



STRATEGIC POLICY
MOUNT ISA CITY COUNCIL
Sundry Debt Recovery Policy

RESOLUTION NO. **OM30/11/2020** VERSION **V7**

APPLIES TO STRATEGIC POLICIES ONLY

This an official copy of the **SUNDRY DEBT RECOVERY POLICY** made in accordance with the provisions of *Local Government Act and Regulations, Public Records Act, Mount Isa City Council's Local Laws, Subordinate Local Laws and current Council Policies.*

Strategic policies are adopted by Council due to its desire to influence the direction of an issue or assist in the delegated decision making of Council officers. Strategic policies should follow the jurisdiction provided to Council through its Corporate Plan; the **SUNDRY DEBT RECOVERY POLICY** is approved by the Mount Isa City Council for the operations and procedures of Council.

.....
 David Keenan
Interim Chief Executive Officer

DOCUMENT VERSION CONTROL			
Governance/Policies/Strategic Doc ID# 669241		POLICY TYPE	Strategic (Council)
VERSION	DATE	RESOLUTION NO.	DETAILS
V1	10.12.2014	OM08/12/14	Responsible Officer - Manager Finance & Administration
V2	29.04.2015	OM42/04/15	Responsible Officer - Manager Finance & Administration
V3	15.06.2016	OM09/06/16	Responsible Officer - Manager Finance & Administration
V4	28.06.2017	OM13/06/17	Responsible Officer - Manager Corporate & Financial Services
V5	28.03.2018	OM25/03/18	Responsible Officer - Manager Corporate & Financial Services
V6	26.06.2019	OM24/06/19	Responsible Officer - Manager Corporate & Financial Services
V7	25.11.2020	OM30/11/20	Responsible Officer – Acting Manager Corporate & Financial Services
		REVIEW DUE	30.06.2021

DISTRIBUTION AND DISSEMINATION

Internal email to all employees	X	Section meetings / Toolbox talks	
Internal email to all Councillors		Included in employee inductions	
Staff noticeboards		Uploaded to Council website	X
Internal training to be provided		External training to be provided	



Registered in Magiq	X	
---------------------	----------	--

1. PURPOSE

Mount Isa City Council (“Council”) requires payment of sundry debts within a specified time period and will pursue the recovery of overdue sundry debts diligently. The objective of this policy is to set out Council’s principles in regard to the management of debt, and to provide a process which is consistent and ethical for the recovery of outstanding sundry debts throughout Council.

2. COMMENCEMENT

This policy will commence on and from 25 November 2020. It replaces all other policies or arrangements governing (whether written or not).

3. APPLICATION

The Sundry Debts Recovery Policy provides scope for recovery procedures. This policy is guided by the following principles:

- a) Transparency by making clear the obligations of debtors and the processes used by Council in assisting them to meet their financial obligations;
- b) Making the administrative processes used to recover overdue sundry debts well defined and cost effective;
- c) Consistency by having regard to providing the same treatment for debtors in similar circumstances;
- d) Flexibility by responding where necessary to changes in the local economy; and
- e) Adherence to the debt recovery guidelines developed by the Australian Competition and Consumer Commission

4. RECOVERY ACTIONS

4.1 The following action will be used in the recovery of overdue sundry debts:

STAGE	TIMING	ACTION TYPE	COMMENT	AUTHORITY LEVEL	ACTION TAKEN BY
1	30 Days after invoice is issued	<p>Reminder Letter and Statement Issued Advising:</p> <ul style="list-style-type: none"> • Charges are overdue. • Legal action may be initiated unless the debt is paid in full or an approved payment commitment is entered into within fourteen (14) days. • Letter is also to advise that credit with Council is suspended and that all goods/services must be paid for upfront until the account arrears are cleared. 	Further Action suspended if: Charges are paid in full or the debtor enters into and maintains an approved payment commitment.	Revenue Officer	Council
2	14 days after issue of Reminder Letter	<p>Notice of Proposed Legal Action and Statement Issued Advising debtor that legal action may be initiated unless the debt is paid in full or an approved payment commitment is entered into within fourteen (14) days.</p>	Further Action suspended if: Charges are paid in full or if the debtor enters into and maintains an	Senior Revenue Officer	Council



