# Debt Recovery Policy

**CONTROL:**

| | |
|---|---|
| Policy Type: | Admin & Finance |
| Authorised by: | Council |
| Head of Power: | *Local Government Regulation 2012* |
| Responsible Officer: | Admin & Finance Manager |
| Responsibilities: | Nil |
| Adopted / Approved: | 21 September 2026; Resolution 2026/205 |
| Last Reviewed: | September 2026 |
| Review: | June 2027<br>Note: This Policy is reviewed annually and should be included with Council's current Budget documentation. |

## 1. INTRODUCTION

### 1.1 PURPOSE:

The objectives of this Policy is to provide a framework for the recovery of rates and charges and general debt in accordance with the provisions of the Local Government Act 2009 and the Local Government Regulation 2012.

### 1.2 POLICY OBJECTIVES:

The objectives of this Policy is to ensure monies owed to Council are recovered in a timely, efficient and effective manner in order to finance Council's operations and ensure effective cash flow management.

### 1.3 COMMENCEMENT OF POLICY:

This Policy will commence on adoption. It replaces all other specific Debt Recovery policies of Council (whether written or not).

### 1.4 SCOPE:

Council has two (2) types of debts that may need to be recovered. Those that are charged against a property (predominantly rates and utility charges) and those that are not charged against a property. The latter generally relates to services that have been provided to a resident, community member, contractor or organisation. This policy applies to the recovery of Rates and Charges, and Accounts Receivable (General Debt).

## 2. POLICY

### 2.1 CONTEXT:

The context of this Policy aims to ensure a clear and concise approach is undertaken in respect to Council's debt recovery for outstanding Rates and Charges and Accounts Receivable (General Debt).

### 2.2 POLICY STATEMENT: Rates and Charges

Rates and charges are defined in the Local Government Regulation 2012 as including differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest or premiums owing on outstanding balances.

To encourage the prompt payment of rates and charges, Council will, in accordance with Section 130 of the Local Government Regulation 2012, allow a discount of 3% (or such other amount determined by Council) on the total annual rates, if paid in full by the discount date specified on the Rates Notice for the financial year ending 30 June.

Where rates and charges remain unpaid at the end of the period specified in the rate notice, such rates and charges bear interact at the rate of 12.19% calculated at compound interest (calculated daily) as prescribed by Section 133 of the Local Government Regulation 2012 from the day the rates or charges become overdue.

### 2.3 POLICY STATEMENT: General Debt

Council has a number of services that it provides to residents, community members, contractors or organisations for the payment of a fee or charge. Fees and Charges are considered and approved annually by Council in the budget development process. A number of fees and charges are levied after the provision of the service, consistent with industry practice, which requires a debtor's invoice to be issued, which the debtor is then required to pay.

## 3. RECOVERY PROCEDURES

### 3.1 RATES AND CHARGES

#### 3.1.1 Initial Recovery Action

##### 3.1.1.1 Rates and Charges

When rates are outstanding forty-four (44) days or more after the issue date of levy and no arrangement to pay has been made:

- Council will use a variety of methods such as phone calls, reminder notices and letters to all properties that have an outstanding balance of $50.00 or greater, allowing the ratepayer thirty one (31) days to fully pay the balance or negotiate a payment arrangement with Council. Please note that penalty interest will accrue from the day the rates or charges become due. This rate is currently 12.19%.
- Council encourages all ratepayers to contact Council with the intention of making an arrangement as soon as practicably possible if rates or charges become due. After the above 31 days, an arrangement is expected to be entered into to:-
    a) clear balance

b) make payments to clear balance within rate period or as a maximum the 30 June of the current financial year.

c) No more than three (3) alternative arrangements be allowed.

