| | # Debt Recovery Policy | Version No: | 1.9 |
|---|---|---|---|
| | | Issued: | 16 June 2010 |
| | | Last Review: | May 2026 |
| | | Next Review: | May 2029 |

| | |
|---|---|
| **Name of Council:** | Wudinna District Council |
| **Responsibility:** | Financial Management |
| **File Reference:** | 6.3 |
| **Policy Level:** | Discretionary |
| **Minutes Reference:** | 16 June 2026 – 11.1.3 |
| **Next Review Date:** | Council may review this policy anytime but will endeavour to review within each four year electoral term or as required by legislative change. |
| **Applicable Legislation:** | Local Government Act 1999 |
| **Related Policies:** | Complaints Policy & Procedure<br>Behavioural Management Policy Elected Members<br>Behavioural Standard for Council Employees<br>Customer Hardship Policy<br>Employee Conduct Policy<br>Financial Management & Internal Control Policy<br>Privacy Policy<br>Water Industry Act 2012 – Customer Hardship Policy |
| **Related Procedures:** | Application for Arrangement for Payment of Rates / Council Debt |

**INDEX**



## 1. POLICY OBJECTIVE

The objective of this policy is to:

- Ensure a fair, consistent and accountable approach to Council's debt management, collection decisions and practices.
- Assist in the efficient management of Council assets through the timely collection of outstanding monies.

A separate Customer Hardship Policy applies in the event of Hardship.

## 2. DEBT MANAGEMENT AND RECOVERY PRINCIPLES

The management and recovery of outstanding revenue is an important aspect of Council's financial management function. The principles that will apply in the management and recovery of debt are as follows:

- Council has a responsibility to recover monies owing to it in a timely and efficient manner to finance its operations and ensure effective cash flow management;
- Council will operate effective billing and debt collection processes;
- Council aims to minimise the amount of outstanding monies that it is owed;

- Debtors are expected to take responsibility for their Council debt obligations and to organise their affairs in such a way as to be able to discharge these obligations when required;
- If a debtor cannot meet their obligations on the due date, it is in the interest of the debtor and Council for the debtor to contact Council at the earliest opportunity to make appropriate arrangements to address the debt;
- Council will explain the debtor's rights and obligations in relation to any action that Council might take to recover the debt;
- Council will not issue a letter of demand to a debtor without taking all reasonable steps to establish a payment arrangement or negotiated settlement of the outstanding debt;
- Council will utilise all available internal resources before outsourcing debt collection at cost to Council;
- If Council is required to commence debt recovery action, it reserves the right to seek to recover any associated collection costs from the debtor;
- Once a letter of demand has been issued and payment in full has not been received, legal action will proceed. Any settlement negotiations will be made on a "without prejudice" basis so that the legal right to collect the debt is not compromised;
- Council has a legislative duty to ensure debtor payments are applied pursuant to Section 183 of the *Local Government Act 1999,* that is Costs first, Interest second, Fines third & Rates (core debt) last;
- The debtor's right to confidentiality and privacy will be considered at all times in regard to their financial circumstances. Council will make every effort to ensure that the information regarding their circumstances is not made known in the community or amongst members of Council's staff not involved in the debt recovery process.

## 3. SUNDRY DEBTS

All debtors are to be issued an invoice detailing the service or charge levied by the Council.

All debtors will be issued with a Statement at the end of each month as a reminder that details how old their debt is.

All debtors who are in arrears by 60 days or more will receive a Final Notice advising that legal proceedings to collect the debt will commence if full payment has not been received within 14 days from the date of the letter.

On the expiration of the 14 days as prescribed in the Final Notice, staff will take action to collect debts of $200 or more pursuant to Chapter 9, Part 5 of the *Local Government Act 1999*.

In the event that a sundry debt is in dispute, the debtor must lodge a complaint in writing to the Chief Executive Officer. The Chief Executive Officer will assess the debtor's complaint and take appropriate action whilst ensuring that a timely response is forthcoming, in accordance with Council's Complaints Policy & Procedure.

