

Policy

STATUTORY

SUNDRY DEBT COLLECTION AND RECOVERY

Head of Power

Local Government Act 2009

Key Supporting Council Document

Lockyer Valley Regional Council Corporate Plan - 2022-2027:

Lockyer Leadership and Council –

- Commit to open and accountable governance to ensure community confidence and trust in council and our democratic values
- Compliant with relevant legislation

Definitions

Sundry debt refers to any debt owed to Council that is not a rate, special charge, separate charge, or utility charge which is levied on a property in accordance with Council's Revenue Statement.

Policy Objective

The objective of this policy is to set out Council's principles regarding the management of sundry debt, and a consistent and ethical process for the recovery of outstanding sundry debt without fear or favour across the organisation.

Policy Statement

Council recognises that in order to achieve its strategic objectives it is vital to manage and recover outstanding sundry debts. It is Council's policy to pursue the collection of outstanding revenue diligently but with due concern for any financial hardship faced by debtors.

The principles that apply in the management and recovery of debt are as follows:

- Transparency by making clear the obligations of debtors and the processes used by Council in assisting them meet their financial obligations

- Making the processes used to recover overdue accounts receivable simple to administer and cost effective
- Capacity to pay in determining appropriate payment arrangements (in exceptional circumstances only)
- Equity by having regard to providing the same treatment for debtors with similar circumstances
- Flexibility by responding where necessary to changes in the local economy

Recovery Actions – Overdue Sundry Debtors

All debtors other than Rental agreements invoices

STAGE	TIMING	ACTION TYPE	AUTHORITY LEVEL
1.	First business day of month	Statement issued to debtor with copy of outstanding Tax Invoice.	Accounts Receivable Officer
2.	60 days from Invoice date	Reminder Notice – Letter attaching copy of outstanding Tax Invoice advising debtor that payment is overdue and interest charges are accruing at 12.35% compounding on daily rests.	Coordinator Financial Operations
3.	90 days from Invoice date	<p>Notice of Proposed Legal Action – Notice advising debtor that legal action may be initiated unless the debt is paid in full or approved repayment arrangement has been entered into within 30 days from the issued date of Reminder Notice.</p> <p>Further action will be suspended if:</p> <ul style="list-style-type: none"> • payment is made in full or • debtor enters into and maintains an approved repayment arrangement 	Coordinator Financial Operations
4.	120 days from Invoice date	Legal action without further advice to Debtor.	Chief Financial Officer

Recovery Actions – Rental Agreements Invoices

STAGE	TIMING	ACTION TYPE	AUTHORITY LEVEL
1.	First business day of month	Statement issued to debtor with copy of outstanding Tax Invoice.	Accounts Receivable Officer

2.	45 days from Invoice date	Reminder Notice – Letter attaching copy of outstanding Tax Invoice advising debtor that payment is overdue and interest charges are accruing at 12.35% compounding on daily rests.	Coordinator Financial Operations
3.	75 days from Invoice date	<p>Notice of Proposed Legal Action – Notice advising debtor that legal action may be initiated unless the debt is paid in full or approved repayment arrangement has been entered into within 30 days from the issued date of Reminder Notice.</p> <p>Further action will be suspended if:</p> <ul style="list-style-type: none"> • Payment is made in full or • Debtor enters into and maintains an approved repayment arrangement 	Chief Financial Officer
4.	105 days from Invoice date	Legal action without further advice to debtor.	Chief Financial Officer

Council does not guarantee a phone call for outstanding debt. It is the responsibility of the debtor to make contact and ensure their contact details are current with Council to avoid interest penalties or further debt collection.

Payment Arrangements

As a general guide Council will not accept any requests for periodic payments except in exceptional circumstances. All offers are referred to the Chief Financial Officer or administration delegate for determination on a case-by-case basis.

If a payment commitment has been entered into by the debtor, Council will take no further recovery action whilst the commitment is current, and the committed payments honoured. Interest will continue to accrue until the debt is paid in full.

If the agreed commitment is not honoured, legal action will commence without further notice to the debtor.

Interest

Debtor invoices which remain outstanding for greater than 30 days, shall bear interest at the rate of 12.35%, compounding on daily rests.

Unpaid Debts Transferred to Rates

Unpaid debts for administration and slashing charges on properties are transferred to the land as unpaid rates under the provisions of section 142 of the *Local Government Act 2009*, which states that if the debt is not paid

within 30 days after the date of the notice, the local government may recover the debt as if the debt were overdue rates.

Debt Write Off

Amounts deemed unrecoverable up to \$25.00 per debtor may be written off by delegated authority granted to the Coordinator Financial Operations.

Amounts deemed unrecoverable up to \$500.00 per debtor may be written off by delegated authority granted to the Chief Financial Officer.

Amounts deemed unrecoverable up to \$1,000.00 per debtor may be written off by delegated authority granted to the Chief Executive Officer.

Amounts deemed unrecoverable of greater than \$1,000.00 per debtor can only be written off by Council resolution.

Human Rights

Council is committed to respecting, protecting and promoting human rights. Council has an obligation under the Human Rights Act 2019 to give proper consideration to human rights when making a decision, and to act and make decisions in a way that is compatible with human rights. To the extent that an act or decision under this policy may engage human rights, Council will have regard to the Human Rights Act 2019 in undertaking the act or making the decision.

Related Documents

Nil