

REGIONAL COUNCIL OF GOYDER

 GOYDER South Australia's Heartland	DEBT RECOVERY POLICY & PROCEDURE	Department	F&A
		Version No:	3.1
		Adopted:	May 2016
		Reviewed:	Sept 2021
		Next Review:	Sept 2023
		Minutes Ref:	153/21
		Responsibility:	DOF

1. COLLECTION OF OUTSTANDING RATES

Council depends on income from rates and charges to fund services and facilities within the region. Council also has a responsibility to ensure outstanding rates and charges are recovered in a timely manner to finance operations and ensure effective cash management practises. Council will attempt to recover all costs, interest and legal expenses incurred by Council in recovering outstanding rates while recognising the need to identify and consider individual cases of genuine hardship.

The Local Government Act 1999 (the Act) includes provisions which allow for the negotiation of payment plans, the ability to grant discounts or other incentives in order to encourage the prompt payment of rates, and for consideration of remission or postponement of rates in whole or in part when taking into account the hardship caused to a ratepayer. These avenues of assistance should be explored prior to initiating the recovery of rate arrears. Council will not place an outstanding rate debtor with Council's Debt Collection Agency without taking all reasonable steps to establish a payment arrangement or negotiate settlement of the outstanding debt.

Section 181 sets out the general principles that apply to the payment of rates by a ratepayer. Section 181(8) provides Councils with the power to treat outstanding instalments as being in arrears, to charge a fine of 2 percent on the instalment amount and also to charge ongoing monthly interest at the prescribed percentage on the amount in arrears (including previous interest).

Section 184 provides that a Council may sell land for the non-payment of rates once a rate debt has been in arrears for 3 years or more. This section also prescribes a specific course of action that must be observed and undertaken by a Council prior to selling any land under this section for arrears of rates.

2. COMMUNICATION

Council will endeavour to educate ratepayers about their obligations to pay Council rates and charges and inform them of the likely consequences of non-payment. It is in the best interest of the ratepayer and Council to avoid the engagement of a debt collector as additional costs incurred by the debt collector are levied against the property and add to the total ratepayer liability.

3. PROCEDURE

3.1 Quarterly Reminder Notice

If a rate payer fails to make the quarterly payment amount due by the date stated on the current rates notice, a reminder notice will be sent out to the ratepayer within two weeks of the quarter due date.

3.2 Annual Reminder Notice

If a rate payer fails to make a payment for a preceding financial year, a reminder notice is to be sent to the ratepayer.

3.3 Payment Arrangements

REGIONAL COUNCIL OF GOYDER

DEBT RECOVERY POLICY & PROCEDURE V3.1

Payment arrangements are to be structured at a frequency and amount to ensure that a ratepayer adequately meets the current financial year rates and charges obligations and extinguishes the outstanding debt within a five year period.

If a ratepayer fails to make a payment for 2 months, Council staff will send a reminder letter advising them to contact Council and recommence making payments. If the ratepayer fails to contact Council and the overdue rates are greater than three years, Council staff is required to write to the ratepayer advising them that if after a 90 day period no communication is made by the ratepayer to Council, **S184 Sale of Property** will commence and Council are to engage the services of a debt collection agency for the commencement of proceedings to sell the property for non-payment of rates.

3.4 Debt Collection Agency Engagement

In the event that procedures 3.1-3.3 are unsuccessful and rates and charges on the property are outstanding for over 12 months Council staff will engage the services of a Debt Collection Agency.

3.5 Debt Collection Agency Engagement for S184 Sale of land for non-payment of rates

If a ratepayer has failed to respond to Council's request for communication regarding outstanding rates and charges and the total outstanding is approaching three years of outstanding rates and charges, Council staff is required to write to the ratepayer advising them that if after a 30 day period Council has not had communication from the ratepayer committing to and commencing a payment arrangement Council are to engage the services of a debt collection agency for the commencement of proceedings to sell the property for non-payment of rates under S184 of the Act.

4. DEBTORS – OTHER THAN RATES AND CHARGES

Council will mail out monthly debtor statements with reminders to outstanding debtors at the conclusion of each month. The engagement of a Debt Collection Agency for the outstanding debt is to occur once the following criteria is met, being:

- a) the debt is over six months old, and
- b) the debt is over \$50 (inc GST).

5. RECORDS

All records should be kept confidential and be treated in accordance with Local Government GDS40.

6. REVIEW

This document shall be reviewed by Council within two (2) years (or on significant change to legislation or aspects included in this policy that could affect the health and safety of workers).

7. REVIEW HISTORY

Document History	Version No:	Issue Date:	Description of Change:
	Draft	Feb 2016	Initial Draft
	Draft	April 2016	Reviewed by AC – 194/16
	1.0	May 2016	Adopted by Council – 82/16
	1.1	July 2016	Reviewed by AC – 04/16
	1.1	Aug 2016	Reviewed by Council – 182/16
	2.0	Aug 2017	Reviewed by AC – 06/17
	2.0	Sept 2017	Reviewed by Council – 189/17

**REGIONAL COUNCIL OF GOYDER
DEBT RECOVERY POLICY & PROCEDURE V3.1**

	3.0	19/08/19	Reviewed by AC – 07/19
	3.0	17/09/19	Reviewed by Council 202/19
	3.0	21/09/21	Reviewed by AC refer AC08/21
	3.0	19/10/21	Reviewed by Council refer 153/21