



WALCHA COUNCIL

ADMINISTRATION POLICY

Debt Recovery Policy

Applicability

All Council Staff

Publication Requirement

External

Assigned Responsible Officer

Office of the General Manager

Document Status

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Amendment Record

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1. POLICY OBJECTIVE

To have a formal and concise plan for the recovery of outstanding Rates and Charges, Water Accounts and Sundry Debtor Accounts including Preschool Fees.

2. POLICY STATEMENT

Rates & Charges and Water & Sewerage Charges Notices

Annual Rates and charges notices are issued in July each year with either the total amount or the first installment due for payment by 31 August. Subsequent installments are due at the end of November, February and May.

Water & Sewerage notices are issued after meter readings in approximately February, May, August and November, with accounts due thirty (30) days after issue.

A reminder notice is sent 7 days after the rates installment or water and sewerage account due date, which offers the following options:

- Make a payment arrangement (using direct debit or Centrepay or payroll deduction (staff only) where the outstanding debt will be paid within the rating year.
- All payment arrangements must be approved by the General Manager.

This letter will also state that legal action may be pursued to recover amounts that are still outstanding at the end of this period. All legal costs will be the responsibility of the ratepayer. Interest will be calculated throughout this process.

New legal action is commenced by Council's debt recovery agents, when two or more installments or accounts remain outstanding, or the total amount outstanding is over \$2,000. Water restrictors may be fitted to water meters when accounts are issued with a Letter of Demand from the debt recovery agent.

Once action has commenced and legal fees have been accrued, legal action will only be suspended doing one of the following:

- Paying the outstanding amount in full.
- By signing a direct debit application which authorizes Council to debit payments from their bank account that would ensure full payment of the debt within the rating year.
- Or signing a Centrepay deduction authority that provides for the outstanding debt to be paid within the rating year. If the debtor refuses, then legal action will continue.
- By authorizing a payroll deduction (Council staff only) that provides for the outstanding debt to be paid within the rating year.

The debt recovery agency is notified when payments or arrangements are made. Legal action that has been suspended may be reactivated (and water restrictors refitted) at any time of the year if the arrangements are broken.

Sundry Debtors and Preschool Debtors

Invoices are issued at any time throughout the month, with a due date of twenty one (21) days from the invoice date.

Any invoices remaining unpaid at the end of the month (regardless of their issue date) will be sent a statement of account, with a due date of fourteen (14) days from the statement date.



A reminder notice will be sent 7 days after the statement due date, which offers the following options:

- Payment within 14 days
- Make a payment arrangement (using direct debit or Centrepay or payroll deduction for Council Staff) in writing
- Arrange another due date
- All payment arrangements must be submitted in writing and approved by the General Manager.

This letter will also state that legal action may be pursued to recover amounts that are still outstanding at the end of this period. All legal costs will be the responsibility of the debtor and account credit will be suspended (sundry debtors).

New legal action may be commenced by Council's debt recovery firm, when accounts remain outstanding for sixty (60) days or the total amount outstanding exceeds \$2,000.

Credit will be suspended once an account is sixty (60) days overdue. Suspension will be lifted only when all outstanding invoices have been paid in full.

Once action has commenced and legal fees have been accrued, legal action will only be suspended / stopped by doing one of the following:

- Paying the outstanding account in full
- By signing a direct debit application which authorizes Council to deduct payments from their bank account
- Or signing a Centrepay deduction authority. If the debtor refuses, then legal action will continue.
- Signing a payroll deduction authority (Council Staff only).

The debt recovery agency will be notified when payments or arrangements are made. Legal action that has been suspended may be reactivated at any time of the year if the arrangement is broken or in default.

Preschool Fees

Due to the unique nature and regulations controlling the operations of the preschool, the following provisions will also be put in place in regards to preschool fees.

The preschool reminder notice will also state the following:

- Enrolment will be cancelled (preschool room) or restricted to two days per week (transition room) if fees remain outstanding and an acceptable payment arrangement is not in place.

3. REVIEW

Council reserves the right to vary, replace or terminate this policy at any time. This policy will be reviewed every 2 years or earlier if there are relevant statutory or State Government policy changes.