

<b>Policy number</b>	<b>Policy 303</b>
<b>Policy title</b>	Debt collection
<b>Strategic outcomes supported</b>	CL6 – Finances are managed appropriately, sustainably and transparently for the benefit of the community. CL8 – Visionary civic leadership with sound and accountable governance that reflects objective decision-making.

## Policy objective:

To provide for the recovery of overdue monies owed to the Town.

## Policy scope:

This policy applies to all employees of the Town and agents authorised to perform debt recovery services on behalf of the Town.

## Policy definitions:

### Rates and Service Charges debtors

Rates and service charges debtors are amounts raised against ratepayers and are secure in the sense that they attach to land which cannot effectively be sold unless the debt is cleared.

### All other Sundry Debtors

Sundry debtors include (but not limited to) monies owed to the Town through Technical Services, Town Facilities, Community Engagement and Financial Services. There is no security over these debts and it is important that they are rigorously monitored and collected.

### Fines, Prosecutions and Infringements

Any sums of money owed to the Town as the result of breaches of statutory requirements imposed by the Town or a court of law and includes any costs awarded by the courts.

### General Procedure Claim (GPC)

The claim lodged with the Magistrates Court where the value of the claim or the relief claimed does not exceed \$75,000.

### Property Seizure and Sale Order (PSSO)

A court order that authorizes a bailiff to seize and sell as much of the judgement debtor's real or personal property as necessary to satisfy the judgement debt wholly or partially.

## Policy statement:

1. The Town is committed to the collection of overdue debt in a fair, equitable and timely manner. The Town will show due diligence in the application of administrative processes relating to payment arrangements and the selection of various actions for the effective recovery of overdue debts.
2. The following principles provide high-level direction for the ethical and effective management of the Town's debt:
  - (a) Management is to establish and maintain appropriate controls in order to ensure the risk of financial loss is properly managed.
  - (b) Debts are to be pursued within the relevant statutory limitation periods to maximise recoverability.

- (c) Debt collection process to ensure the Town is reasonable, fair and utilises best practices in its approach to debt recovery.
  - (d) Debt collection activities against individual debtors should be in accord with the Australian Competition and Consumer Commission and Australian Securities and Investments Commission (ACCC-ASIC) Debt Collection Guideline for Collectors and Creditors.
  - (e) Debt is monitored regularly and necessary regular provisions made to recognise unrecoverable debt.
  - (f) Action for the writing off of bad debts (other than rates and services charges) should only take place where all avenues for recovery have been exhausted or it becomes unviable to keep pursuing the debt.
3. The Town will implement all reasonable measures to ensure the objectives of this Policy are delivered with procedural fairness to those subject to debt collection processes.
  4. Where a debtor is experiencing financial hardship, Policy 308 Financial Hardship applies.

### Policy Principal Application

5. The Town will apply the following fundamental guidelines in facilitating the appropriate establishment and management of its debt collection practices, including the conduct of officers and contracted agents in giving effect to this Policy.
  - (a) The Town will promptly provide targeted and consistent information, payment terms and advice for the type of service being charged.
  - (b) Where practicable, the Town will provide consistent payment options across its full range of services.
  - (c) All information relating to the debt to be accurate and readily available.
  - (d) The Town will recognise and assist those experiencing financial hardship, and provide appropriate assistance in a fair and equitable manner in accordance with Policy 308 Financial hardship.
  - (e) A clear and transparent dispute resolution process will be made available to those disputing any debt or charge owed the Town.
  - (f) The Town will be firm but fair in applying best practice methods for the recovery of debt, including exhausting all reasonable avenues to prevent matters from proceeding to Court or other formal action.

