District Council of Elliston
Policy

Finance
E026: Debt Recovery

Signature	
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Person responsible for maintaining	Chief Executive Officer

Refer to the last page of this document for the Document History Table

1. Purpose

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.

2. 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 provide debtors who cannot meet their payment obligations with access to the Financial Hardship provisions where applicable;
- 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 settlement negotiations will be made on a "without prejudice" basis so that the legal right to collect the debt is not compromised;
- Council may, at its discretion, refer any unpaid debt to a credit collection agency to manage.

3. 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 Rates and Administration Officer will report the dispute and recommend resolution to the Director, Business and Community or Chief Executive Officer to ensure that a timely response is forthcoming.

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

4. 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 Director, Business and Community 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.

DOCUMENT HISTORY				
Version	**Changes since last version**	**Approved by**	**Record No**	**Issue Date**
1.0	New	CEO		February 2019
2	Minor formatting updates	CEO		17 May 22
3	Minor formatting updates	CEO		