



RATES DEBT RECOVERY

Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Manager Corporate Administration		
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Records Number:	203821	Council/CEO Decision:	Council
Legislation Reference:	<i>Local Government Act 2019</i> <i>Local Government (General) Regulations 2021</i>		

1 PURPOSE

This policy establishes a clear, equitable, accountable, and transparent process for the Council's rates and charges debt management and collection practices. It aims to ensure that all debts owed to the Council are paid by the due date or followed up within specified timeframes.

2 SCOPE

This policy applies to all ratepayers in the Katherine Town Council area.

3 DEFINITIONS

Act is the *Local Government Act 2019*.

Council is the Local Government entity known as the Katherine Town Council.

Payment Terms means rates declared or payable in respect of a particular financial year. Rates instalments will fall due in 4 equal or approximately equal amounts payable in the months of September, November, January and March of the financial year for which the rates are declared. The day on which each instalment falls due will be determined by the Council when declaring rates and approving the annual budget.

Payment arrangements means where the principal ratepayer forwards a written proposal for alternative arrangements for payment of rates to the instalment of rates defined on the rates notices for the financial year and Council provides written approval of the proposal.

Rate concession means a waiver in whole or part of rates or a component of rates or a deferment in whole or part of an obligation to pay rates or a component of rates.

Ratepayer means the registered owner/s of the property.

Rates Debtors means ratepayers who have incurred a debt for rates as defined by the Act, for the purpose of debt collection.

RATES DEBTORS

Payment Terms

In line with the Act Council allows payment by instalments per financial year. The Act states that if a ratepayer defaults in payment of an instalment by the due date, all remaining instalments become immediately due and payable.

Penalty Interest

In accordance with the Act, interest will accrue on unpaid rates at the relevant interest rate set annually by the Council. Interest remission may be granted in individual circumstances as outlined in the Rate Concession Policy.

DEBT COLLECTION PROCESS

Rates Notice

In accordance with the Act Council will issue rates notices at least 28 days before the first instalment of the rates falling due.

Instalment Reminder Notice

Council will issue Reminder Notices for Instalment two (2), three (3) and four (4). The annual rates notice will serve as a reminder for instalment one (1).

Overriding Statutory Charge

In accordance with the Act, unpaid rates become a charge on the land after the due date. If rates remain in arrears for at least six months, the Council may apply to register the charge over the relevant land. All incurred expenses will be charged to the rates debtor and recovered in full.

After the expiration of six (6) months from the issuance of the Overriding Statutory Charge (OSC) notices, Council officers will prepare a report for Councils consideration and endorsement to commence the Power of Sale pursuant to Section 258 of the Act.

If the recommendations are endorsed, the Council's legal service providers will be instructed to send final demand letters requesting payment of arrears within fourteen (14) days. These letters will inform the ratepayer of the required payment and the potential for further legal action.

Sale of land

The Council reserves the right to sell land for non-payment of rates as outlined in the Act, providing the rates have been in arrears for at least three years and an Overriding Statutory Charge has been registered for at least six (6) months.

Legal representatives will be engaged by the Council during this process. All incurred expenses will be charged to the relevant rates debtor and recovered in full.

For ratepayers with arrears meeting the above criteria, a final demand letter will be issued. This letter will inform the ratepayer that if payment is not received within fourteen (14) days, the Council will commence the power of sale of the land. Statutory notices will be served to all parties with a registered interest in the land, including mortgagees, tenants, caveators, and utility agencies.

If, after thirty-one (31) days of serving the Statutory Notices as per Section 259 of the Act, payment is still not received, the Council's legal service providers will be instructed to request the ratepayer to vacate the land within seven (7) days. Should the ratepayer fail to vacate the land within this period, the legal service providers will prepare a Supreme Court order for possession.

All rates debt recovery actions will be based on the recommendations of the Council's legal service providers and may be subject to change after serving the rights to exercise the power of sale.

SPECIAL PAYMENT ARRANGEMENTS

The Council may enter into a special payment arrangement with a ratepayer. These agreements are tailored individually, considering the specific situation and payment history of the rates debtor. Penalty interest for overdue rates will continue to accrue under these payment arrangements as outlined in the Rate Concession Policy.

DEBT WRITE OFF

Rates Debts will only be written off when all reasonable efforts to recover the debt have been made and it is not reasonably possible to recover it, or the costs of recovery are likely to equal or exceed the amount to be recovered.

In accordance with Regulation 32 of the Local Government (General) Regulations 2021, Council may, by resolution, write off unpaid rates. The Chief Executive Officer must certify to Council as part of the resolution:

If the debt is for rates – that there is some doubt whether the rates were properly imposed, or are recoverable at law, or it would be impracticable or uneconomical to recover the rates.

Writing off a debt does not prevent the council from subsequently taking action for recovery of the debt.

REPORTING

As part of the monthly report to council, the council will receive consolidated information about the monthly rates outstanding. The report will outline debts written off and a summary of rates debtors in the rates debt collection process.

5 ASSOCIATED POLICIES/DOCUMENTS

Katherine Town Council Instrument of Delegations
Katherine Town Council Rates Concession Policy

6 REFERENCES AND RELATED LEGISLATION

Local Government Act 2019
Local Government (General) Regulations 2021

Revision History

Version	Approval date	Details of change	Responsible officer
1	22/10/2024	Created	Manager Corporate Administration
2			
3			