### Recovery of Outstanding Rates and Service Charges

6. Subject to Policy 308 Financial hardship, should a debtor fail to pay within the initial 35 day period (or failure to choose to pay by instalments or enter into a negotiated payment arrangement) the following debt collection process is followed (for non-pensioner rates and service charges);
  - (a) Final notice - is forwarded via post and email (if appropriate) outlining payment within 7 days or debt collection/legal action may occur as well as additional costs.
  - (b) Attempts to contact the debtor are made through any other communication channels available (phone and email).
  - (c) c. Intention to Summons - Failure to contact the debtor then results in a letter of demand being issued (Intention to Summons) outlining that failure to make payment within 7 days will result in recovery action with additional legal costs and interest.
  - (d) d. General Procedure Claim (GPC) - failure to make any appropriate arrangements for payment will result in the processing of a GPC. This is a court document to initiate legal action for collection of the unpaid debt.
  - (e) e. Owners who have multiple properties or the property with the outstanding debt is rented, the option to collect landlord rent for rates as per the Local Government Act 1995, section 6.60 and 6.61 may be actioned.
  - (f) f. Procession, Seizure and Sales Order (PSSO) or Means Enquiry Summons (MES) - If the GPC has been served and no arrangement to pay or payment in full has been received within 14 days, the rates department will explore options for collection through;
    - (i) PSSO - This court document allows the Town to seize goods and/or property/land for the collection of the outstanding debt
    - (ii) MES – This court document allows the Town to nominate a debtor to attend court and provide all financial records in order for the court to make a decision on their ability to pay. Arrangements are then made for collection based on the outcome.

- (g) Property and Land sale - after three years, if all available collection options have been exhausted and rates/service charges remain in arrears the Town may in accordance with section 6.64 of the *Local Government Act 1995* take possession of the land and hold the land as against a person having an estate or interest in the land and
  - (i) from time to time lease the land; or
  - (ii) sell the land; or
  - (iii) cause the land to be transferred to the Crown; or
  - (iv) cause the land to be transferred to itself.

### Recovery of Outstanding Debt – All other Sundry Debtors

- 7. Should a debtor fail to pay within the initial 14 day period the following debt collection process is followed;
  - (a) Debt outstanding - 30 days: A statement is forwarded to the debtor with a reminder and alerting them to their unpaid invoice.
  - (b) Debt outstanding - 60 days: A friendly reminder by way of email and phone calls.
  - (c) Debt outstanding - 90 days: An urgent action letter is sent (and emailed if appropriate) requesting immediate payment as well as a phone call. Assistance is also requested from the relevant service area to communicate with the debtor.
  - (d) Debt outstanding - 90 + Days: A final notice is forwarded outlining payment within 7 days or debt collection action will occur.
  - (e) Non-payment within 7 days – case is forwarded to the Town’s debt collection agency.
    - (i) Ongoing communication occurs between the Town and the debt collection agency relating to the collection.
    - (ii) Continued failure to pay or respond to debt collection results in legal action (dependant on circumstances and cost benefit to the Town).

### Recovery of Outstanding Debt – Fines, Prosecutions and Infringements

- 8. Should a debtor fail to pay within the initial 28 day period the following debt collection process is followed;
  - (a) The debtor’s information is collected through Department of Transport and a reminder notice is issued allowing a further 28 days to pay.
  - (b) A final demand is issue along with an additional late fee. The Town allows a further 28 days to pay.
  - (c) Failure to pay results in the infringement being forward to Fines Enforcement Registry (FER) for collection along with an additional collection fee.

## Related documents

- [Local Government Act 1995](#)
- [Policy 308 Financial hardship](#)
- [Practice 303.1 Debt collection](#)

<b>Responsible officers</b>	Manager Finance Coordinator Finance Accountant Senior Rates Officer
<b>Policy manager</b>	Chief Financial Officer
<b>Approval authority</b>	Council
<b>Next evaluation date</b>	May 2027

## Revision history

Version	Action	Date	Authority	Resolution number	Report number
1	Adopted	28/09/1999	Council	-	Item 4.1
2	Amended	15/08/2006	Council	-	Item 4.1
2	Reviewed	09/07/2013	Council	-	Item 10.1
2	Reviewed	11/08/2015	Council	-	Item 10.1
3	Amended	21/05/2019	Council	100/2019	Item 14.3
4	Reviewed and amended	20/08/2019	Council	148/2019	Item 10.1
5	Amended	19/05/2020	Council	414/2020	Item 15.2
6	Reviewed and amended	20/04/2021	Council	78/2021	Item 15.4
7	Reviewed	13/12/2022	Council	264/2022	Item 15.3
8	Reviewed and amended	20/05/2025	Council	95/2025	Item 11.3
9	Reviewed	19/05/2026	Council	68/2026	Item 11.3