



Debt Collection Policy

Policy Number	F5
Responsible Officer(s)	Chief Executive Officer Manager Finance
Policy Adopted	April 1998
Last revised date	July 2022
Minutes reference	2022/07-10
Next review date	July 2026
Applicable Legislation	<i>Local Government Act 1999; Local Government (Financial Management) Regulations 1999</i>
Related Policies	Hardship Policy for Residential Customers of CWMS and Recycled Water Service; Rating Policy

1. POLICY PRINCIPLE

Wakefield Regional Council aims to ensure debts are kept at a minimum, while supporting residents who are experiencing financial stress.

2. POLICY OBJECTIVE

To provide clear direction on the process for managing and collecting outstanding debts.

3. POLICY DETAIL

3.1 Debt Collection

A debt collection agency can be appointed for:

1. Rates debtors whose rates instalments become outstanding beyond the required terms, and;
2. General debtors whose debts remain unpaid beyond three months.

This policy includes “in-house” debt collection processes to reduce the number of relatively small debts being forwarded to the debt collection agency. This aims to avoid costly/unnecessary referrals to the external agents.

Council will have a fair but responsible approach in the collection of long-term outstanding rate debts, with rate debtors being encouraged to make arrangements to effect payment of rate debts and being given the right to be heard by the Council prior to implementation of Section 184 of the Local Government Act 1999.

Ratepayers who are experiencing financial difficulties could be eligible for assistance and are encouraged to make application under Council policies Rating Policy and Hardship Policy for Residential Customers of CWMS and Recycled Water Service. These policies are for those who owe Council rates, fees or charges, who intend to make the payments but do not have the financial capacity to do so in line with Council’s payment terms.

3.2 When council undertakes debt collection

3.2.1 Rates Collection:

- rate debtors outstanding up to 60 days are issued with reminder letters and a final letter by Rates Officer. Rates debtors outstanding for more than 61 days after the issue of a fines notice and of a value of more than \$400, will be referred to a debt collection agency, unless suitable arrangements have been made for the payment of the rate debt. Rate debtors will be encouraged to make arrangements to effect payment of rate debts, this may include referring the rate debtor to Council's Rating policies;
- rates outstanding one to three years – use of debt collection agency and written notice to debtor advising of Council's ability to recover rates via sale of land, i.e. pursuant to Section 184 of the Local Government Act 1999, and requesting their cooperation by arranging payment of debt;
- rates outstanding over three years – written notice advising of commencement of implementation of Section 184, encouraging payment or arrangements to pay debt and detailing process and timing of implementation of Section 184 This will include:
 - o provision of one month for reply / request to be heard by Council
 - o arrangement of a Council hearing (if requested)
 - o provision of two months for the Ombudsman's consideration and opinion (if requested); and
 - o implementation of Section 184 proceedings if debt not satisfied or satisfactory arrangements made.

3.2.2 Sundry Debtors Collection:

- 30 Day Overdue: highlighting on the debtors statement any overdue amounts with a reminder sticker
- 60 Days Overdue: account is re-sent with a "past due" stamp applied.
- 90 Days Overdue: a final notice letter is sent to the debtor and if no response after 7 days the Manager that is responsible for the function which the debit was initiated, is contacted and asked if there is any reason why the matter should not be placed in the hands of a debt collector. If there is no response, the account is referred to a debt collection agency.

4. REVIEW

This Policy shall be reviewed every 48 months, or more frequently if required by legislation or Council.

Document history:

Version	Adopted	Description of Change
1.0	April 1998 - Min 442	New document
	Jun 2000 - Min 432	Legislative update
2.0	Nov 2002 - Min 157	Amendment due to introduction of quarterly rating
3.0	Mar 2011 - Min 203	Separate rate and general debtors, and rewrite first dot point in 'a' rates debt collection.
4.0	Apr 2012 - Min 215	Amended first dot point in part (a) to reduce number of relatively small debts going to the debt collection agency
	November 2014	Policy numbering system changed and inclusion of this document history table.
5.0	Jun 2016 - Min 276	Policy objectives included. More detail added regarding general debt collection 2.
6.0	July 2018	Changes largely to reflect new hardship provisions and move to new template.
7.0	July 2022	Changed reference from Hardship Policy to Rating Policy Under Rates Collection, Council staff efforts to recover rates through reminder notices and a final notice are mentioned.