## 4. RATE DEBTS

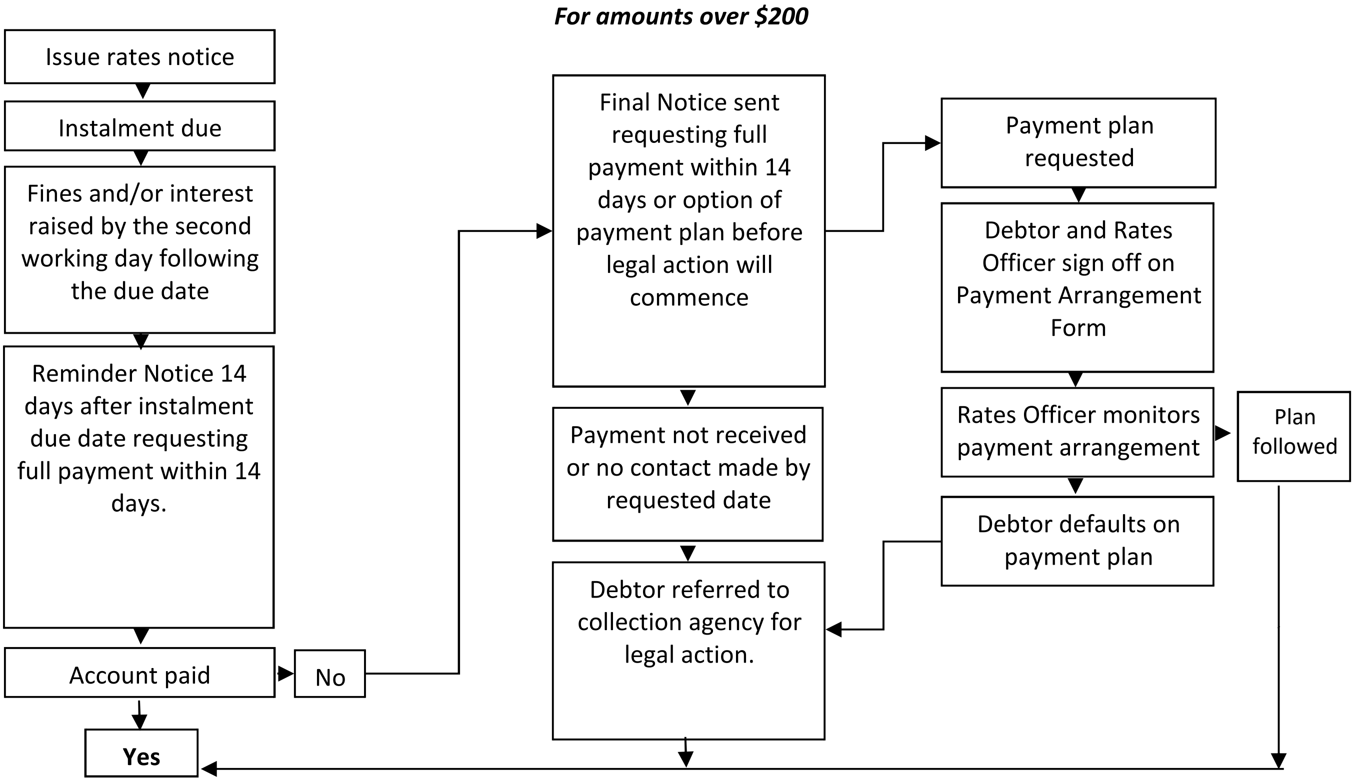
Council shall take a fair and reasonable approach in collecting outstanding rates. Rate debtors shall be encouraged to make arrangements to effect payment of their rate debt and shall be given their right to be heard by Council prior to full implementation of the provisions in Chapter 10, Division 9 of the *Local Government Act 1999*.

Debt collection will only commence for amounts of $200 or more. Rate debts less than $200 shall remain in arrears and be accumulated until such time as the debt reaches over $200.

| | | | |
|---|---|---|---|
| | Debt Recovery Policy | **Version No:** | 1.9 |
| | | **Issued:** | 16 June 2010 |
| | | **Last Review:** | May 2026 |
| | | **Next Review:** | May 2029 |

Council's Debt Collection Procedures shall be as follows:

***For amounts over $200***




## 5. PAYMENT PLANS

Ratepayers who are unable to pay rates and charges by the due date for any reason may apply to enter into an agreement with Council to make periodical payments. The payments made under this agreement must adequately repay the rates and charges levied by the end of the current financial year.

Minimum acceptable repayment will be calculated as:

$$Minimum\ Repayment = \frac{\text{Total Arrears} + \text{Total Outstanding for current FY} + \text{Any Fines, Interest \& Legal Charges Accrued}}{\text{Number payments to be made in the current financial year}}$$

In order for such an agreement to be considered, an *"Application for Arrangement for Payment of Rates / Council Debt" form must be completed subject to the mutual agreement of payment amounts. The ratepayer is to specify the dates and amounts that are to be paid and supply an appropriate contact phone number and the details of any authorised third parties who can speak for and on behalf of the debtor if contacted by Council or Council's debt collection agency.

If a ratepayer defaults on the agreed Payment Plan, the agreement shall be terminated in writing and the full amount of the outstanding rates and charges (including accrued fines and interest) shall be immediately due and payable. Recovery action shall be taken on recovery of the full amount due.

The principles of a Rate Payment Plan may also apply to Sundry Debtors, if appropriate. Verbal agreements shall not be accepted as Payment Plans for either Rates or Sundry debts.

* Reference to Customer Hardship Policy for customer hardship applications, assessment and principles.

| | Debt Recovery Policy | Version No: | 1.9 |
|---|---|---|---|
| | | Issued: | 16 June 2010 |
| | | Last Review: | May 2026 |
| | | Next Review: | May 2029 |

## 6. SALE OF LAND FOR NON-PAYMENT OF RATES

In accordance with Section 184 of the *Local Government Act 1999*, Council may sell land and property for the non-payment of rates.

A report will be prepared for Council detailing any rate debtors that have remained unpaid following the implementation of recovery action, and are in arrears for three years or more.

## 7. WRITING OFF BAD DEBTS

As per the Instrument of Delegation under the Local Government Act 1999, No. 52, the Chief Executive Officer has delegated authority to write-off debts up to and including $5,000 in respect of one debt. Firstly, the Chief Executive Officer must ensure that reasonable attempts have been made to recover the debt, if the costs of recovery are likely to equal or exceed the amount to be recovered.
Staff must complete the Write-Off of Bad Debts Form and submit it to the Chief Executive Officer (CEO) for authorisation.

## 8. PRESERVATION OF RIGHTS AND OBLIGATIONS

Nothing within this Policy shall detract from a debtor's rights and obligations to dispute, or seek alternative payment arrangements regarding rates as set out in Chapter 10, Division 9 of the *Local Government Act 1999*.

## 9. AVAILABILITY OF POLICY

This Policy will be available for inspection at Council's principal office during ordinary business hours and on the Council's website www.wudinna.sa.gov.au. Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Council's Schedule of Fees and Charges.