

POLICY NO: F/FM/15

FORMER POLICY NO:

DEBT COLLECTION

DIVISION	BUSINESS UNIT	RESPONSIBILITY AREA
Corporate Services	Finance	Financial Management

OBJECTIVE

To:

1. Outline clear and appropriate debt recovery procedures which will be undertaken by the Shire of Plantagenet.
2. Ensure effective control over all invoiced debts owed to the Council whilst being sympathetic to those ratepayers and debtors suffering genuine financial hardship.

POLICY

1. Rates – Outstanding Amounts
 - 1.1 Fourteen days after the due date, a reminder letter will be issued, giving seven days to arrange payment.
 - 1.2 Amounts outstanding after the seven days will be followed up with a Final Notice, giving seven days to arrange payment.
 - 1.3 Following this seven day period, contact is to be made by telephone where possible, in order to seek payment or a special arrangement.
 - 1.4 If payment is not received or adequate payment arrangements not entered into, the Chief Executive Officer will decide whether to proceed with further in-house debt collection options or refer the matter to debt recovery or legal agencies. Liaison will occur with such agencies to pursue a range of debt recovery options, which will be escalated to legal action including service of a General Procedure Claim and Judgment where necessary. This decision will be based on individual circumstances, including those of genuine hardship.
 - 1.5 Other courses of action that may be taken include:
 - (a) Rental seizure under Section 6.60 of the Local Government Act 1995.
 - (b) Lodging a Caveat on the property.
 - (c) Sale of land under S6.64 of the Local Government Act 1995 in accordance with Delegation 2.10. In this instance the Shire may rent or dispose of the property if rates remain unpaid for at least three years.
 - 1.6 Ratepayers who are unable to pay rates and charges by the due date either because of reasons beyond their control or because payment would cause undue hardship, may apply to enter into an agreement to make periodic payments subject to the following:
 - (a) The Chief Executive Officer is to endorse the arrangement.
 - (b) Special arrangements will be for regular instalments with the debt to be finalised by 30 June of the financial year where possible.
2. Sundry Debtors

- 2.1 Sundry debtor accounts become overdue if not paid within 30 days of issuing of the account.
- 2.2 On becoming overdue, a statement is to be issued requesting immediate payment.
- 2.3 Fourteen days after the statement is issued, contact is to be made by telephone where possible, in order to seek payment and to advise that the provision of credit facilities will cease in seven days.
- 2.4 After this seven day period has lapsed, the Shire may stop the provision of credit facilities to debtors. Recovery action may also be taken in line with Clause 1.4 unless the debtor enters into and complies with an overdue payment agreement. Any such agreement will not exceed six months unless exceptional circumstances exist.
- 2.6 The Chief Executive Officer may determine other suitable treatment options to deal with sundry debtors in the case of demonstrated hardship or other situations.

ADOPTED: 24 JUNE 2014

LAST REVIEWED: 7 NOVEMBER 2017