



Ararat Rural City

Rate Collection Policy

DOCUMENT CONTROL

Category Type: Policy
Type: Council
Responsible Officer: Rates & Valuations Officer

Last Review Date: N/A
Date Approved: 30 July 2024
Next Review Date: July 2026

Revision No: New

Stakeholder Engagement:
Councillors
Chief Executive Officer
Financial Services Coordinator

INTENT

Ararat Rural City Council is committed to providing the most flexible, fair, and equitable approach to the collection of rates and charges that is reasonably possible.

Council fees and charges are a secure and reliable source of revenue that Council uses to deliver services to the community. It is important to remember that Council still requires cashflow to deliver critical services to the community, however, it is also recognised that Council can provide assistance in certain circumstances.

POLICY

The purpose of this policy is to provide Council with a policy framework for the collection and administration of rates and charges. The policy aims to provide ratepayers with a clear and transparent understanding of options and assistance available for the repayment of rates and charges.

Payment Options

In accordance with section 167(1) of the *Local Government Act 1989* ratepayers must be allowed to pay rates and charges by way of four instalments. Payments are due on the prescribed dates below:

- 1st Instalment: 30 September
- 2nd Instalment: 30 November
- 3rd Instalment: 28 February
- 4th Instalment: 31 May

Council also allows payments in a lump sum on 15 February each year.

Should any person pay an amount equivalent to their first instalment before 30 October each year Council will consider the payment as an instalment payment. Should any person pay an amount equivalent to their first instalment after 30 October each year Council will consider the payment as an amount towards the lump sum option and the rates will then be due by 15 February next.

Council offers a range of payment options including:

- in person at Council offices (cheques, money orders, EFTPOS, credit/debit cards and cash),
- direct debit (Ratepayers have the option to pay rates and charges by monthly, fortnightly or weekly payments, free of interest. Ratepayers can also pay by lump sum or by instalments,
- BPAY,
- Australia Post (over the counter, over the phone via credit card and on the internet),
- by mail (cheques and money orders only),
- online, directly from eNotices emails or using the QR Code on rate notices, or
- online, on Councils website - ararat.vic.gov.au.

Interest on Arrears and Overdue Rates

Interest is charged on all overdue rates in accordance with Section 172 of the *Local Government Act 1989*. The maximum interest rate applied is determined by the Minister and published by notice in the Government Gazette.

Council may exempt any person from paying the whole or part of any interest amount generally or specifically under Section 172 (3).

To assist ratepayers further in the payment of rates and charges Council will allow a grace period of 30 days before interest is applied to late instalments and late lump sum payments. This will allow reminder notices to be sent free of interest which will assist in the administration of payments.

Council officers have the authority to write off property balances of \$10 or less if the balance is related to interest now being calculated daily.

Debt Recovery

Council makes every effort to contact ratepayers at their correct address, but it is the ratepayers' responsibility to properly advise Council of their contact details. The Local Government Act 2020 Section 122 requires the purchaser of property, or their agents (e.g., solicitors and or conveyancers), to notify Council by way of notice of acquisition of an interest in land.

If an account becomes overdue, Council will issue an overdue reminder notice. If the account remains unpaid, and a payment plan has not been established, Council may take legal action without further notice to recover the overdue amount. All fees and court costs incurred will be recoverable from the ratepayer.

If an amount payable by way of rates in respect to land has been in arrears for three years or more, Council may take action to sell the property in accordance with the Local Government Act 1989 Section 181.

Payment Plans

Any ratepayer who is experiencing financial difficulty are advised that Council is sympathetic to their financial situation and that flexible payment plans can be developed based on their ability to pay.

Ratepayers wishing to make a payment plan are required to make application [Appendix 1].

Council will consider all reasonable payment plan applications. However, efforts should be made to negotiate full payment of overdue debts by the end of the current financial year or before the issuance of the next annual rates and valuation notices.

A payment plan for overdue rates older than one financial year should aim to settle all outstanding balances, including current and arrears, within a maximum period of four (4) years. Council Officers can provide assistance in calculating appropriate payment amounts to achieve this objective.

After agreeing to a suitable payment plan, Council will send an acceptance letter to the applicant outlining the terms of the arrangement. A waiver of interest will then apply to the account.

If rates remain outstanding or if there is a default in an agreed payment plan, interest will be reinstated, and the account may be referred to the Council's debt collection agency for further action.



Financial Hardship

Pursuant to the provisions of Section 171A of the Local Government Act 1989, a person who is suffering financial hardship or would suffer financial hardship if that person had to pay the full rate may apply to Council for the waiver of the whole or part of the rates or interest charged for late payment. Refer to Councils Financial Hardship Policy.

ADMINISTRATIVE UPDATES

It is recognised that, from time to time, circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made administratively. Examples include a change to the name of a Council department, a change to the name of a Federal or State department, and a minor update to legislation which does not have a material impact. However, any change or update which materially alters this document must be by resolution of Council.

The Victorian Government has introduced the Local Government Legislation Amendment (Rating and Other Matters) Bill 2022 into Parliament on 8 June 2022. This Bill seeks to empower the Minister for Local Government to make Ministerial Guidelines on unpaid rates and charges and hardship to ensure greater consistency across councils in how they deal with ratepayers experiencing financial hardship. Further review and updates will be made to the Financial Hardship Policy once new legislation and ministerial guidelines are issued.

SUPPORTING DOCUMENTS AND REFERENCES

- Financial Hardship Policy
- Revenue and Rating Strategy 2021-2025
- Local Government Act 1989
- Local Government Act 2020

DEFINITIONS

TERM	DEFINITION
<i>Council</i>	Ararat Rural City Council, being a body corporate constituted as a municipal Council under the Local Government Act 1989
<i>Financial Hardship</i>	A circumstance of experiencing a lack of financial means, which may be either ongoing or temporary
<i>Ratepayer</i>	The individual, organisation or other party that is liable to pay Rates and Charges as defined by the Local Government Act 1989 s156

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APPENDIX 1 PAYMENT PLAN APPLICATION

Person Responsible for Payment

Name: _____

Postal Address: _____

Phone: _____

Email: _____

Property Details

Property Address: _____

Balance Outstanding: \$ _____ as at ____/____/____

I, the undersigned, hereby apply to make the following commitment in order to clear the above account of all outstanding debt. I hereby agree to pay the Ararat Rural City Council the following:

Payment Amount	Payment Frequency	Start Date
\$.....	<input type="checkbox"/> Weekly <input type="checkbox"/> Fortnightly <input type="checkbox"/> Monthly/...../.....

I fully understand and acknowledge that if at any time I am in default of this agreement the Ararat Rural City Council may initiate legal proceedings against me immediately and without notice, at my expense, in order to recover the total amount of the debt outstanding.

I acknowledge that interest will recommence accruing daily at the rate of 10% per annum, in accordance with the *Local Government Act 1989*, if at any time I am in default of this agreement.

Signature: _____ Date: _____

Please return this completed form to Ararat Rural City Council, PO Box 246 Ararat Vic 3377
Or email to rates@ararat.vic.gov.au. For any enquiries, please call 03 5355 0209