- Should the ratepayer fail pay the outstanding balance or contact Council and negotiate an alternative arrangement within the fourteen (14) days, a "Letter of Demand" will be issued. This letter will allow the ratepayer fourteen (14) days to pay the outstanding balance in full or negotiate a suitable payment plan with Council.
- Should the ratepayer fail to pay in full or make a suitable arrangement after a period of three months, debt recovery contact and processes will continue until full payment is made or a suitable payment arrangement is in place.
- See section 3.3.1 for payment arrangements.

### 3.1.2 Sale of Land for Overdue Rates

#### 3.1.2.1 Residential Property

Where rates remain unpaid for three (3) years or more and no arrangements to pay exists, Council may commence proceedings to sell the property subject to and by virtue of its powers under *Local Government Act 2009* and Regulations.

#### 3.1.2.2 Vacant Residential and Commercial Property

Where rates charges remain unpaid on vacant land or land used solely for commercial purpose for one year or more and no arrangements to pay exist, Council may, by obtaining a judgement and by virtue of its powers under *Local Government Act 2009* and Regulations, commence proceedings to sell the property.

#### 3.1.2.3 Pensioners

Apart from reminder letters, no further recovery action will be taken against pensioners who make and maintain a reasonable financial commitment to reduce their debt. Pensioners who do not make any effort to meet or reduce their outstanding debt may be subject to the normal debt recovery procedures, including sale action.

## 3.2 GENERAL ACCOUNTS RECEIVABLE/SUNDRY DEBTORS

### 3.2.1 General Accounts Receivable/Sundry Debtors

Where invoices are outstanding for thirty (30) days or more after the date of the invoice:-

- Reminder letters are issued on all invoices that have an outstanding balance. The reminder letter will give the customer fourteen (14) days to pay the outstanding amount in full, or negotiate a payment arrangement with Council.
- Should the customer fail to pay the outstanding balance within the fourteen (14) days, a "Letter of Demand" will be issued. This letter will give the customer seven (7) days to pay the outstanding balance in full or negotiate a suitable payment plan with Council.
- Should the customer fail to pay in full by the expiry of the period defined above, credit may be stopped or services limited and legal action may be commenced.

- See section 3.3.2 for payment arrangements.

#### 3.2.2 Legal Action

Debts will be assessed to ascertain the ability to recover and whether a solicitor will be required to act on Council's behalf. A Council resolution is required before legal action can commence.

When the amount of the debt is less $25,000 legal action may occur either by direct application to the Queensland Civil and Administrative Tribunal or by engagement of an external solicitor.

Amounts over $25,000 may be referred to Council's Solicitors for action.

### 3.3 PAYMENT ARRANGEMENTS

#### 3.3.1 Rates & Charges

Pursuant to Chapter 4, Part 11 of section 129 of the *Local Government Regulation 2012*, the Council may allow ratepayers to pay the outstanding rates balance by instalments. For such payment plans, the ratepayer/s must complete the Payment Arrangement Application for Rates,

No recovery action will be taken while the arrangement is being maintained. However, interest of 12.19% per annum compounding daily will continue to accrue in respect of the outstanding balance.

As a general guide Council will accept any 'reasonable offer' for periodic payments. A 'reasonable offer' for a payment arrangement will generally result in all overdue rates and charges being paid in full by the end of the half year period. Any arrangement outside this period will need to be considered by Council. In the event that a payment arrangement is not maintained within the agreed terms, recovery action will continue. Ratepayers can request a further arrangement, but a maximum of 3 arrangements will be given before no further arrangements will be considered by Council.

#### 3.3.2 General Accounts Receivable/Sundry Debtors

Council may allow general accounts receivable/sundry debtors to pay the outstanding debts by instalments. For such payment plans, the debtor must complete the Debtors Payment Arrangement Form and should result in all overdue debts being paid in full within a maximum period of three (3) months.

The Chief Executive Officer may approve payment arranges over a longer period up to a maximum period of 12 months. Council will take no further action whilst the arrangement is current and the committed payments are honoured, however failure to maintain the agreed terms will result in an escalation of recovery actions.

