



## COUNCIL POLICY

### Debt Recovery

**Policy No:** 2.11

**Policy Subject:** Debt Recovery

**Objective:** To outline clear and appropriate debt recovery procedures which will be undertaken by the Shire of Katanning and to ensure effective control over all invoiced debts owed to the Shire whilst being sympathetic to those ratepayers and debtors suffering genuine financial hardship.

**Policy Statement:** This policy sets the parameters for Rates and Sundry Debtors Charges, Write Offs and the Recovery Process

#### Rates – Outstanding Amounts

1.1 Amounts outstanding after the due date for payment will be followed up within ~~14~~ 30 days of the due date with a Final Notice.

1.2 Fourteen days after the Final Notice is issued, a Shire of Katanning reminder letter will be issued to those who owe current year plus a minimum of 50% of previous years rates giving ~~seven~~ 14 days to arrange payment.

1.3 Following this ~~seven~~ 14 day period, those assessments owing a minimum of current year plus 50% of previous years rates will be passed to the Shire's Debt Collection agency. The cost of which will be passed in full to the rate payer.

1.4 Debt Collection Agency - Stage 1 Service – Issue Demand Letter or Email. This includes management of all inbound calls and payment queries generated from their initial contact. If after 15 days of Stage 1 being issued payment in full or an agreed payment plan has not been established, then Stage 2 will commence.

~~1-3~~ 1.5 Debt Collection Agency - Stage 2 Service – Issue Final Demand Letters, Final Demand Emails and issue SMS demands 15 days after the Stage 1 Notice has been issued and neither payment has been made or a payment plan established. will be instructed to send a Notice of Intention to Issue a General Procedure Claim demanding payment and warning that legal action may commence if payment or a suitable arrangement is not made within seven days.

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If 15 days after the Stage 2 Notice has been issued, payment has not been received or an acceptable payment plan is not in place, then legal action will commence for those rate payers owing current and previous years (2 years) rates.

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~~1.41.5~~ After this seven-day period has lapsed,

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- i. Legal action will commence with the issuing of Court proceedings (General Procedure Claim) in accordance with S6.56 of the Local Government Act 1995.

~~1.51.6~~ Ratepayers who are unable to pay rates and charges by the due date either because of reasons beyond their control or because payment would cause undue hardship, may apply to enter into an agreement to make periodic payments subject to the following:

- i. The Chief Executive Officer is to endorse the arrangement.
- ii. Special arrangements will be for regular instalments with the debt to be finalised by 30 June of the financial year where possible.

#### **Sundry Debtors**

- 2.1 Sundry debtor accounts become overdue if not paid within 30 days of issuing of the account.
- 2.2 On becoming overdue, a statement is to be issued requesting immediate payment.
- 2.3 Fourteen days after the overdue statement is issued, contact is to be made by telephone, where possible, ~~in order~~ to seek payment and to advise that the provision of credit facilities will cease in seven days.
- 2.4 After this seven-day period has lapsed, the Shire may stop the provision of credit facilities to debtors. Recovery action through the courts may also be taken unless the debtor enters into and complies with an overdue payment agreement. Any such agreement will not exceed six months unless exceptional circumstances exist.
- 2.5 The Chief Executive Officer may determine other suitable treatment options to deal with sundry debtors in the case of demonstrated hardship or other situations.

#### **Write-off of small amounts**

To assist with the maintenance of the Shire's Rate and Sundry Debtors and to ensure employee resources are effectively utilised, the following shall apply;

- i. Sundry Debtors: any small balance outstanding at the end of the financial year of less than \$20.00 may be written off at the discretion of the Chief Executive Officer.
- ii. Rate Debtors: any small balance outstanding at the end of each month of less than \$20.00 may be written off at the discretion of the Chief Executive Officer.

**Resolution No:** Committee A304/96  
Ordinary Council FC209/96

**Resolution Date:** 22 February 1996

**Amended:** 26 November 2003 OC79/04  
22 October 2008 OC49/09

28 October 2011	OC29/12
22 October 2014	OC/106/14
27 March 2018	OC29/18
24 November 2020	OC120/20
22 December 2022	OC159/22

**Source:** Manager of Finance

**Date of Review:** October annually

**Review**

**Responsibility:** Executive Manager Corporate & Community