



**Version #:** Adopted  
**Prepared by:** Don Johnston  
**Approval by:** Corporate & Works Committee  
**Approved date:** 16 February 2004  
**Responsible Officer:** Senior Rates Clerk

## Our Policy

To 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;
- 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;
- 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 principle place of residence.

## Objective

- 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;
  - To recover, or have initiated 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%
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## How this Policy relates to our Management Plan

The Finance Section of Council has an ongoing objective of providing timely, accurate and meaningful financial, budgetary and management reporting, advice and support. Timely collection of debts supports the Section's capacity to meet this objective.

## Definitions

**Debt:** Amount owed to Council arising from the levying of Rates and Annual Charges, grant of lease, licence or approval or provision of goods or services.

**Formal Proceedings:** Formal proceedings are those undertaken by a mercantile agent on behalf of Council to recover the debt and will include the issue of letters of demand and commencement of action in a Court of appropriate jurisdiction.

## Implementation and procedures

For further information on this policy, contact our Senior Rates Clerk within the Corporate Services Division on 9391 7000.

## References/Documentation

Nil.

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