



Debt Recovery Policy

Policy Type	Administrative/Financial Policy		
Responsible Department	Office of Chief Executive Officer		
Responsible Officer	Deputy Chief Executive Officer		
Related policies/documents			
Date adopted	17 May 2022	Minute Number	2022.68
Version	3		
Last reviewed	February 2019 (Minute #2019.024)		
Next Review date	February 2026		

Policy Objective

The objective of this policy is to:

- Ensure a fair, consistent and accountable approach to Council's debt management and collection decisions and practices;
- Assist in the efficient management of Council assets through the timely collection of outstanding monies.

Debt Management and Recovery Principles

The management and recovery of outstanding revenue is an important aspect of Council's financial management function. The principles that will apply in the management and recovery of debt are as follows:

- Council has a responsibility to recover monies owing to it in a timely and efficient manner to finance its operations and ensure effective cash flow management;
- Council will operate effective billing and debt collection processes;
- Council aims to minimise the amount of outstanding monies that it is owed;
- Debtors are expected to take responsibility for their Council debt obligations and organise their affairs in such a way as to be able to discharge these obligations when required;
- If a debtor cannot meet their obligations on the due dates, it is in the interest of the debtor and Council for the debtor to contact Council at the earliest opportunity to make appropriate arrangements to address the debt;
- Council will explain the debtor's rights and obligations in relation to any action that Council might take to recover the debt;
- Council will not issue a letter of demand to a debtor without taking all reasonable steps to establish a payment arrangement or negotiate settlement of the outstanding debt;
- Once a letter of demand has been issued, legal action will proceed and any



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settlement negotiations will be made on a “without prejudice” basis so that the legal right to collect the debt is not compromised.

Debt Management

The following debt collection practices will be applied to all debts (rates and sundry debtors) over \$200 that are not in dispute which have been outstanding for sixty (60) days:

- First reminder letter will be forwarded, requesting payment within fourteen (14) days or to contact Council to enter into an arrangement;
- Where no response is received, second reminder letter will be forwarded requesting payment within fourteen (14) days or to contact Council to enter into an arrangement;
- Where no response has been received a letter of demand for payment within seven (7) days will be forwarded. The letter will state that failure to make payment in full or to enter into an arrangement will result in the commencement of legal action;
- Where no response has been received, outstanding debt will be forwarded to Council's debt collection agent;
- In the event that a default on a payment arrangement occurs, a first and final reminder letter will be forwarded for all amounts over \$200. The letter will state that failure to recommence the agreed arrangement within seven (7) days will result in the commencement of legal action.

Disputing a Sundry Debt

In the event that a sundry debt is in dispute, the debtor will lodge a complaint in writing, by either submitting a letter, email or completing a customer complaint form.

The Administration Officer will report the dispute and recommend resolution to the Deputy Chief Executive Officer or Chief Executive Officer to ensure that a timely response is forthcoming.

Council provides the Chief Executive Officer and Deputy Chief Executive Officer with the authority to write off sundry debts in accordance with their specific delegations.

Sale of Land for Non-Payment of Rate Debts

In accordance with Section 184 of the *Local Government Act 1999*, Council may sell land for the non-payment of rates.

The Deputy Chief Executive Officer will report to Council any rate debtors that have remained unpaid following implementation of recovery action as detailed above, and are in arrears for three (3) years or more. Council will give the Deputy Chief Executive Officer direction on further recovery action pursuant to Section 184 of the *Local Government Act 1999* on presentation of such a report.



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Review of Policy

This Policy will be reviewed every four (4) years however, Council may revise or review this Policy at any time (but not so as to affect any process that has already commenced).

Availability of Policy

This Policy will be available during business hours at the Council principal office, 21 Beach Terrace Elliston or at www.elliston.sa.gov.au.

Further information about this Policy can be obtained by contacting Council during office hours on (08) 8687 9177 or email dce@elliston.sa.gov.au