

## 6.2. DEBT RECOVERY GENERAL POLICY

**REPORT AUTHOR** Tara Killeen, Chief Financial Officer

**MANAGER** Rachel Brophy, Chief Executive Officer

**DEPARTMENT** Finance and Corporate Services

### RECOMMENDATION

**That Council adopt the Debt Recovery General Policy**

---

### EXECUTIVE SUMMARY

The Debt Recovery General Policy establishes a policy for the recovery of outstanding Rates and Charges and other accounts receivable. The policy also outlines the delegations of authority for writing off debts. Legislation relevant to this policy is s 95 and s 96 the *Local Government Act 2009* and Chapter 4, Part 12 of the *Local Government Regulation 2012*.

There have been minor administrative changes to the Debt Recovery General policy – date changes. The changes to the Debt Recovery General Policy were workshopped with Councillors on 16 April 2023.

### PROPOSAL

That Council adopts the Debt Recovery General Policy.

### FINANCIAL/RESOURCE IMPLICATIONS

There are no budgetary implications identified from the review of the Debt Recovery General Policy. There were minor changes made to the policy as outlined above.

### RISK MANAGEMENT IMPLICATIONS

Complying with legislative requirements ensures Council mitigates any regulatory or reputational risk.

### SUSTAINABILITY IMPLICATIONS

**Economic:** The Debt Recovery General Policy is reviewed to ensure it appropriately supports the economic sustainability of Council as well as maintaining legislative compliance.

**Environmental:** Nil

**Social:** Nil

## CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

### Corporate Plan 2019-2024 Initiatives:

#### Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

*Goal 1 - We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

*Goal 3 - We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

### Operational Plan 2023-2024 Actions:

Legislative requirement.

## COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

<b>Regulator</b>	Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes based approach that balances the needs of the community with social and natural justice.
------------------	--

## CONSULTATION

**Internal:** Nil

**External:** Nil

## COMMUNITY ENGAGEMENT

Nil

## ATTACHMENTS

1. Debt Recovery General Policy (2) [6.2.1 - 2 pages]

## 27. DEBT RECOVERY GENERAL POLICY

---

### Purpose

To establish a policy for the recovery of outstanding Rates and Charges and other accounts receivable.

### Scope

This policy applies to all Rates and Charges levied and other accounts receivable of Council.

### Policy Content

The following sets out the Debt Recovery General Policy. Legislation relevant to this policy is Section 95 and 96 of the *Local Government Act 2009* and Chapter 4, Part 12 of the *Local Government Regulation 2012*.

### Principles

Rates and charges are identified in Chapter 4 of the *Local Government Regulation 2012* as including differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest on outstanding balances. Accounts Receivable are debts owed to Council by customers for the supply of goods and services.

Council has a responsibility to recover monies owing to it in a timely and efficient manner to ensure effective cash flow management and financial sustainability. Council will undertake appropriate debt recovery action for all outstanding rates and charges and other accounts receivable in accordance with its debt recovery procedures, including compliance with the relevant provisions of the *Local Government Regulation 2012*. Such action will include the establishment of repayment plans where appropriate.

No action will be commenced regarding the possible sale of properties/assets to recover outstanding monies without first providing a report to Council and obtaining an appropriate resolution from Council.

### Delegation of Authority

The Chief Executive Officer has delegated authority to write off amounts of up to \$5,000 for rates and charges (including interest and legal costs) or other accounts receivable per customer as a bad debt.

The Chief Financial Officer has delegated authority to write off amounts of up to \$2,000 for rates and charges (including interest and legal costs) or other accounts receivable per customer as a bad debt.

Outstanding amounts greater than \$5,000 can only be written off by Council resolution.

### Related Legislation and Policies

*Local Government Act 2009*

*Local Government Regulation 2012*

*Information Privacy Act 2009*

Revenue General Policy

## Policy Review

This policy is to be reviewed whenever legislation changes, or every 3 years if no changes have been required to be enacted, at the direction of the Chief Executive Officer.

## Policy Details

<b>Policy Name</b>	<b>Debt Recovery General Policy</b>
<b>Policy Number</b>	27
<b>Policy Version</b>	7
<b>Document Number</b>	810036
<b>Endorsed by</b>	Chief Executive Officer
<b>Policy Type</b>	Council
<b>Approval Authority</b>	Council
<b>Date Adopted</b>	30/04/2024
<b>Time Period</b>	3 Years
<b>Review Date</b>	01/03/2027
<b>Policy Department</b>	Finance and Corporate Services
<b>Link to Corporate Plan</b>	Robust Governance and Efficient Service Delivery
<b>Revoked/Superseded</b>	

**This policy is to remain in force until otherwise determined by Council.**