

Payment of Rates and Remission of Fines Policy

Council Policy

Renmark Paringa Council

Responsible Officer	Director Corporate and Community Services
Relevant Legislation	
Adopted	July 2001
Reviewed	September 2023
Next Review	September 2027

Objective

- To ensure consistency in remitting fines on rates.
- To set guidelines for application of policy.

Policy

1. Penalties for Late Payment of Rates

The Council imposed penalties for late payments of rates in accordance with *section 181(8) of the Local Government Act 1999 (the Act)*, which provides:

If an instalment of rates is not paid on or before the date on which it falls due—

- a) the instalment will be regarded as being in arrears; and*
- b) a fine of 2 per cent of the amount of the instalment is payable; and*
- c) on the expiration of each full month from that date, interest at the prescribed percentage of the amount in arrears (including the amount of any previous unpaid fine and including interest from any previous month) accrues.*

The Council's rate notice includes details to notify ratepayers of the application of penalties for late payment of rates. Further, the Council gives at least 30 days notice before a rates instalment falls due as required by section 181(15) of the Act.

It is open to any ratepayer who is experiencing difficulties in paying rates when they fall due to contact the Council to discuss entering into a payment arrangement. Fines



and interest will still be levied in accordance with the Act under any payment arrangement entered into. Further, it will be a condition of all payment arrangements that payments of arrears must be made in addition to payment of future rates as and when they fall due.

Rate payments will be applied in accordance with section 183 of the Act, which requires the Council to apply money received towards payment of rates as follows:

- firstly—in payment of any costs awarded to, or recoverable by, the council in any
- court proceedings undertaken by the council for the recovery of the rates;
- secondly—in satisfaction of any liability for interest;
- thirdly—in payment of any fine;
- fourthly—in satisfaction of liabilities for rates in the order in which those liabilities arose.

2. Grace Period

The Council's policy is to allow a 7 day grace period for payment of rates after their due date. If rates are outstanding for more than 7 days following the due date, penalties will automatically be imposed as above.

3. Remission of Fines

Pursuant to section 181(9) of the Act, the Council may remit any amount comprising a penalty for late payment of rates in whole or in part (whether or not on the application of a ratepayer).

The Council will consider remitting fines levied on rates in the following circumstances:

- where incorrect information has been included on a rates notice due to administrative error on the part of the Council;
- where penalties have been imposed in error by Council;
- where the rates notice was forwarded to the wrong address, provided that the ratepayer has duly notified the Council of any change in their address;
- where payment was received before the due date and was credited to an incorrect account by the Council or the payment agent;
- where payment for the whole financial year's rates is made after the first quarter due date, provided this payment is received before the second quarter due date;
- where good payment history exists and the late payment is the first of its kind by the ratepayer;
- where payment was made by the due date, but was not applied to the ratepayer's account due to a delay on the part of Council;



- where a ratepayer is recently deceased and the next of kin or Executor has contacted the Council to advise when a payment will be made, provided that the payment is received before the next due date for payment of rates instalments.
- The decision to remit penalties on rates is at the Council's absolute discretion. The fact a ratepayer simply forgot to pay their rates before the due date or did not make reasonable arrangements to do so does not, of itself, give rise to reasonable grounds for Council to remit a penalty.

4. Remission of Fines/Interest due to Financial Hardship

Pursuant to section 182 of the Act, any ratepayer may apply to the Council for the remittance of fines and interest on the grounds of financial hardship.

A request to Council to remit fines imposed on rates on the grounds of hardship should be made in writing and outline the reasons why a remission is sought. The request should be accompanied by a statement from an independent financial consultant that supports the ratepayer's financial situation and provides recommendations for a payment arrangement and the holding of fines and interest for 12 months or until the next review.

5. Recovery of Outstanding Rates

The Council will keep under review rates that are in arrears and will recover outstanding rates in accordance with the Council's debt recovery processes.

Rates that are outstanding for a period of 30 days will be referred for debt collection unless the ratepayer has entered into a payment arrangement, the terms of which are satisfactory to the Council.

Where rates have been outstanding for a period of more than 3 years, the Council may exercise its powers to sell the land to recover the outstanding rates pursuant to section 184 of the Act.

6. Writing-off Bad Debts

Pursuant to section 143 of the Act, the Council may write off debts owed to the Council, including rating debts if:

- a) council has no reasonable prospect of recovering the debt; or
- b) the costs of recovery are likely to equal or exceed the amount to be recovered.

Pursuant to the Act, rates are a charge on land. Rates (including fines and interest) will not be written off under section 143 of the Act unless in exceptional circumstances where the Council is satisfied that either of the above circumstances apply.



Delegation

Delegated authority to remit fines or interest

- Chief Executive Officer
- Director of Corporate & Community Services

In the circumstances specified under Part 3 of this Policy, for fines and interest not exceeding an amount of \$50 – the Rates Officer or, when absent, the Manager Financial Services. It is a condition of this delegation that any decision to remit fines and interest by the Rates Officer or Manager Financial Services is recorded in a register that includes the following information:

- the amount remitted;
- the date this occurred; and
- the reasons for the remission; and

The register must be provided to the Director Corporate and Community Services quarterly.

That pursuant to Section 44 of the Local Government Act 1999, Council delegates to the Chief Executive Officer authority to administer Council's Policies.

Refer to the Council's Delegation Register for sub delegation.

Document Control

Version #	Approval date	Approved by	Amendment
1.0	July 2021	Unknown	
2.0	7 September 2023	Audit & Risk Committee	Minor changes, staff titles updated