



# Debt Recovery Policy

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Adoption Date:	14 February 2011 by Council Resolution
Review Date:	14 February 2019
Version:	4
Division/Department:	Corporate Services/Finance
Responsible Officer:	Chief Financial Officer
HPE CM Record Number:	18/180258

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## Objectives

The objectives of the Debt Recovery Policy are to:

- Ensure that all reasonable efforts are made to provide debtors with an opportunity to pay their debt or to enter a scheme of arrangement to repay the debt, prior to initiating formal proceedings;
- Recover, or have initiate action to recover, all debts of the Council within ninety (90) days of them falling due unless other arrangements for payment are in place;
- Maintain the Rates Outstanding ratio at or below 5%

## Policy Statement

Council will take all necessary steps to recover debts of the Council which have fallen into arrears. In doing so, Council will:

- apply a fair and reasonable approach to recovering outstanding debts;
- individually assess any hardship application in accordance with its Financial Hardship Policy;
- consider a scheme of arrangement for payment outside the due dates using the following criteria:
  - a) The debtor is able to show cause as to why the debt cannot be paid in full;
  - b) The maximum period for repayment of the debt by instalments is to be within twelve months; or
  - c) Where financial hardship can be demonstrated as a result of a twelve month repayment period, the repayment period can be extended by up to a further twelve months;
- Allow, in appropriate circumstances, for a pensioners' rates and/or charges to accrue against the future estate of the sale of the land to which the rate and/or charge applies;
- not initiate action against a debtor which has an existing scheme of arrangement for payment unless that arrangement falls into arrears;
- only initiate formal proceedings for debts greater than \$500 and, in the case of Rates & Annual Charges debtors, two instalments in arrears;
- utilise the services of mercantile agents, except in instances where the debt relates to Rates & Annual Charges and the debtor is in receipt of a pensioner rebate; and
- only apply the provisions of the Local Government Act relating to the sale of land for unpaid rates in instances where the land is vacant or the property is not the ratepayers principal place of residence.

## Privacy

Personal information collected in connection with this Policy will only be used for the purposes of determining the application and will not be used for any other purpose or disclosed to any other person unless Council is required to do so by law or authorised to do so by the person to whom the personal information relates.

## Delegation of Authority

Authority for implementation of the Debt Recovery Policy is delegated by Council to the General Manager in accordance with the *Local Government Act 1993*.

The General Manager has in turn delegated the day-to-day management of Council's debt recovery the Manager Finance and, consequently, the authority to approve schemes of arrangement to pay.

Further, Council has delegated authority to the Director Corporate Services to write off amounts due to Council up to \$20,000.

## Review of this Policy

This Policy will be reviewed every two years or as required in the event of legislative changes. The Policy may also be changed as a result of other amendments that are to the advantage of that Council and in the spirit of this Policy. Any amendment to the Policy must be by way of Council resolution.

## Policy Amendments

Date	Responsible Officer	Description
10 Feb 2004	Don Johnston	Report to C&W
16 Feb 2004	Don Johnston	Adoption – C&W
11 Jan 2011	Don Johnston	Review – to C&W
7 Feb 2011	Don Johnston	Addition of \$20,000 write off DOA to Director Corporate Services
14 Feb 2011	Don Johnston	Adoption by Council