



## DEBT RECOVERY POLICY

Policy No: 1.8.13(V3)

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Supersedes: 1.8.13(v2)

Proposed Review Date: 23/10/2020

Responsible Officer: Manager Corporate Services

Verified by

General Manager.....

Verified by

Mayor.....

## **POLICY**

To establish a debt collection program for both property related debts and other debts which maximises inward cash flow to Council and provides the flexibility to manage Council debt in a sensitive manner and at minimal expense to both Council and the respective debtor.

## **BACKGROUND**

This Council policy establishes the objectives, statutory compliances criteria and principles in relation to debt recovery.

The policy directs that procedures be established and managed by the General Manager and the Council staff to:

- Recover money that is overdue for rates, charges, fees and other debts
- Provide financial assistance to ratepayers and debtors suffering financial hardship.

## **STATUTORY COMPLIANCE CRITERIA**

- Local Government Act 1993
- Local Government (General) Regulation 2005
- Council's instrument of Sub-delegation from the General Manager to Staff, Bodies and other individuals.

## **PRINCIPLES**

The principles of this policy are:

- Council recognises it has a responsibility to recover moneys owing to it in a timely, efficient and effective manner to finance its operations and ensure effective cash flow management;
- Council will treat all people fairly and consistently under this policy;
- Council will consider all matters under this policy confidentially; and
- Council will recognise genuine financial hardship and treat people with respect and compassion in considering their circumstances.

The General Manager will formalise procedures to accompany this policy.

## **POLICY**

### **Policy Objectives**

1. Maximise cash flow by minimising debts to Council.
2. Assist ratepayers and debtors suffering genuine financial hardship.
3. Compliance with applicable legislation, including, but not limited to the Local Government Act 1993.

### **Policy Statement**

#### **1. Overdue Rates and Water Charges**

Council rates are overdue when not paid in accordance with Section 562 of the Local Government Act (the Act).

Council will take recovery action within one month of the rates becoming overdue, unless the ratepayer enters into an overdue payment agreement.

Council will not take recovery action for overdue rates when a ratepayer complies with an overdue payment agreement.

Should it be deemed necessary for Council to take legal action to recover overdue rates and charges, any costs awarded to Council by a court in these proceedings are a charge on the land, payable by the ratepayer, in accordance with Section 550 of the Act.

Ratepayers must pay the overdue rates in full by 31 May of the rating year in which they enter the overdue payment agreement. Council may extend the 31 May deadline if they believe exceptional circumstances exist in accordance with section 564.

#### **2. Interest Charges**

Interest is raised on overdue rates and charges in accordance with section 566.

Interest accrues on daily basis. Interest accrues on rates and charges that remain unpaid after they become due and payable. Council sets the rate of interest which is not to exceed the rate set by the minister as published in the Government Gazette for that time.

#### **3. Sundry Debtors**

Sundry debtor accounts are overdue if not paid within thirty days of issuing of the account.

Council may stop the provision of credit facilities to debtors when an account is overdue for more than sixty days.

## **RELATED POLICIES**

Debt Recovery Procedures

Water Disconnection Policy

Internal Filtered Water Leaks

