

POLICY No:	80
POLICY TITLE:	DEBT RECOVERY POLICY
SECTION RESPONSIBLE:	CORPORATE SERVICES - FINANCE
MINUTE No:	1535
REVIEW DATE:	30TH JUNE, 2010

OBJECTIVES:

1. To ensure consistency, fairness, integrity and confidentiality of all proceedings for both the Council and the ratepayer/debtor.
2. To comply with the statutory requirements of the Local Government Act 1993 in relation to the recovery of rates, charges and other debts on property.
3. To maximise collections of outstanding debts and to optimise Council's cash flow.
4. To be empathetic to ratepayers/debtors suffering genuine financial hardship.

RATES & CHARGES

Council may commence recovery action for arrears of rates and charges when one or more instalments are overdue, at the discretion of the Finance Manager.

1. Council is to issue a reminder letter requesting the ratepayer to pay the arrears in full or to make suitable arrangements to pay within fourteen (14) days of the letter.
2. If the arrears are not paid within the time stated or suitable arrangements to pay negotiated with Council, the debt is to be forwarded to Council's collection agency.
3. Council's collection agency will issue a final letter of demand requesting payment of the arrears in full or that the ratepayer negotiate suitable arrangements to pay the debt.
4. If the arrears are not paid or suitable arrangements to pay negotiated then legal action will commence to recover the arrears.
5. Legal costs incurred as a result of recovery action will be charged to the ratepayer's assessment in accordance with Sections 550 and 605 of the Local Government Act, 1993.
6. Council will take whatever legal action is necessary to recover the rates and charges at the discretion of the Finance Manager.

DEBT RECOVERY POLICY

ARRANGEMENTS TO PAY – RATES & CHARGES

In accordance with Section 564 of the Local Government Act 1993, Council may accept payment of rates and charges due and payable by a person in accordance with an agreement made with the person.

Arrangements are to be negotiated in accordance with the adopted procedures with the aim of recovering all arrears and the current year's rates and charges within the current rating year, where possible.

It is preferred that requests to pay rates and charges by arrangement be in writing and that payments be made via direct debit where possible.

Should a ratepayer default on an approved arrangement for payment, recovery action will recommence.

Council reserves the right to not accept a payment arrangement from a ratepayer if the ratepayer has a poor payment history with Council or if the arrangement will not pay the arrears within a reasonable time.

SALE OF LAND FOR UNPAID RATES & CHARGES

Where any rate or charge is overdue and has remained unpaid for more than five (5) years from the date it became payable, Council may proceed to sell the land in accordance with Division 5 of Part 2 Chapter 17 of the Local Government Act 1993.

Where any rate or charge is overdue for a period greater than 12 months in respect of vacant land and the amount overdue exceeds the Valuer General's current valuation of the property, Council may proceed to sell the land in accordance with Division 5 of Part 2 Chapter 17 of the Local Government Act 1993

KERB AND GUTTER AND FOOTPATH CONSTRUCTION CONTRIBUTIONS

The payment options for Landowners affected by contributions to Kerb and Gutter and Footpaving are listed below.

1. The debt to be repaid over a three year years in quarterly instalments with the first repayment falling due three months after the completion of the works.
2. If the Landowner fails to make any two consecutive payments then legal action may be instigated in accordance with the procedures for Rates and Charges.
3. Landowners suffering genuine hardship will be considered under Council's Financial Hardship Policy.

DEBT RECOVERY POLICY

SUNDRY DEBTOR ACCOUNTS

Council may commence recovery action for sundry debtor accounts when the debt is sixty (60) days or more overdue, at the discretion of the Finance Manager.

1. Council is to issue a reminder letter requesting the debtor to pay the arrears in full or to make suitable arrangements to pay within fourteen (14) days of the letter.
2. If the arrears are not paid within the time stated or suitable arrangements to pay negotiated with Council, the debt is to be forwarded to Council's collection agency.
3. Council's collection agency will issue a final letter of demand requesting payment of the arrears in full or that the debtor negotiate suitable arrangements to pay the debt.
4. If the arrears are not paid or suitable arrangements to pay negotiated then legal action will commence to recover the arrears.
5. Legal costs incurred as a result of recovery action will be charged to the debtor account.
6. Council will take whatever legal action is necessary to recover the outstanding debt at the discretion of the Finance Manager.

ARRANGEMENTS TO PAY – SUNDRY DEBTOR ACCOUNTS

Council may accept payment of sundry debtor accounts due and payable by the debtor in accordance with an agreement made with the debtor.

Arrangements are to be negotiated in accordance with the adopted procedures with the aim of recovering the debt within the current financial year, where possible.

It is preferred that requests to pay sundry debtor accounts by arrangement be in writing and that payments be made via direct debit where possible.

Should a debtor default on an approved arrangement for payment, recovery action will recommence.

Council reserves the right to not accept a payment arrangement from a debtor if the debtor has a poor payment history with Council or if the arrangement will not pay the arrears within a reasonable time.

POLICY DOCUMENT CONTROL

GHS Debt Recovery Policy	First adopted	26 Sep 2007 Min1184
GHS Debt Recovery Policy	1 st Revision	25 Jun 2008 Min 1535