

DEBT COLLECTION

Purpose

This policy outlines clear and appropriate debt recovery procedures which will be undertaken by the Shire of Plantagenet (the Shire). It ensures effective control over all invoiced debts owed to the Shire 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, further in-house debt collection options may be followed or referred to debt recovery / legal agencies. Liaison will occur with such agencies to use a range of debt recovery options which, with the approval of the CEO, can be escalated to serving a General Procedure Claim. Following that, a Judgment and/or Means Inquiry can be pursued. These options 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) Special arrangements will be for regular instalments with the debt to be finalised by 30 June of the financial year where possible.
 - b) For special arrangements made after 1 April in any year, where it is not possible for the debt to be finalised by 30 June of that year, the instalment payments will be sufficient to pay the current debt and an estimate of the following year's rates, to be finalised by 30 June of the next financial year.
 - c) The CEO is to endorse any special arrangement where it is not possible for the debt to be finalised according to Clause 1.6(a) or 1.6(b).

- 1.7. Eligible ratepayers experiencing extreme financial hardship may apply to enter into an agreement under the Shire's Rates Debt Collection – Hardship Policy.

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.
- 2.5. The CEO may determine other suitable treatment options to deal with sundry debtors in the case of demonstrated hardship or other situations.

Document Control			
Document Responsibilities			
Owner	Chief Executive Officer	Business Unit	Corporate & Community Services
Reviewer	Executive Manager	Approval	Council
Document Compliance			
Legislation	Local Government Act 1995		
Other	Rates Debt Collection – Hardship Policy		
Document Management			
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