

	<h1>Debt Recovery Policy</h1>	<b>Version No:</b>	1.5
		<b>Issued:</b>	16 June 2010
		<b>Last Review:</b>	February 2023
		<b>Next Review:</b>	February 2027

Minutes reference:	Motion 10.1.2, 21 February 2023
Next review date:	Council will endeavour to review this policy every 4 years.
Applicable Legislation:	Local Government Act 1999
Related Policies:	Complaints Policy & Procedure Employee Conduct Policy Financial Management & Internal Control Policy Privacy Policy Water Industry Act 2012 – Customer Hardship Policy
Related Procedures:	Code of Conduct for Council Employees Code of Conduct for Elected Members

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### 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.

### 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;

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- 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.

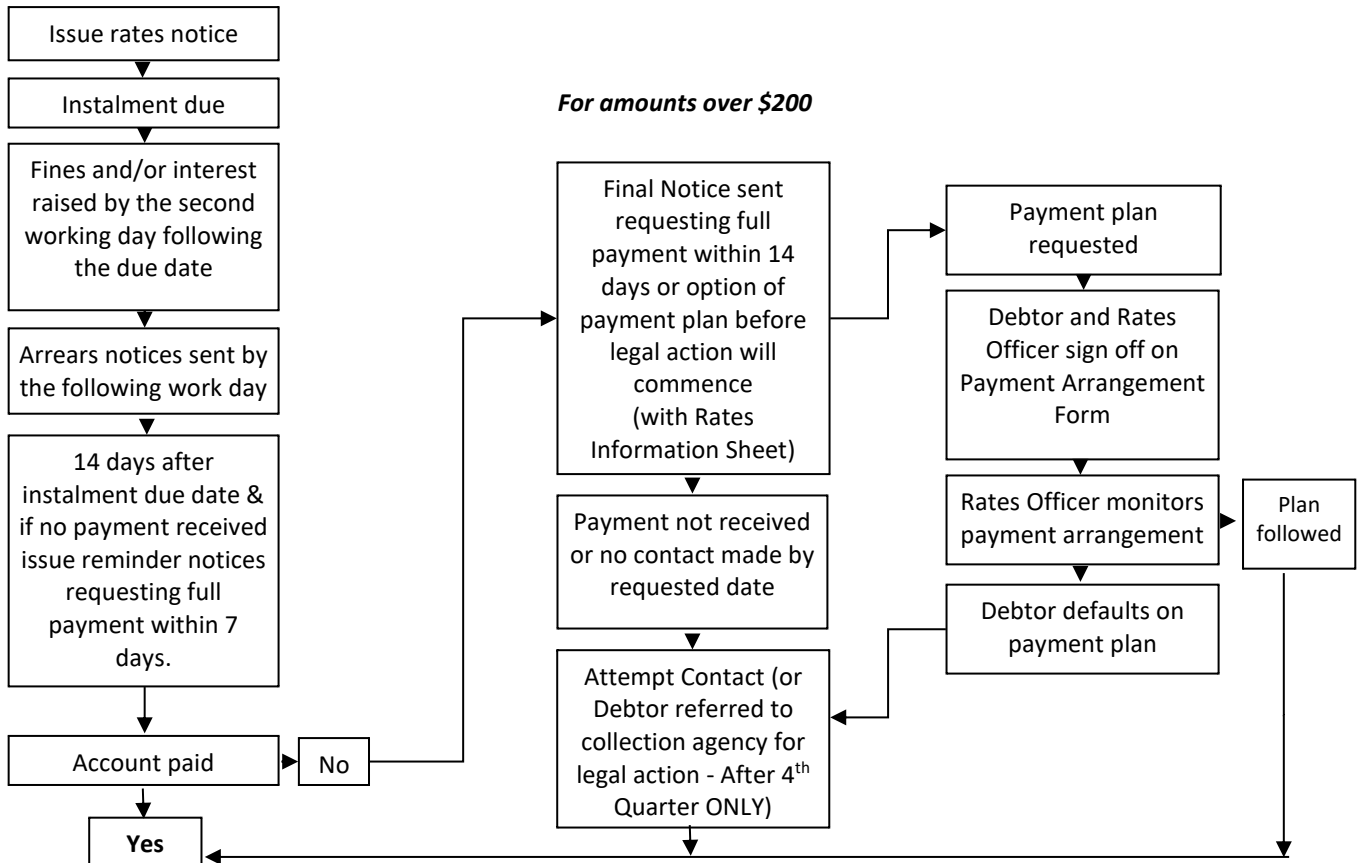
### 4. RATE DEBTS

Council shall take a fair but 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, and only once per annum (after the 4<sup>th</sup> quarter). Rate debts less than \$200 shall remain in arrears and be accumulated until such time as the debt reaches over \$200.

