



# Council Policy Manual

## DEBT MANAGEMENT

<b>Policy, procedure protocol</b>	Policy
<b>Document version</b>	2
<b>Policy number</b>	FIN1/2
<b>Obsolete Number</b>	2/2.6/8
<b>Keyword classification</b>	Finance
<b>Adoption date</b>	27/07/2004
<b>Resolution</b>	Insert 104/04
<b>Review due date</b>	This policy will be reviewed at the time of any relevant legislative changes, or may be reviewed at a minimum, every three years.
<b>Date revoked</b>	
<b>Documents superseded</b>	1999                      420/1999
<b>Related Documents</b>	
<b>Relevant delegations</b>	
<b>Responsible Directorate</b>	General Manager
<b>Responsible officer</b>	Finance Manager



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## Aim

To make a policy as a result of implementation of Local Government Act, 1993, and to maximise Council's operating revenue by minimising the amount of monies owed to Council.

## 1. Outstanding Rates

- 1.1 Recovery action shall be instituted if current instalment is not paid by *the due* date unless arrangements have been made for payment by instalment either pursuant to Section 562 of the Local Government Act (the "Act") or by mutual agreement with Council's Rates Officer when payment of rates would cause hardship.
- 1.2 Recovery action shall include. personal visits, letters, telephone calls, Reminder Notices or Notices of Demand, Statement of Liquidated Claim, Writs, Garnishee Orders, Section 569 Notices, Warrant of Apprehension, Notices to wind up company and sale of land for overdue rates under Section 713 of the Act.
- 1.3 Ratepayers who because of hardship wish to enter into a mutual agreement with Council to pay rates by instalments, other than Section 562, shall supply to Council's Rates Officer such information as is required by them to determine the matter.
- 1.4 Where a ratepayer who has made arrangements to pay rates in instalments by mutual agreement with Council's Rates Officer does not meet their full obligations under the agreement, the agreement is terminated and legal action shall be immediately instituted for the recovery of any outstanding rates.
- 1.5 Any agreement entered into with a ratepayer for the payment of outstanding rates other than pursuant to Section 562 of the Act, shall endeavour to ensure that all rates outstanding are fully paid by end of year close off of the rating year, and an agreement for payment of outstanding rates shall not exceed beyond two years during which time all later levied rates shall be liquidated.

## 2. Extra Charges

- 2.1 Overdue rates shall be increased in accordance with Section 566 of the Act by the minimum allowable under the Act.
- 2.2 Extra charges may be written off in accordance with Section 567 of the Act by Council resolution or by delegation of authority to the General Manager.

## 3. Pensioners

- 3.1 Eligible pensioners shall be required to pay the amounts of rates remaining following any statutory reduction in rates granted under the Act. Such amounts remaining may be paid by instalments pursuant to Section 562 of the Act or by part payments provided that the required amount is paid prior to end of year close off.



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- 3.2 Council's Rates Officer shall take into account the limited income of eligible pensioners and may enter into a mutual agreement with them for the payment of rates by arrangement but within the year in which the rates were levied.
- 3.3 Under delegated authority, Extra Charges may be written off on property owned by eligible pensioners where the rates are paid within the current rating, year, in cases of hardship.
- 3.4 (a) Where payment of rates is likely to cause extreme hardship to an eligible pensioner, the General Manager upon the recommendation of the Manager Finance or Director Corporate Services may allow rates and extra charges to accrue against property until the death of the eligible pensioner or the sale of the property (which ever occurs first) when such rates and extra charges shall be paid, These arrears of rates *and* extra charges may be paid in full by the eligible pensioner at any time in order to pay agreed instalments in the current year without extra charges being raised.
- (b) Before allowing rates and extra charges to accrue against a property in accordance with paragraph 3.4 (a) Council's Rates Officer shall obtain from the ratepayer relevant financial and other details in order to determine that the payment of rates and extra charges would cause extreme hardship.

## 4. Sundry Debtors

- 4.1 Monthly statements are to be forwarded to Sundry Debtors amounts outstanding for more than fourteen days are to be regarded as overdue.
- 4.2 Where amounts are outstanding for more than thirty days credit may be stopped, and the matter is referred to the Finance Section for action.