

	COUNCIL POLICY	
	Debt Recovery Council Policy	
	Policy Number	CP024
	Directorate	Organisational Services
	Owner	Ken Diehm, Chief Executive Officer
	Last Approved	26/06/2024
	Review Due	26/06/2025

1. PURPOSE

Council relies on rates and charges to fund its services and facilities for our community, it has a responsibility to recover monies owing in a timely and efficient manner to finance operations and ensure effective cash management. This policy aims to provide a framework for debt recovery under the provisions of the *Local Government Act 2009* (QLD) and the *Local Government Regulation 2012* (QLD). Sections 132-135 of the *Local Government Regulation 2012* (QLD) specifies when rates and charges become overdue, when interest is payable on overdue rates and charges, and allows the use of court proceedings to recover overdue amounts.

2. SCOPE

The scope of this policy covers how to deal with overdue rates and charges, financial hardship including sale of land.

3. HEAD OF POWER

Local Government Act 2009 (QLD)
Local Government Regulation 2012 (QLD)

4. POLICY STATEMENT

4.1. Overdue rates and charges

Council has at its disposal a number of options to recover overdue rates and charges. Council does not enter into formal payment arrangements; however Council will accept any payment that is presented.

Council encourages those ratepayers who are behind in paying their rates or charges to make every effort to maintain regular payments in order to reduce the overdue amount and reduce the cost of interest that is being charged.

Debtors are expected to take responsibility for their debt obligations to Council and to 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 their interest that they contact Council at the earliest opportunity to make appropriate arrangements to address the overdue debt.

Where rates or charges are overdue beyond an acceptable level, these debts may be referred to Council's external recovery agency. Once rates and charges have been overdue for three years, or in certain circumstances specified in subsection 140(1)(c)(ii) of the *Local Government Regulation 2012* for one year, Council may commence proceedings to sell the land at a public auction.

When rates and charges become overdue, the recovery process that Council may use includes;

- issuing reminder letters;
- referral to external recovery agency;
- commencement of legal action, including judgement and enforcement options; and
- sale of land.

Variations to this process can occur in Council's discretion based on individual ratepayer circumstances.

4.2. Financial Hardship

Council's Financial Hardship Policy establishes a framework whereby eligible ratepayers who are experiencing financial hardship and as a result are unable to pay their rates and charges, are able to apply for some form of relief.

Refer to Council's Financial Hardship Policy for further information.

4.3. Sale of Land

Council may commence proceedings to sell the property in accordance with subsection 140(1)(c)(i) of the *Local Government Regulation 2012* if:

- rates and charges remain unpaid for at least three years; and
- the liability to pay the overdue rates or charges is not the subject of court proceedings.

4.4. Sale of Land - Vacant Residential and Commercial Property with Judgment Obtained

Council may commence proceedings to sell the property in accordance with subsection 140(1)(c)(ii) of the *Local Government Regulation 2012* if:

- rates and charges remain unpaid on vacant land or land used solely for commercial purpose for one year or more and Council has obtained judgment for the overdue rates or charges; and
- the liability to pay the overdue rates or charges is not the subject of court proceedings.

4.5. Overdue Sundry Debts

Sundry debtor statements are issued monthly with a first reminder for those invoices that are overdue. The notice is a polite reminder to pay and encourages contact with Council if they are experiencing difficulties in paying the account.

A Final Demand Notice is issued 15 days later giving the debtor 7 days in which to complete payment or make appropriate arrangements, followed by a phone call from the Revenue Officer. If no response is received from the debtor to remedy the outstanding amount further action may be taken including:

- Putting the account on hold with future dealings on a cash basis only
- Ceasing the supply of goods
- Ceasing the supply of services

- Invoking breach clauses within contracts and leases
- Prohibiting the use of Council assets.

If the debt remains overdue after 90 days, it may be transferred to Council’s external debt recovery agency for recovery action.

Once a debt has been transferred to Council’s external debt recovery agency, should further invoices issued to the same debtor become more than 14 days overdue, these invoices may be transferred to the external agency and will be subject to recovery action along with any existing debt.

4.6. Legal Costs

All debt recovery costs and fees associated with any course of action are to be borne by the owner of the debt where permitted by law, i.e. debt recovery costs will be added to the debt.

4.7. Infringements

Council has a recovery process in place for overdue infringement debts. The process consists of a combination of follow up letters, and lodgment with SPER for collection.

4.8. Animal Renewals

Animal registration renewals are issued once a year. Unpaid animal registrations have a recovery process and consists of a combination of reminders, Approved Inspection Programs and Penalty Infringement Notices.

