

9.1. DEBT RECOVERY

OBJECTIVE: To establish a debt collection program for both property and non-property related debts, which ensures monies owed to council are collected in a timely, efficient and fair manner at minimal expense to both Council and individual debtors.

GENERAL: For debt recovery purposes, debts owed to council are classified as;

- Rates and Annual Charges – as levied per the Rates and Charges notice;
- Water and Wastewater Charges – as levied per Water and Wastewater Charges notices;
- Other Property related debts – as levied per debtor invoices;
- Other debts – as levied per debtor invoices.

POLICY:

Rates and Annual Charges:

Levy and due dates

Rates and Annual Charges are levied in full in July for each financial year by the service of a Rates and Annual Charges notice for each property.

The total amount becomes due and payable by four equal instalments with the following due dates; 31 August, 30 November, 28 February and 31 May.

Payment may be made in full by 31 August or by the quarterly instalment due dates.

Supplementary rate levies may also be required during the year. The due dates for these notices are based on the remaining instalment dates for the year.

Council will accept any alternative payment arrangement that suits ratepayers on the condition that;

- The full amount is cleared within the financial year; and
- Normal interest charges apply per the statutory instalment due dates.

An Instalment Reminder Notice is sent for instalments 2 – 4 a month before each respective due date (unless rates have been paid in full).

No other reminder notices will be sent. Any unpaid instalments and accrued interest charges will appear as arrears on the next Instalment Reminder Notice. Rate and Instalment Reminder notices will contain information to ensure ratepayers are aware of the recovery process.

Water and Wastewater Charges:

Levy and due dates

Water and wastewater service and usage charges are raised by individual notices per specific billing periods.

All notices become due for payment within 28 days of the notice date.

No other reminder notices will be sent. Any unpaid notices and accrued interest charges will appear as arrears on the next notice. Notices will contain information to ensure ratepayers are aware of the recovery process.

Penalties and recovery

Rates and annual charges levied become due, legally recoverable and subject to interest charges according to the assigned statutory instalments. Interest is charged daily on amounts that become overdue and interest amounts raised become due and recoverable as they accrue.

Charges for water and wastewater services become due, legally recoverable and subject to interest charges by the notice due dates.

The recovery process for property related debts will be combined per property.

The recovery process will commence once the amount overdue on a property reaches either;

- \$1,000 regardless of the number of unpaid notices; or
- \$750 if at least two consecutive notices for one charge type are unpaid.

The amount overdue includes all statutory charges relating to a property being;

- Rates and Annual Charges;
- Water and Wastewater charges;
- Interest charges.

The process will commence with the issue of a Letter of Demand by council's Debt Recovery Agent. This will give 21 days to respond by either;

- Making payment of the overdue amount in full; or
- Making an arrangement that is acceptable to council.

Compliance with this demand will not incur any costs other than interest charges.

If no such response is made by the date provided, legal action will commence without further notice. All corresponding court and recovery agent fees will be on charged to the debtor.

If the debtor still fails to make a payment or satisfactory arrangement, the most appropriate course of recovery action will be taken through the legal system up to the inclusion of the property in a sale for unpaid rates process. *In regard to overdue water usage charges, the use of water flow restrictors will be considered as a possible course of action.*

The onus is on ratepayers to avoid any recovery action by making payments by due dates or contacting council before due dates expire if an alternative payment arrangement is required. Council will not incur costs that cannot be recovered or threaten legal action that is not intended to be taken to pursue missed instalments.

To encourage ratepayers to avoid litigation, public awareness and transparency of this policy and process is to be actively promoted. Full details will be provided with all rate and instalment notices and on Council's website.

Other Property Debts:

Levy and due dates

These are generally non-recurring transactions which are raised by invoice as required.

Due dates and payment methods may vary depending on the nature of the charge.

Penalties and recovery

As these are property debts the recovery of overdue amounts will be included with the process for rates and annual charges.

For properties that are exempt for rates and annual charges, the recovery process will be in accordance with other debts.

Other Debts:

Levy and due dates

These are sundry debtors that cannot be legally related to a property.

They are raised by individual invoices and due dates and payment methods may vary depending on the nature of the charge.

Penalties and recovery

Each invoice that becomes overdue will be recovered by;

- Issue of an Overdue Amount notice by council giving 21 days to pay;
- Issue of a Letter of Demand by council's recovery agent giving 21 days to pay;
- Commencement of legal action without further notice if required.

Debt Recovery Agent:

Council will engage a debt recovery agent from time to time with relevant qualifications and capacity, to undertake legal action and administer payment arrangements on behalf of council to ensure recovery action is;

- cost neutral to council;
- legally compliant; and
- administered efficiently, effectively and consistently.

It is not the intention of this policy to cause hardship to any ratepayer through Council's recovery procedures. At all times consideration will be given to clear the debt by way of mutually agreed arrangement of payments with a view to having the debt cleared prior to the end of the current financial year so the problem is not compounded.

All debts deemed to be uneconomical to recover or unrecoverable by the Director Corporate and Governance will be written off. All such write-offs will be reported to Council on a quarterly basis.