reduce arrears and overcome financial difficulties, not as a regular occurrence.* All approved payment commitments for outstanding rates and charges will continue to accrue interest until the outstanding amount is paid in full (unless otherwise approved under this policy, by the Chief Executive Officer or via a decision of Council).

All payment commitments do not include future levies and will generally result in all overdue charges being in **full within 6 months**. All future rates and charges are to be paid in full as issued.

**Financial Hardship Commitment**

5.2 In the event where the residential ratepayer is unable to pay within the required timeframe or in cases of genuine financial hardship and the minimum repayment is not met, supporting evidence is required to be submitted to Council to justify the approval of an extended timeframe.

Financial hardship exists when ratepayers are unable to meet basic requirements, including food, clothing, medicine, accommodation and children's education. This hardship may occur as a result of illness, long-term unemployment or death of a partner.

Council may request whatever information it deems necessary to assess genuine financial hardship. To be considered for financial hardship the property must be your primary place of residence.

In the event that financial hardship can be proved:



- a) if you are in arrears for 6 months to 1 year and the amount is between \$3,000 and \$5,000 you may have up to 12 months to repay the arrears;
- b) if you are in arrears for 1-2 years and the amount owing is over \$5,000, you may have up to 2 years to repay the arrears.

**Note:** For payment commitments longer than 6 months, an estimate of the rates and water levies issuing in that time period will be added. This estimate will be based on the last rates and water levies issued. This is to ensure ratepayers do not remain with a large ongoing arrears balance.

- 5.3 To avoid recovery action these requests are to be made to Council in writing at which time the relevant Council officer or Council delegate will consider the offer on a case-by-case basis. If approved, the Council officer or Council delegate will document the arrangement to be brought into effect and a copy will be provided in writing to the ratepayer.

#### General Information

- 5.4 In the case of an extenuating circumstance and where the required payment instalment is unable to be made the onus is on the ratepayer to notify Council in writing as soon as practicably possible. Council reserves the right to renegotiate or cancel a payment commitment should circumstances change where the debt will not be paid within Council's current policy time frame. In these circumstances, Council will not initiate further recovery action without reference to the ratepayer concerned.
- 5.5 Council will not pursue further recovery action against a ratepayer who has an agreed written periodic payment commitment, while the commitment is current, and the ratepayer adheres to the agreed repayment schedule and required instalment amounts.
- 5.6 In the event that a payment commitment is not maintained within the agreed terms and the ratepayer does not make contact with the Council, the following action will occur:
  - a) The payment commitment will be cancelled, and the debt forwarded to Council's external debt recovery agency without further notice to the ratepayer.
  - b) In accordance with Section 128 *Local Government Regulation 2012*, payments will be applied towards the payment of rates and charges in the order in which they became overdue.

## 6. PAYMENT OF RATES AND CHARGES IN ADVANCE

- 6.1 If you find payment of your rates and charges in a lump sum difficult, Council encourages you make payments on a regular basis. Payment of rates and charges in advance by regular instalments ensures the balance to be paid at the time of issuing of the rates or water consumption notices is minimised. Payment on time allows you to avoid interest and other charges accruing. Council does not pay you interest on advance payments or credit balances.

## 7. INTEREST

- 7.1 In accordance with Section 133 of the *Local Government Regulation 2012*, interest will not be higher than the bank bill yield rate for the date plus 8%. Council may adopt an interest rate lower than legislated and this rate is stated in the Revenue Statement for the current financial year. This is subject to legislative changes.
- 7.2 All rates and charges become overdue immediately following the due date as shown on the rates or water consumption notice.
- 7.3 At the discretion of the Chief Executive Officer and upon recommendation from the Manager Corporate and Financial Services or, in their absence, the Revenue and Customer Service Coordinator, interest charges can be suspended or written-off should the property owner be deemed to be in genuine financial hardship and with an outstanding amount greater than \$5,000.
- 7.4 Any other requests to suspend or write-off interest charges can only be approved at the discretion of the Chief Executive Officer and upon recommendation from the Manager Corporate and Financial Services or, in their absence, the Revenue and Customer Service Coordinator.



## **8. INTEREST THRESHOLD**

8.1 An interest threshold will be applied under the following circumstances: When interest is calculated, if:

- a) an assessment has been fully paid prior to the interest run; and
- b) the interest calculated as outstanding between the date of the last interest run and the date of payment is less than the stated limit.

Then the interest calculated in the current run is not charged to the assessment.

The interest threshold is \$50.00.

## **9. SMALL DEBTS WRITE-OFF**

Any small debts under \$5.00 may be written-off by the revenue team on a monthly basis. This is to reduce the administrative costs of managing small outstanding amounts.

## **10. DEBT WRITE-OFF INCLUDING ACCRUED INTEREST**

All bad debts may only be written off by Council resolution.

## **11. RECOVERY**

Where rate and charges arrears exceed:

- a) 3 months – mining leases;
- b) 1 year vacant land or land used only for commercial purposes, and Council has obtained judgement;
- c) 3 years – all other land.

Rates and charges recovery through sale of land will commence within the legislative timeframes.

## **12. PRIVACY**

In recognition of individual privacy and to ensure all ratepayers are, and seen to be, treated consistently; the list of properties on which Council is required to resolve to commence land sale for rates and charges recovery in accordance with this policy is to be presented identifying the Assessment Number, - Title Details amount owing and length of time outstanding only.

## **13. RESPONSIBILITIES**

All employees and councillors are bound to act within this policy.

## **14. BREACH OF POLICY**

Breach of this policy may lead to disciplinary or other action.

## **15. ASSOCIATED DOCUMENTS**

- Revenue Policy
- Revenue Statement
- Payment Commitment Form
- Financial Hardship Information Sheet

## **16. VARIATION**

Mount Isa City Council reserves the right to vary, replace or terminate this policy at any time.