

# DEBT RECOVERY POLICY



**Responsible Department:** Corporate Services  
**Responsible Section:** Financial Services  
**Responsible Officer:** Financial Services Manager

## Objective

The objective of this policy is to ensure the collection of rates, charges and debts owing to Council in a timely and consistent manner.

## Policy

### 1. Recovery of debts

- 1.1 Recovery action will commence when rates and/or charges are not paid by the due date for each quarterly instalment unless arrangements have been entered into to make periodical payments under Section 564 of the Local Government Act, 1993.
- 1.2 Recovery action will commence when water service and/or usage charges are not paid by the due date unless arrangements have been entered into to make periodical payments under Section 357 of the Water Management Act 2000.
- 1.3 Recovery action will commence if other debts (other than amounts due from Government Departments) are not paid within ninety (90) days.

### 2. Agreements for periodical payment

- 2.1 Ratepayers who are unable to pay rates and charges and/or water usage charges by the due date, either because of reasons beyond their control or because payment would cause hardship, may apply to enter into an agreement with Council to make periodic payments under Section 564 of the Local Government Act, 1993 or Section 356 of the Water Management Act, 2000.
- 2.2 If a ratepayer fails to meet the terms of an agreement, the agreement shall be terminated and the full amount of the outstanding rates and charges and/or water usage charges and accrued interest shall be due and payable. Recovery action shall commence immediately for amount due.
- 2.3 If a sundry debtor fails to meet the terms of an agreement, the agreement shall be terminated and the full amount of the outstanding sundry debt and accrued interest, if applicable, shall be due and payable. Recovery action shall commence immediately for the amount due.

### 3. Extra charges

Overdue rates and water usage charges shall be increased in accordance with the respective Act by the maximum allowable under the Act.

#### **4. Writing off accrued interest**

Applications for writing off accrued interest under the hardship provisions of the Local Government Act, 1993 and Water Management Act, 2000 shall be determined on the merits of each individual case, on the basis of whether or not the hardship criteria have been satisfied by the applicant and a proper opinion can be formed.

#### **5. Writing off by resolution or by order**

5.1 Rates or charges (including accrued interest) or other debts of \$2,000 or more will be written off only by resolution of Council. Amounts under \$2,000 will be written off by order of the General Manager or delegated officer (as is the present policy).

5.2 Applications to reduce or waive water charges are to be considered by Council's Hardship Committee established for this purpose.

#### **6. Transition period**

The provisions of any agreement with respect to outstanding rates or other amounts, existing at the date on which this policy is adopted, shall not be adversely affected by the provisions of this policy.

#### **7. Special circumstances**

Where special circumstances exist in a particular case, the policy may be varied by the General Manager.

### **References**

- Local Government Act, 1993
- Water Management Act, 2000

### **Measure of Success**

- To measure the collection of rates, charges and debts owing to Council.

### **History**

<b>MINUTE NUMBER</b>	<b>MEETING DATE</b>	<b>DESCRIPTION OF CHANGE</b>
12/2006	21 February 2006	Adopted
26/2012	21 February 2012	Reviewed
210/2013	2 April 2013	Reviewed