

7.5 OUTCOME OF ADVERTISING AND ADOPTION OF AMENDMENTS TO RECOVERY OF DEBTS, RATES AND SERVICE CHARGES POLICY

Attachments: 1. **Recovery of Debts, Rates and Service Charges Policy**

RECOMMENDATION:

That Council **ADOPTS** the **Recovery of Debts, Rates and Service Charges Policy Attachment 1**.

PURPOSE OF REPORT:

To present the outcome of community consultation and seek approval of the proposed Recovery of Debts, Rates and Service Charges Policy at **Attachment 1**.

BACKGROUND:

At its 21 June 2022 Meeting, Council approved conducting community consultation of its intention to amend the Recovery of Debts, Rates and Service Charges Policy.

In accordance with the City's [Community and Stakeholder Engagement Policy](#), community consultation was undertaken between 13/07/2022 and 03/08/2022, which is in excess of the 21 days required.

The policy was advertised on the City of Vincent website, social media and through the following public notices:

- Vincent Reporter –14/07/2022
- Perth Voice –16/07/2022; and
- notice exhibited on the notice board at the City's Administration and Library and Local History Centre.

No public submissions were received.

DETAILS:

Residents have a shared obligation to contribute equitably to the delivery of services. The proposed Policy outlines the process for an effective and efficient collection of outstanding rates and services charges. The City will apply fundamental guidelines in facilitating the appropriate management of its debt collection practices in accordance with relevant legislation and legal requirements.

The Policy guides the process required to meet legislative obligations governing debt recovery and the possession of land in order to recover rates and service charges.

The Policy aligns with Department of Local Government, Sport and Cultural Industries (DLGSC) [operational guideline](#) for the possession of land for recovery of rates and services charges, comparative industry standard and the Western Australian Local Government Associations (WALGA's) [guidance](#) for the implementation of the financial hardship provisions.

The outcome of Administration's review of the Recovery Debts, Rates and Service Charges Policy is as follows:

1. Introduction and purpose

The Policy has been updated to align with the City's approved policy template. It includes minor amendments to the layout to facilitate these changes.

A Policy Statement has been included to note that the City will take appropriate action to ensure the collection of rates and service charges, using the relevant legislative and legal processes, in accordance with the *Local Government Act 1995* and *Civil Judgements Enforcement Act 2004*. The City will consider all requests with making payments and have regard to individuals experiencing financial hardship.

2. Updated policy objective

Administration is proposing an updated objective to align with existing principles and regulatory requirements.

3. Financial hardship

In 2020/21 the City adopted Financial Hardship Guidelines. These guidelines outline the definition and process to assist rate payers experiencing financial hardship. Clause 7 has been added to guide ratepayers in such circumstance and to outline the support that the City will offer. Minor changes have been made to grammar in this clause.

4. Guidelines and Procedures

The guidelines and procedures have been removed from the Policy and replaced as a summary of the legal processes at clause 1 & 2.

Final discretionary collection action, by way of email or phone call, has been added as clause 1 & 2 to present a final opportunity to clear the debt before proceeding with further legal action.

The legal processes have not changed but are added to the Policy for clarity and transparency.

5. The Complaints process

An additional policy provision at clause 8 has been added to direct ratepayers to the complaints process and procedure.

CONSULTATION/ADVERTISING:

No further consultation is required.

LEGAL/POLICY:

Section 2.7(2)(b) of the Act provides Council with the power to determine policies.

The City's [Policy Development and Review Policy](#) sets out the process for repealing and adopting policies.

Relevant legislation can be found in *Section 6 of Local Government Act 1995* and *Civil Judgements Enforcement Act 2004*.

RISK MANAGEMENT IMPLICATIONS

Low: Adopting the proposed policy is low risk.

STRATEGIC IMPLICATIONS:

This does not contribute to the City's *Strategic Community Plan 2018-2028*.

SUSTAINABILITY IMPLICATIONS:

This does not contribute to any environmental sustainability outcomes.

PUBLIC HEALTH IMPLICATIONS:

This does not contribute to any public health outcomes in the *City's Public Health Plan 2020-2025*.

FINANCIAL/BUDGET IMPLICATIONS:

Debts are to be pursued within the relevant statutory limitation periods to maximise recoverability. Debt is monitored regularly, and necessary regular provisions made to recognise unrecoverable debt. Actions for

writing off bad debts (other than rates and service charges) should only take place where all avenues for recovery have been exhausted or it becomes unviable to keep pursuing the debt.

COMMENTS:

The amended Policy will provide clarification on responsibilities within the organisation that will ensure that the policy is understood and adhered to.

The Policy will be supported by procedures to ensure compliance with legislative requirements.