

DEBT COLLECTION

Objective

- To ensure effective control over all outstanding debts owed to Council
- To instigate the recovery of all rates and charges and other debts owed to Council as they fall due
- To apply a fair and reasonable approach to recovering outstanding amounts
- Maintain Council's outstanding Debt Ratio at or below the industry standard

Scope

All monies owed to Council from rates and charges, water and sundry debtor accounts after a specified time period has passed.

Policy

Rates & Charges

Section 562(3)(b) of the Local Government Act defines the dates on which rates and charges instalments are due in each financial year. These dates are:

- 31 August
- 30 November
- 28 February
- 31 May

Rates and charges become outstanding if they remain unpaid after these dates. 14 days after these amounts become outstanding, Council will send a reminder notice to each person whose rates and charges are being paid by quarterly instalments.

Water

Water accounts are issued twice per year, primarily in November and May. These accounts are due one (1) month after their issue. Water accounts become outstanding if they remain unpaid after these dates. 14 days after these amounts become outstanding, Council will send a reminder notice to each person whose water account remains unpaid.

Sundry Debtor Accounts

Sundry debtor accounts are issued on request and debtors are then provided with a monthly statement. Monthly statements will continue to be issued until the debt is repaid.

Recovery of Debts

Recovery action will commence on all outstanding amounts when they are not paid to Council by the due date unless a mutually suitable arrangement has been made with the ratepayer/sundry debtor to pay the outstanding amount.

Recovery action may include reminder notices, letters of demand, final letters of demand, Statement of Liquidated Claim (SLC – summons), Default Judgements, Writ of Execution, Garnishee Orders, Section 569 Notices, Warrant of Apprehension, Notices to wind up a company and Sale of Land for unpaid rates under Section 713 of the Local Government Act 1993.

All costs incurred in the recovery of outstanding debts will be included in the total debt and is payable by the ratepayer/sundry debtor.

Recovery action will continue until such time as the outstanding debt and all legal costs incurred are paid in full, or a mutual arrangement is made with Council to pay the outstanding amounts as per this policy.

Actions

Recovery action will not commence unless the following timeframe has elapsed:

- Rates & Charges – 30 days after due date, provided outstanding notice has been sent
- Water – 30 days after due date, provided outstanding notice has been sent
- Sundry Debtor Accounts – 60 days from date of invoice

Recovery action will be undertaken in line with, but will not be limited to, the following guidelines:

- The outstanding amount is more than \$50.00
- If no contact has been made after Council's outstanding notices have been sent for Rates & Charges and Water and 60 days after an invoice has been issued for Sundry Debtor Accounts, the account will be referred to Council's Mercantile Recovery Agent who will issue a Final Reminder Letter advising that payment is due immediately.
- If payment is not received within 7 days, a Letter of Demand will be issued requesting payment by a certain date otherwise a Statement of Liquidated Claim (SLC) will be issued on Council's behalf by the Agent.
- If payment is not received within thirty (30) days of the SLC, Judgement will then be entered for the debt.
- Following the entering of the Judgement, Council is then able to take further action as prescribed by the Civil Claims Act as required in order to recover the debt.
- If a property has Rates and Charges outstanding for more than five (5) years or 1 (1) year in the case of vacant land, Council may take action to sell the property for unpaid rates under Section 713 of the Local Government Act 1993 to recover the outstanding amounts.

- Where a rates and water account is outstanding for more than thirty (30) days and/or a sundry debtor account is outstanding for more than sixty (60) days, credit may be stopped until the account is paid in full. This includes private works and other sundry debtor accounts.

Arrangements

- Arrangements will be accepted either over the phone or in person. All debtors are advised that if arrangements are not adhered to then further action will commence.
- Any agreement entered into shall endeavour to ensure that all rates outstanding are fully paid within 6 months or by 30 June of that rating year, whichever occurs first.
- Legal action to recover outstanding amounts will continue for any ratepayer or account holder who does not meet the full obligation of their agreement.

Relevant Legislation

Local Government Act 1993

Associated Documents

Nil

Responsible Officer:	Director Growth and Liveability		
Date Adopted:	17/2/11 20/3/18 21/02/23	Resolution No:	55/11 48/18 11/23
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