### 3.4 BAD DEBTS

The Chief Executive Officer has delegated authority to write-off amounts of up to $1,000 for rates, charges and sundry debtors, including interest and legal costs per customer as a bad debt. Bad debts of an amount greater than $1,000 per customer can only be written off by Council resolution.

## 4. REFERENCE AND SUPPORTING INFORMATION

### 4.1 DEFINITIONS:

To assist in interpretation, the following definitions shall apply:

| Word / Term | Definition |
|---|---|
| Council | means Bulloo Shire Council. |
| Rates and charges | are defined in Chapter 4 of Local Government Regulation 2012 as including differential general rates, minimum general rate levies, separate rates and charges, special rates and charges, utility charges and accrued interest or premium owing on outstanding balances. |
| Accounts Receivable | are debts owed to Council by customers for the supply of goods and services. |

### 4.2 RELATED POLICIES, LEGISLATION AND DOCUMENTS:

| Links to supporting documentation |
|---|
| Section 192 of the Local Government Regulation 2012 |
| Debtors Payment Arrangement Form |
| Payment Arrangement Application Form |

# Debtors Payment Arrangement

Please complete the details below & forward to the Finance Department as soon as possible.

**Application for Debtors Payment Arrangement**

This form is to be used to apply for a Payment Arrangement for Debtor Accounts.

**Please note** that completing this form is NOT ENOUGH to stop Council referring you to a Debt Collection Agency or taking Legal Action.

| | | | |
|---|---|---|---|
| Debtor Code (Office use Only) | | | |
| Entity Full Name | | | |
| Trading Full Name | | | |
| Personal Full Name | | | |
| Business or Residential Address | | | |
| Postal Address | | | |
| ABN / ACN Number | | | |
| Phone | | Mobile | |
| Fax | | Email | |
| Reason for Requesting Payment Arrangement | | | |
| Frequency of Payment (please circle) | Weekly Fortnightly Monthly Bi-Monthly | | |
| Date of each Payment e.g.<br>Each Wednesday, Every Second Friday, Every 20th of the Month etc | | | |
| Amount of Each Payment | $ | | |
| Date First Payment Will Be Made | | | |
| Last Date of Payment (if known) | | | |

| | | | |
|---|---|---|---|
| Customer's Signature | | Date | |

*Office Use Only*

| | | | |
|---|---|---|---|
| Revenue or Finance Officer Signature | | Date | |

**PRIVACY STATEMENT**

The information collected on this Form will be sued by the Bulloo Shire Council in accordance with the processing or assessment of your application. Council may provide this information when requiring under the Local Government Act. Your personal details will not be disclosed for a purpose outside of Council protocol, except where required by legislation (including the Information Privacy Act 2009) or a required by law. This information may be stored in the Council database. The information collected will be retained as required by the Public Records Act 2002.

# Payment Arrangement Application

Please complete the details below & forward to the Finance Department as soon as possible.

**Application for Rates Payment Arrangement**

This form is to be used to apply for a Payment Arrangement for Rates.

**Please note** that completing this form is NOT ENOUGH to stop Council referring you to a Debt Collection Agency or taking Legal Action.

Council Policy is that the arrangement MUST result in your account being paid in full by the end of the half year period.

| | |
|---|---|
| Assessment Number | |
| Postal Address | |
| Property Owner Name | |
| Postal Address | |
| Contact Number | |
| Reason for Requesting Payment Arrangement | |
| Frequency of Payment (please circle) | Weekly Fortnightly Monthly Bi-Monthly |
| Date of each Payment e.g.<br>Each Wednesday, Every Second Friday, Every 20th of the Month etc | |
| Amount of Each Payment | $ |
| Date First Payment Will Be Made | |
| Last Date of Payment (if known) | |

| | | | |
|---|---|---|---|
| Customer's Signature | | Date | |

*Office Use Only*

| | | | |
|---|---|---|---|
| Revenue or Finance Officer Signature | | Date | |

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