

# STAFF REPORT

**TO:** Chair and Members, Corporate Services Committee  
**FROM:** Accounting Manager  
**DATE:** 4 November 2008  
**SUBJECT:** Rates Penalties Process

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## Purpose

To update Council on its rate collection process.

## Background

Council issues approximately 21,500 instalments on a quarterly basis, 1 August, 1 November, 1 February, and 1 May. Payment options currently offered are monthly direct debit, fortnightly direct debit, weekly direct debit, annual direct debit, quarterly direct debit, cash, Eftpos, internet banking, and by credit card at customer services. Ratepayers also have the option of paying the annual amount in full by 31 August thereby receiving a 4% discount on the total charge. Ratepayers can also pay the annual amount due by 30 November and have the penalties on the first instalment remitted.

## Discussion

Of the total instalments issued each quarter approximately 1,100, for various reasons, do not pay within the specified time. Council staff have generally taken a compassionate stance in cases of hardship or forgetfulness where there is genuine concern and attempt to make payment. All accounts outstanding after payment date incur a 10% penalty on the instalment. A further 5% is charged on previous years arrears in July and January of each year.

In all cases staff encourage discussion with ratepayers who are having difficulty with payment, in order to set up options before arrears become too great.

## Processes Employed

The following schedule details the sequence of letters forwarded to rate accounts which fall into arrears. Samples of these letters are also supplied here for your information.

<b>Instalment No</b>	<b>Date</b>	<b>Letter Type</b>	<b>Process</b>
1	8/09/2008	Penalty letter 1	Sent to all ratepayers who have missed their 1st instalment
2	5/12/2008	Penalty Letter 1	Sent to all ratepayers who have missed the November instalment (minus last paragraph of first letter).
	5/12/2008	Penalty Letter 2	Sent to all ratepayers who have missed 2 instalments- direct debit form enclosed
	5/12/2008	Penalty Letter 2a	Sent to all ratepayers who have arrears from previous year.
3	7/03/2009	Penalty Letter 1	Sent to all ratepayers who have missed the February instalment, with the appropriate dates changed.
	7/03/2009	Penalty Letter 2b	Sent to all ratepayers who have missed their 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> instalments – direct debit form enclosed
4	8/06/2009	Penalty Letter 1	Sent to all ratepayers who have missed the May instalment, with the dates altered accordingly
	8/06/2009	Penalty Letter 3	Sent to all ratepayers who have missed their instalments
Mortgagee	Aug-08	Previous Arrears Letter	Sent to all ratepayers owing over \$200 for the previous year, giving them 14 days to pay.
	Oct-08	Bank Letter 1	Sent to Mortgagee for those who have not paid or contacted Council.
	Jan-09	Bank Letter 2	Letter to Bank requesting payment for rates
	Feb-09	Bank Letter 3	Reminder Letter to bank to pay rates

## **Recommendation**

That the Rates Penalties Process report dated 4 November 2008 be received.

Russell Holden  
Accounting Manager