

Finance

Debt Recovery

Objective

To provide clear and appropriate debt recovery procedures which will be undertaken by the Shire of Koorda.

To ensure effective control over all invoiced debts owed to Council whilst being sympathetic to those ratepayers and debtors suffering genuine financial hardship.

Policy

Outstanding Amounts

- All monies owed to Council are deemed to be overdue following a period of 50 days from the date of the original invoice (excluding instalments options and payment arrangements).
- At the expiration of the 50 day period Council shall issue a final notice giving the debtor a further 30 days to rectify the debt.
- At the expiration of the 30 day period, if payment has not been forthcoming, then Council will issue an overdue letter requesting payment within 14 days.
- At the expiration of the 14 day period, if payment has not been forthcoming, then council will issue a letter of intent to summons, advising of Council's ability to, in the case of rates, all legal costs will be incurred by the ratepayer and the ratepayers credit rating will be affected. Payment is requested in 7 days.
- The matter is then handed to a debt collection agency (or Fines Enforcement Registry), and all costs associated with debt collection action will be borne by the debtor.
- Prior to commencing any action to sell land under the provisions of the Local Government Act 1995, the matter is to be referred to Council for consideration.
- Interest on outstanding monies shall be calculated on a daily basis at a level set at Council's annual budget for monies outstanding for a period greater than 35 days in accordance with Section 6.13(6) of the Local Government Act.
- In cases where the owner of a leased or renter property on which municipal rates are outstanding cannot be located or refuses to settle rates owed, notices may be served on the lessee or tenant to pay to the Council the rent due under the lease/tenancy agreement as it becomes due until the amount in arrear has been paid.

That any penalty interest accrued on an outstanding rates balance of less than ten dollars be written off by Council, in accordance with the provisions of Section 6.12 of the Local Government Act 1995.

That for a rates assessment with an outstanding balance \$0 and \$1,000 that no legal action be taken against the owner. Further that the owner be advised of the outstanding amount and that they can either choose to pay the debt, or the amount will show on the next rates notice received, accruing penalty interest at the appropriate rate.

That for a rates assessment with an outstanding balance of greater than \$1,000, the matter be referred to Council's debt collecting agency for recovery action to the extent permitted under the *Local Government Act 1995* (as amended).

Arrangements to Pay Off Debt

All requests for deferment and/or payment by instalments must be made in writing; and The ratepayer must when making application for deferment or payment by instalments provide writing:

- Details to support their payment;
- Advice as to the date payment will be finalised.

Related Documents (Legislation/Local Law/Policy/Procedure/Delegation)

Local Government Act 1995

- Section 6.12 Power to defer, grant discounts, waive or write off debts
- Section 6.13 Interest on money owing to local governments
- Section 6.45 Options for payment of rates or service charges
- Section 6.49 Agreement as to payment of rates and service charges
- Section 6.50 Rates or service charges due and payable
- Section 6.51 Accrual of interest on overdue rates or service charges
- Section 6.56 Rates or service charges recoverable in court
- Section 6.60 Local government may require lessee to pay rent
- Section 6.64 Actions to be taken
- Section 6.65 Power to lease: procedure

Shire of Koorda Delegation Register

Review History

Date	Council Resolution	Description of review/amendment
16/10/2019	RES: 091019	V1.0. Rewrite new policy.
Former Policy: F14 Rates - Procedure of Collection		
31/07/2000		Adoption of Policy

