

1 Policy Statement

The purpose of the Debtor Management Policy (the Policy) is to provide a clear framework for the collection and debt recovery of outstanding Council rates and sundry debtor charges.

Council is committed to managing debt recovery in a fair, consistent and accountable manner, and to ensure that recovery processes comply with legislated and legal requirements.

The effective management and recovery of outstanding revenue is an important part of Council's financial management responsibilities. In administering this Policy, the following principles will apply:

- (a) Council has a responsibility to recover monies owing to it in a timely and efficient manner to support its operations and maintain effective cash flow management;
- (b) Council will maintain effective and consistent billing and debt recovery processes;
- (c) Council aims to minimise the amount of outstanding monies owed to it;
- (d) Debtors are expected to take responsibility for their Council debt obligations and to organise their affairs so that those obligations can be met when due;
- (e) Where a debtor is unable to meet their obligations by the due date, it is in the debtor's interest to contact Council as early as possible to make appropriate arrangements;
- (f) Staff will maintain procedures to support the administration of this Policy, including monitoring compliance with relevant internal controls.

2 Scope

This Policy applies to the management and recovery of:

- Council rates and charges; and
- Sundry debtor accounts and other amounts owing to Council.

This Policy does not replace or limit any statutory power available to Council under the Local Government Act 1999 or any other legislation.

3 Legislation and References

This Policy should be read in conjunction with the relevant provisions of the Local Government Act 1999, and the following Council policies:

- Strategic Rating Policy
- Rates Financial Hardship Policy
- Rate Rebate Policy

4 Definitions

Financial difficulty	Short-term difficulty with meeting financial obligations
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5 Policy

5.1 Rates Recovery Process

- 5.1.1 When an instalment of rates becomes overdue, an overdue notice will be issued to the ratepayer requesting payment within fourteen (14) days or advising the ratepayer to contact Council to enter a payment arrangement.
- 5.1.2 The notice will state that failure to make payment in full or enter into a payment arrangement may result in the outstanding debt being referred to Council's debt collection agency.
- 5.1.3 When a ratepayer has two (2) instalments overdue and the overdue amount exceeds \$500, the account may be referred to Council's debt collection agency.
- 5.1.4 Fines and interest will be applied in accordance with Section 181(8)(b) and (c) of the Act.

5.2 Rates Payment Arrangements

- 5.2.1 Ratepayers who are in arrears and experiencing financial difficulty may seek to enter into a payment arrangement by contacting the Rates Team.
- 5.2.2 The Rates Team will endeavour to establish payment arrangements based on a mutually agreed amount that addresses overdue rates and, where possible, amounts falling due for the remainder of the current financial year.
- 5.2.3 Council may require payment arrangements to be made by regular automatic payment method, including direct debit, where this is considered appropriate to support compliance with the arrangement.
- 5.2.4 Further fines will be withheld while the approved payment arrangement remains in place and the agreed terms are being met. Interest will be applied in accordance with section 181(8)(c) of the Act.
- 5.2.5 Two (2) payment defaults may result in the cancellation of the payment arrangement, with the debt then to be managed in accordance with clause 5.1.3.
- 5.2.6 No debt collection or legal recovery action will be taken on an account where an approved payment arrangement is in place and the agreed terms are being met.
- 5.2.7 All payment arrangements will be subject to review at the commencement of each new financial year.

5.3 Rates Financial Hardship

Ratepayers experiencing, or suspected of experiencing, difficulty in meeting their payment obligations should be offered appropriate support, including referral to Council's Rates Financial Hardship Policy where appropriate.

5.4 Sale of Property to Recover Rates Charges

- 5.4.1 In accordance with section 184 of the Local Government Act 1999 (SA), Council may sell land for non-payment of rates when rates have been in arrears for three (3) years or more.
- 5.4.2 Council will provide notice of arrears, potential legal proceedings and sale of land to the principal ratepayer and any other registered interested parties (i.e., mortgagee) when rate arrears exceed one (1), two (2) and three (3) years and no payment arrangement has been made.
- 5.4.3 Where no satisfactory response has been received from the three (3) year notice, a report will be prepared for Council detailing the rate arrears, including the history of any recovery action taken.
- 5.4.4 Council will provide direction on further action pursuant to section 184 of the Local Government Act 1999 (SA) on presentation of such a report.

5.5 Other Debts Recovery

- 5.5.1 When a debtor account becomes overdue, a statement and overdue notice will be issued requiring payment within fourteen (14) days.
- 5.5.2 If payment is not received, Council may take such further recovery action as it considers appropriate, having regard to the nature, age and value of the debt, including the issue of a final notice, referral to debt collection, legal recovery action, or any other recovery step available to Council.
- 5.5.3 In determining the appropriate recovery action, Council may have regard to whether the likely cost of recovery is proportionate to the amount outstanding.
- 5.5.4 Where a debt relates to action taken in respect of rateable or other property, or is payable by a person as the owner or occupier of a rateable or other property, Council may issue notice of its intention to recover the debt as if it were rates in arrears under section 144(2) of the Act. If the debt remains unpaid after that notice period, Council may transfer the debt to the property to be managed as rates in arrears.

5.6 Other Debts Payment Arrangements

- 5.6.1 Payment arrangements under this clause do not generally apply to debts where Council has determined to proceed under section 144(2) of the *Local Government Act 1999 (SA)* to recover the

debt as if it were rates in arrears. Payment arrangements will otherwise generally only be considered for debts greater than \$200, excluding property rent.

- 5.6.2 The Finance Team will endeavour to establish payment arrangements based on a mutually agreed amount, having regard to the debtor's capacity to pay and the desirability of clearing the debt within the financial year.
- 5.6.3 The term of a payment arrangement will depend on the nature and amount of the debt, but will generally be structured to clear the debt within the financial year where possible.
- 5.6.4 Interest will be withheld while the approved payment arrangement remains in place and the agreed terms are being met.
- 5.6.5 Two (2) payment defaults may result in the cancellation of the payment arrangement and the outstanding debt being subject to further recovery action in accordance with this Policy.
- 5.6.6 No debt collection or legal recovery action will be taken on an account where an approved payment arrangement is in place and the agreed terms are being met.
- 5.6.7 All payment arrangements will be subject to review at the commencement of each new financial year.

5.7 Other Debts Provisions for Bad Debt

Provision for Doubtful Debts will be reviewed on an annual basis in accordance with Accounting Standards.

5.8 Other Debts Write-Offs

- 5.8.1 Where debts are considered unrecoverable, or where the cost of recovery is uneconomical, the debt may be written off under section 143 of the Local Government Act 1999 (SA).
- 5.8.2 The Chief Executive Officer has been delegated the power to write off debts up to \$5,000 of any one (1) bad debt pursuant to section 44 of the Local Government Act 1999 (SA). The Chief Executive Officer will determine appropriate sub delegations.
- 5.8.3 The Manager Finance and Procurement will ensure that a register of debts written-off in accordance with this Policy is maintained.

6 Administrative Information

Document Type	Policy
Procedure Developer	Manager Finance and Procurement
Record Number	CR26/32772
Audience	Public
Category	Finance
Adopted & Effective Date	26 May 2026
Review due by	May 2030
Adopting Authority	Council

7 Version History

Revision	Date	Change
1	26 May 2026	Update to current policy template and minor wording amendment to improve clarity and consistency, refine debt management process.