



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

RESOLUTION NO. OM04/07/25 VERSION V8

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
Chief Executive Officer

DOCUMENT VERSION CONTROL

Governance/Policies/Strategic 14992 Doc ID# 32739			POLICY TYPE	Strategic (Council)
VERSION	DATE	RESOLUTION NO.	DETAILS	
V1	28.06.2017	OM/13/06/17	Responsible Officer - Manager Corporate & Financial Services	
V2	28.03.2018	OM/25/03/18	Responsible Officer - Manager Corporate & Financial Services	
V3	14.11.2018	OM23/11/18	Responsible Officer - Manager Corporate & Financial Services	
V4	26.06.2019	OM25/06/19	Responsible Officer - Manager Corporate & Financial Services	
V5	28.08.2019	OM19/08/19	Responsible Officer - Manager Corporate & Financial Services	
V6	20.04.2024	OM20/04/24	Responsible Officer – Manager Corporate & Financial Services	
V7	18.10.2024	OM07/10/24	Responsible Officer – Manager Corporate & Financial Services	
V8	03.07.2025	OM04/07/25	Responsible Officer – Manager Corporate & Financial Services	
			REVIEW DUE	30.06.2026

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	X
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 1 July 2025 following its adoption by Council at the Ordinary Meeting on 3 July 2025.

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:

- 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
- 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:

- Transparency by making clear the obligations of ratepayers and the processes used by Council is assisting them to meet their financial obligations;
- Making the administrative processes used to recover overdue rate and charges well defined and cost effective;
- Consistency by having regard to providing the same treatment for ratepayers in similar circumstances;
- Flexibility by responding where necessary to changes in the local economy; and
- 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	7 days after the due date on the rates notice or water consumption notice.	Reminder Notice Advising rates and charges are overdue. Recovery action maybe initiated unless the debt is paid in full or an approved payment commitment is entered into within fourteen (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.
2	7 days after the due date of the Reminder Notice.	Council shall proceed with recovery action which may include legal action, against any rate payer who has not responded	Further Action suspended if: Rates and charges are paid in full, or the rate payer enters	Manager Corporate and Financial Services;	Council and Council's Legal Representative

STAGE	TIMING	ACTION TYPE	COMMENT	AUTHORITY LEVEL	ACTION TAKEN BY
		<p>(to Council's satisfaction) to the reminder notice.</p> <p>Council or Council's Legal Representative will issue a letter of demand to the rate payer advising 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>If Council is required to commence legal action for the recovery of any overdue rates and charges, then Council will seek to recover from the rate payer all costs associated with the legal action.</p>	into and maintains an approved payment commitment.	or Revenue & Customer Service Coordinator.	
STAGE	TIMING	ACTION TYPE	COMMENT	AUTHORITY LEVEL	ACTION TAKEN BY
3	By Council resolution	<p><i>Selling or acquiring land for overdue rates or charges – Part 12, Division 3 Local Government Regulation 2012</i></p> <p><u>Sale of Land</u> Council may by resolution elect to sell a property pursuant to <i>Part 12, Division 3 of the Local Government Regulation 2012</i>.</p> <p><u>Acquiring Land</u> Council may by resolution elect to acquire a property pursuant to <i>Part 12, Division 3 of the Local Government Regulation 2012</i>.</p>	Full payment including costs will be required to cease action.	Council	Council or Council's appointed Legal Representative

5. PAYMENT COMMITMENTS

Standard Payment Commitment

- 5.1 Council may allow ratepayers to pay the outstanding rates balance through a payment commitment. *Payment of arrears through a payment commitment 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 all overdue rates and charges are paid in full (unless otherwise approved under this policy, by the Chief Executive Officer or via a Council resolution).

Financial Hardship Assistance

- 5.2 Financial Hardship is only available to a residential property which is a rate payers principal place of residence.

Financial Hardship assistance, if approved by Council, is for a period of no more than six (6) months, at which time if further hardship assistance is sought by the rate payer, then a new hardship application must be lodged with Council.

Where a rate payer is seeking assistance due to financial hardship, supporting evidence (in writing) is required to be submitted by the rate payer to Council for consideration.

Any payment commitment granted to a rate payer under financial hardship is at the sole discretion of Council, which may or may not include the suspension or waiver of interest.

General Information

- 5.3 Where a payment commitment is unable to be maintained then the onus is on the ratepayer to contact Council as soon as practicably possible. Council reserves the right to renegotiate or cancel a payment commitment.
- 5.4 Council will not pursue further recovery action against a ratepayer who enters into and maintains an approved payment commitment.
- 5.5 In the event that a payment commitment is not maintained then Council reserves its right to continue with further recovery action to collect the outstanding debt.

6. INTEREST

- 6.1 Interest will be charged on all overdue rates and charges in accordance with *Section 133 of the Local Government Regulation 2012*.
- 6.2 All rates and charges become overdue if they are not paid in full by the due date referred to on the rates notice or, the water consumption notice.
- 6.3 Where interest has accrued on rates or water consumption accounts due to circumstances out of the rate payers' control, the Revenue and Finance Departments, upon review of the account may write-off up to \$50.00 in interest charges.
- 6.4 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 on overdue rates and charges can be suspended and/or written-off should the rate payer be deemed to be in genuine financial hardship with a rates and charges balance greater than \$5,000.
- 6.5 Any other requests to suspend or write-off interest for overdue rates and 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.

7. INTEREST THRESHOLD

- 7.1 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 \$50.00.

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

8. SMALL DEBTS WRITE-OFF

Any small debts under \$20.00 may be written off by the revenue team on a monthly basis. This is to reduce the administrative costs of managing small outstanding amounts.

9. DEBT WRITE-OFF INCLUDING ACCRUED INTEREST

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

10. PRIVACY

Selling or acquiring land for overdue rates or charges – *Part 12, Division 3 Local Government Regulation 2012*.

The list of properties in which Council resolves under Part 12, Division 3 of the Local Government Regulation 2012 is to be identified by Assessment Number and Legal Description.

11. RESPONSIBILITIES OF POLICY

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

12. BREACH OF POLICY

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

13. ASSOCIATED DOCUMENTS

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

14. VARIATION

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