

# Debt Recovery Policy

## 1 Purpose

The purpose of this policy is to fulfil the statutory requirements of the Local Government Act, 1993 (“the Act”) with respect to both the recovery of outstanding Rates, Annual Charges, interest and sundry debtors and the provision of assistance to those ratepayers who are experiencing genuine financial hardship with the payment of their rates and annual charges.

Council has a responsibility to recovery monies owing to it in a timely, efficient and effective manner to finance its operations and ensure effective financial management.

Council aims to ensure effective control over debts owed to Council, including overdue rates, charges and interest and to establish debt management procedures including alternative payment arrangements.

## 2 Policy

The main principles behind Council’s Debt Recovery Policy are as follows:

1. Collect all Rates and Charges by the end of each Rating year;
2. Apply a fair and reasonable approach to recovering overdue Rates and Charges;
3. Maintain Council's Rates & Charges Outstanding Ratio at or below **7%**;
4. Recover sundry debtor accounts in a timely manner in attempt to minimise accounts being over 90 days overdue;
5. Collect water accounts as documented in the Debt Recovery Procedure;
6. Where a property is tenanted, Council may restrict the water supply if the landlord does not pay the account, but will not disconnect the water supply;
7. Individually assess hardship applications;
8. Consider a scheme for arrangement of payments outside the due dates;
9. Utilise the services of an external Debt Recovery Agency (Mercantile Agents) where operatively required;
10. Apply the provisions of the Act relating to the Sale of Land as and when required.

### 3 Key Responsibilities

Position	Directorate	Responsibility
Mayor	Council	To lead Councillors in their understanding of, and compliance with this policy.
General Manager	Executive	To lead staff (either directly or through delegated authority) in their understanding of, and compliance with this policy.
Directors	All Directorates	To communicate, implement and comply with this policy.
Section Leader Financial Support	Business Services	Will accept all payment arrangements as declared in Council Delegations.
Team Leader Financial Support and Senior Revenue Officer	Business Services	Will accept all payment arrangements as declared in Council Delegations.
Financial Support Officers	Business Services	Will accept all payment arrangements as declared in Council Delegations. Any rates arrangements where legal action has commenced or any water arrangements where the property has been restricted must be approved by senior staff.
Customer Resolution Officers	Business Services	Will accept payment arrangements for rates if there is only one instalment outstanding, where balance of account is less than \$1,500 and for water where there is one account outstanding, less than \$300.

### 4 References (laws, standards and other Council documents)

- Local Government Act, 1993;
- Office of Local Government – Council Rating and Revenue Raising Manual – 2007;
- Local Government (General) Regulation 2005;
- Council’s Debt Recovery Procedure;
- Council’s Hardship Policy, Hardship Procedure and Hardship Application form;

### 5 Details of Approval and revision

- **Approval date:** 28/04/2022
- **Responsible Group:** Financial Services and Logistics Group
- **Responsible Section:** Financial Support
- **Superseded policies/procedures:**
- **Next review date:** 28/08/2025

#### Table of amendments

Amendment	Authoriser	Approval ref	Date
Position titles were updated	Council	2022/70	28/04/2022