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| Policy Title | Sundry Debtor Recovery Procedures |
| Relevant Legislation/ Corporate Plan | <i>Local Government Act 1993</i> <i>Local Government (General) Regulation</i> <i>Civil Procedure Act 2001</i> <i>Corporations Act 2001</i> |
| Responsible Officer | Executive Manager Corporate Services and Governance |

Policy details may change prior to review date due to legislative changes, therefore this document is uncontrolled when printed.

Objectives

To ensure the efficient and prompt recovery of all outstanding sundry debtor accounts.

Policy Statement

1. Issue of Original Account

- a) Debtor accounts are due and payable one month after the issue of the original invoice. A debtor may approach Council and seek an arrangement to finalise the account if they are experiencing financial difficulties. It must be stressed that recovery action will only apply to debtors who have failed to make satisfactory arrangements to finalise their outstanding account or those who default on an arrangement.
- b) If at the end of the month in which the debt was raised the amount remains unpaid, a statement will be issued followed by subsequent statements each calendar month thereafter.

2. Statements issued with debts aged 30 days shall incorporate a reminder message, prompting account holders to contact and discuss the matter with Council's Revenue staff.

3.
 - a) Statements issued with debts aged 60 days will incur an additional administration charge or interest charges as determined from year to year in Council's Fees and Charges document and as stated in the Operational Plan.
 - b) Every effort shall be made to contact debtors by telephone or mail during the month debts are aged to 60 days. In the event that a suitable arrangement or payment is not made, a seven day letter is to be issued indicating referral of the matter to Council's agent for legal recovery action.
 - c) Legal recovery action to commence 10 days following the issue of a final letter of demand by Council's agents.

DATA AND DOCUMENT CONTROL

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| Division: City Governance Section: Financial Services DocSet: 1555277 | Adopted Date: 10/07/1990 Revised Date: 23/04/2021 Minute Number: 053 Review Date: 30/06/2024 | Page: 1 of 3 |
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4. Additional action in respect of Companies

Where companies continue to default after Judgment is obtained, it is considered that steps for the winding up of companies under Section 459 of the *Corporations Act 2001* should be contemplated and the matter reported to Council. At this stage the matter be placed in the hands of Council's recovery agents.

5. Lease or Hire of Ovals by Sporting Clubs, Associations, 530A Committees and the like

All outstanding matters to be referred to the Executive Manager Community Businesses once they reach Step 2. The Executive Manager Community Businesses (or delegate) is to negotiate with officials of the responsible association to determine an appropriate payment resolution. Such matters shall also be referred to the Executive Manager Corporate Services and Governance for endorsement.

Accounts shall continue to progress to Step 3a while negotiations to resolve payment are being undertaken. Matters shall progress further once approved by the Executive Manager Community Businesses and Executive Manager Corporate Services and Governance.

Cancellation of lease or re-allocation of a ground should be considered as a last resort and will require a resolution of Council if a formal lease or licence exists.

6. Property Rentals

All outstanding matters to be referred to the Coordinator Property once they reach Step 2 for appropriate action in accordance with the lease provisions. Such matters shall also be referred to the Executive Manager Corporate Services and Governance for endorsement.

Accounts shall continue to progress to Step 3a while negotiations to resolve payment are being undertaken. Penalty interest charges may be payable as part of the lease provisions and these will continue to accrue until a satisfactory outcome is resolved. Matters shall progress further once approved by the Coordinator Property and Executive Manager Corporate Services and Governance.

7. Hire of Halls

Monies should be paid prior to use, except in the case of permanent bookings.

Recovery action will be taken up to and including Step 3.

Where successful contact with a permanent hirer cannot be established it may be prudent to consider the denial of further access to Council's facility via the posting of a security guard on the day of hire, and the changing of alarm access codes. This step to be authorised by the Director City Governance, with any costs recovered from the debtor.

Legislative Context

Local Government Act 1993; *Local Government (General) Regulations 2005* (Clause 201-213); *Civil Procedures Act 2005* (Sections 1-154); *Corporations Act 2001* (Section 459).

Responsibility

The Executive Manager Corporate Services and Governance may delegate responsibility to the Senior Revenue Accountant to ensure proper procedural documentation is maintained at a level satisfactory to Council, relevant legislation and financial audit.

Effectiveness of this Policy

Key Performance Indicators:

Improvements in monthly debt recovery ratio - performance management ratio adapted from LGMA Health Check. The calculation ratio is invoices greater than 60 days divided by the total invoices raised.

END OF POLICY STATEMENT