4.9. Unrecoverable Debts

After exercising all steps set down in this policy it may be considered impractical to pursue a debt any further. If a debt other than overdue rates or charges is considered unrecoverable it is necessary to obtain approval to have the debt written off. The following officers are delegated authority to write off unrecoverable debts:

Officer	Delegated Authority
Manager Financial Operations Manager Revenue and Property Rating Manager Community Rangers and Animal Facilities	Up to and including \$500
Executive Manager Financial Services	Up to and including \$2,000
Director Organisational Services	Up to and including \$5,000
Chief Executive Officer	Up to and including \$10,000

All debts in excess of \$10,000 will be referred to Council for approval to write off.

For the write off of unrecoverable overdue rates and charges, Council delegates the Chief Executive Officer its power to write off unrecoverable overdue rates and charges in the amount up to and including \$10,000 under section 9(1) of the *Local Government Act 2009*.

To grant an ex gratia write off of unrecoverable overdue rates and charges, the Chief Executive Officer must be able to demonstrate that they have taken reasonable steps to satisfy themselves that the overdue rates and charges are irrecoverable or the prospects of successful recovery do not justify the expenditure.

All unrecoverable overdue rates and charges in excess of \$10,000 will be referred to Council for approval to write off.

All unrecoverable debts written off will be recorded in the Unrecoverable Debts Register that is to be regularly reviewed and updated by the Senior Management Accountant.

4.10. Rates Interest Write Off

Council delegates the Chief Executive Officer its power to write off rates interest in the amount up to and including \$2,500 under section 9(1) of the *Local Government Act 2009*.

To grant an ex gratia write off of rates interest, the Chief Executive Officer must be able to demonstrate that the ex gratia write off is likely to generate proportionate benefits to its local government area.

All amounts in excess of \$2,500 will be referred to Council for approval to write off.

4.11. Credit Balance Refunds

Balances which are in credit will be refunded by Council upon request via cheque or EFT. The request for rates refund form can be found on Council's website.

4.12. Contact Details

Debtors have a responsibility to ensure that any change in contact details are provided to Council without delay. Failure to provide such advice may result in collection action being undertaken and additional costs being incurred by the debtor. To update your service address for rate notices, animal registrations and all other correspondence issued by Council, please complete and return the Change of Service Address form which can be found on Council's website.

4.13. Payment Options

Payment options available include: BPAY, Australia Post, Council website, credit card, over the phone, direct debit and in person at Council customer service centres. Over the counter payment methods are available for all payments, include: EFTPOS, cash, cheque, and money orders.

4.14. Category Objection Notices

If you do not agree with the rating category shown, you must give Council written notice of your objection within 30 days of the issue of the rates notice nominating the rating category the land should have been included in. The only ground for objection is that your land should have been included in another rating category at the date of issue of the rate notice. Giving notice of objection will not, in the meantime, affect the levy, the recovery of rates and the payment of rates by the due date. If the land is classified into another category the rates will be adjusted and if paid a refund will be made if appropriate.

5. ASSOCIATED DOCUMENTS

Debt Recovery Management Policy – DOCS #4069059

Animals – Registration Renewal Procedures in Property and Rating – DOCS #2512563

6. REVIEW

This Policy will be reviewed when related legislation/documents are amended or replaced, other circumstances as determined from time to time by Council or at intervals of no more than one year.

Version Control

Version Number	Key Changes	Approval Authority	Approval Date	Document Number
1	New Policy	Council	28/05/2014	2843028
2	Amendment – Special Meeting 17 June 2015	Council	17/06/2015	2843028
3	Amendment – Special Meeting 19 July 2016	Council	19/07/2016	2843028
4	Amendment – Special Meeting 19 July 2017	Council	19/07/2017	2843028
5	Amendment – Special Meeting 27 June 2018	Council	27/06/2018	2843028
6	Amendment - Risk Assessment added		18/07/2018	2843028
7	Amendment - Administrative		21/12/2018	2843028
8	Amendment – Ordinary Meeting No 10/20	Council	28/10/2020	2843028
9	Amendment – Ordinary Meeting No 06/21	Council	23/06/2021	2843028
10	Administration Error – Remove Read Only		26/10/2021	2843028
11	Amendment – Ordinary Meeting No 6/22	Council	15/06/2022	2843028
12	Amendment – Ordinary Meeting No 6/23	Council	28/06/2023	2843208
13	Amendment – Ordinary Meeting No	Council	26/06/2024	2843208