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Council’s Debt Collection Procedures shall be as follows:



**Outstanding Rates – Quarters 1, 2 and 3**

If payment (or arrangement to pay) has still not been made after the Final Notice Letter, Council’s Debtor Officer or Finance Manager shall assess amounts over \$200 and together with knowledge of the debtor’s history, attempt to make contact via SMS using Councils current SMS messaging system.


**Outstanding Rates – Quarter 4**

If payment (or arrangement to pay) has still not been made after the Final Notice Letter, Council’s Debtor Officer or Finance Manager shall assess amounts over \$200 and together with knowledge of the debtor’s history, refer the arrears to Councils selected Debt Collection Agency.

**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.

In order for such an agreement to be considered, an “Application for Arrangement for Payment of Rates” form must be completed subject to the mutual agreement of payment amounts (refer to Appendix 1). 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.

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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.

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

In accordance with Section 184 of the *Local Government Act 1999*, Council may sell land 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. Council will provide direction on further recovery action pursuant to Section 184 of the *Local Government Act 1999* on presentation of such a report.

## 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.

## 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](http://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.

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**Appendix 1 – Application for Arrangement for Payment of Rates**



**APPLICATION FOR ARRANGEMENT FOR PAYMENT OF RATES**

**Application Details:**

Assessment Number/s						
Property Address:						
Name of Applicant:						
Home Phone No:		Mobile No:				
Payment Amount:	\$	Payment Frequency:	Weekly <input type="checkbox"/>	Fortnightly <input type="checkbox"/>	Monthly <input type="checkbox"/>	Other (specify)
Date of 1 <sup>st</sup> Payment:						

**Authorised 3<sup>rd</sup> Party (may be contacted regarding your debtor account in your absence):**





<b>Name:</b>		<b>Mobile Phone No:</b>	
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**Conditions of Agreement:**

- Interest and fines will accrue at the prescribed rate on all outstanding balances until the account is settled in full.
- All outstanding balances (including arrears from any previous years) must be settled within the current financial year.
- Should two (2) or more consecutive payments lapse then the Wudinna District Council may, without further notice to the debtor, refer the outstanding amount to a debt collection agency for legal action.
- A proposed Payment Arrangement is not approved until such time as acceptance of the arrangement is confirmed by an authorised officer of the Council.

<b>Signed by Applicant:</b>		<b>Date:</b>	
<b>Signed by Authorising Council Officer:</b>		<b>Date:</b>	

**Payment Methods:**

			 <p>IN PERSON</p>	<p><b>IMPORTANT PLEASE READ</b></p>
<p>Telephone &amp; Internet Banking</p> <p>Call your bank, credit union or building society to make this payment from your cheque, savings or credit card amount.</p> <p>- Biller Code <b>34702</b></p>	<p>Payment can be made with Mastercard, Visa or Access card at the Council office.</p> <p>Minimum transaction - \$10 and No cash out</p>	<p>Mail payments to: Wudinna District Council PO Box 6 Wudinna SA 5652</p> <p>Cheques and money orders accepted.</p> <p>No liability will be accepted for postal payments made by cash. Post-dated cheques will not be accepted.</p>	<p>Call into the Council office at: 11 Burton Terrace, Wudinna SA 5652</p> <p>Cash, cheque, EFTPOS and money orders accepted. (Post-dated cheques will not be accepted.)</p> <p>Opening hours are: 8.45am – 5.00pm Monday – Friday</p>	<p>Council recommend that when paying your rates via iBpay, you must allow a <b>minimum of two working days</b> for the payment to clear. This is to ensure that the payment is processed by your financial institution and reaches Council by the due date.</p>

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Version No: 1.0  
Document No. 7.7.2  
Last Reviewed: 26/10/2017