

## **F02011 - OUTSTANDING DEBT MANAGEMENT POLICY**

Adopted Council 5.9.05

### **Objective**

To ensure:-

1. That debts to Council are managed efficiently and effectively; and
2. Equitable and objective consideration is given to a persons circumstances who has a debt to Council.

### **Policy**

#### **1. Accrual of Interest on Outstanding Rates and Charges**

Council will charge interest in accordance with section 566 of the Act, calculated daily on a simple basis applying the maximum rate specified by the Minister from time to time.

#### **2. Arrangements to Pay**

Where a debt is outstanding, the General Manager is authorised to enter into an arrangement under the provisions of section 564 of the Act to clear the outstanding debt. Such arrangements will include the charging of interest on the outstanding balance in accordance with section 566 of the Act, calculated daily on a simple basis applying the maximum rate specified by the Minister from time to time.

#### **3. Recovery of Outstanding Debts**

3.1 Any person, excluding those who have made an arrangement to pay, who have an amount outstanding debt 30 days after the due date shall be issued with an overdue notice.

3.2 Any person, excluding an eligible pensioner, not responding to an overdue notice before the due date shall be issued with a letter of demand by Council's Debt Collector allowing seven (7) days to pay the debt in full or make an acceptable arrangement, failing which legal recovery action will be instigated.

3.3 In the case of eligible pensioners who have not entered into an arrangement to pay or to accrue rates, charges and interest against the pensioner's Estate, the following procedure is to be followed:

- a. Eligible pensioners are to be contacted and made aware that they can apply to have their rates, charges and interest accrue against their Estate or alternatively that they can enter into an arrangement to pay.
- b. No legal recovery action is to be taken against pensioner ratepayers who have been granted a pensioner rates rebate concession under any circumstances.

3.4 Where legal action is unsuccessful and rates and charges are overdue in excess of five years, the property be sold by public auction in accordance with section 713 of the Local Government Act, 1993 subject to the concurrence of Council.

#### **4. Writing off of Accrued Interest**

4.1 Council will not write off or reduce interest in relation to an arrangement to pay under the provisions of section 564.

4.2 Council will only consider writing off accrued interest under the provisions of section 567 of the Act upon receipt of written application from the ratepayer and provision of sufficient documentation to allow the application to be determined.

4.3 In relation to applications based on hardship, the documentation required is a full statement of financial position including all assets, liabilities, income and expenditure.

4.4 For the purposes of this Policy it will not be deemed to have been "beyond a person's control" if:  
a. the person could have effected payment at any time between the service of the notice and its due date;

- b. the person could have made arrangements for another person to pay the account on their behalf; or
- c. the person has failed to give notice of a change of address or ownership prior to the service of the notice.

Irrespective of circumstances, accrued interest will not be written off under section 567 of the Act if:

- a. the person owns or has a beneficial interest in more than one property;
- b. the property is not the person's sole or principal place of residence;
- c. the property has been temporarily let;
- d. the person refuses to make written application and provide sufficient documentation to allow the application to be determined; or
- e. the person has defaulted in relation to an arrangement to pay.

4.5 Any amounts so written off will be dealt with in accordance with the authority delegated to the General Manager.

#### 5. Transfer of land as payment for Rates or Charges

Any application under the provisions of section 570 of the Act for the transfer of land in full satisfaction of rates, charges and interest accrued in respect of that land will be considered by Council.

#### 6. Hardship resulting from certain valuation changes

- 6.1 Council will only consider relief under the provisions of section 601 of the Act upon receipt of written application from the ratepayer and provision of sufficient documentation to allow the application to be determined.
- 6.2 The documentation required is a full statement of financial position including all assets, liabilities, income and expenditure.
- 6.3 The relief granted will be in the form of a deferral of the payment of the whole or part of the increase in the amount of the rate payable for a maximum of 24 months.

#### **Related Legislation**

- Local Government Act 1993
- Local Government General Regulation 2005