

5.10. DEBT RECOVERY GENERAL POLICY

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DEPARTMENT Finance and Corporate Services

RECOMMENDATION

That Council adopt the Debt Recovery General Policy

EXECUTIVE SUMMARY

In accordance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012* Council is required to periodically review and adopt financial policies.

BACKGROUND

The **Debt Recovery General Policy** establishes a policy for the recovery of outstanding Rates and Charges and other accounts receivable. There have been minor administrative changes to this policy including adding a reference to Section 95 and 96 of the *Local Government Act* and Chapter 4 of the *Local Government Regulation 2012*.

PROPOSAL

The Debt Recovery General Policy is presented to Council for adoption.

FINANCIAL/RESOURCE IMPLICATIONS

There are no budgetary implications identified from the review of the Debt Recovery General Policy.

RISK MANAGEMENT IMPLICATIONS

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

SUSTAINABILITY IMPLICATIONS

Economic: The policies are reviewed to ensure they appropriately support 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 2014-2019 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.*

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:

Regulator 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: Finance and Corporate Services team members

External: Nil

COMMUNITY ENGAGEMENT

Nil

ATTACHMENTS

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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 for the year ended 30 June 2022. 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

Policy Name	Debt Recovery General Policy
Policy Number	27
Policy Version	6
Document Number	810036
Endorsed by	Chief Executive Officer
Policy Type	Council
Approval Authority	Council
Date Adopted	30/03/2021
Time Period	3 Years
Review Date	01/03/2024
Policy Department	Finance and Corporate Services
Link to Corporate Plan	Robust Governance and Efficient Service Delivery
Revoked/Superseded	

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