STAGE	TIMING	ACTION TYPE	COMMENT	AUTHORITY LEVEL	ACTION TAKEN BY
			approved payment commitment.		
3	14 days after issue of Notice of Proposed Legal Action	<p>Recovery Action</p> <p>All debts for work done on the land, which can under legislation be transferred to the ratepayer's assessment, shall be referred to Council for approval to do so.</p> <p>Council shall proceed with legal recovery action against any debtor who has not satisfactorily responded to any Notices previously sent so long as it is deemed commercially viable to do so.</p> <p>Council or Council's appointed Legal Representative or Debt Recovery Agent will issue a letter of final demand to advise that if payment in full or an agreed payment arrangement is not entered into within fourteen (14) days, legal recovery action may commence.</p> <p>Council will seek full payment of Outstanding Debts and associated costs (where applicable).</p>	<p>Further Action suspended if:</p> <p>Charges are paid in full or the debtor enters into and maintains an approved payment commitment.</p>	<p>Manager Corporate and Financial Services or Senior Revenue Officer</p>	<p>Council and Council's Debt Recovery Agent</p>

4.2 At any point Council staff may attempt to contact debtors in order to secure payment. Such calls are optional, at Council's discretion and additional to the minimum requirements of the process.

5. CANCELLATION OF CREDIT

5.1 Council reserves the right to suspend or cancel the supply of goods and services to any debtor account which does not comply with the policy. Council will not allow credit to anyone who currently has rates arrears or any other outstanding debt with Council.

6. PAYMENT COMMITMENTS

6.1 Under this policy Council may allow sundry debtors to pay the outstanding balances by instalments. *Payment of arrears by instalments should be seen as a way to reduce debts and overcome financial difficulties, not as a regular occurrence.*

6.2 All payment commitments should ensure all future charges are paid as issued to ensure the account does not fall further into arrears. To be approved, a periodic payment commitment will generally result in all overdue charges, being paid in **full within 3 months**.

6.3 In the event where the debtor is unable to pay within the required timeframe or in cases of genuine financial hardship and the minimum repayment is not met, supporting evidence is required to be



submitted to Council, such as a Statement of Financial Position of their financial status to justify the approval of an extended timeframe.

- 6.4 To avoid recovery action, these requests are to be made to Council in **writing** at which time the relevant Council officer or Council delegate will consider the offer on a case by case basis. If approved, the Council officer or Council delegate will document the arrangement to be bought into effect and a copy will be provided in writing to the debtor.
- 6.5 Instalments will be applied towards the payment of sundry debts in the order in which they became overdue.
- 6.6 In the case of extenuating circumstances and where the required payment instalment is unable to be made, the onus is on the debtor to notify Council as soon as practicably possible, in writing. Council reserves the right to renegotiate or cancel a payment commitment should circumstances change where the debt will not be paid within Council's current policy time frame. In these circumstances, Council will not initiate further recovery action without reference to the debtor concerned.
- 6.7 Council will not pursue further recovery action against a debtor who has an agreed written periodic payment commitment, while the commitment is current, and the debtor adheres to the agreed repayment schedule.
- 6.8 In the event that a payment commitment is not maintained within the agreed terms and the debtor does not make contact with the Council, prior to the payment becoming due, the following action will occur:
 - a) The payment commitment will be removed from Council's debtors account and the debt forwarded to Council's external debt recovery agency without further notice to the debtor.
 - b) Any outstanding debtor will not be provided with future credit until debt is paid.

7. DEBT WRITE OFF

- 7.1 Amounts deemed unrecoverable up to \$100 may be written off by delegated authority granted to the Senior Revenue Officer.
- 7.2 Amounts deemed unrecoverable up to \$1000 may be written off by delegated authority granted to the Director of Corporate and Financial Services.
- 7.3 Bad debts above \$1000 will only be written off by Council resolution.

8. SMALLER BALANCE CREDITS

- 8.1 If a credit balance of less than \$5.00 remains on an account and it is not economically viable to refund the credit, the balance will be transferred on an existing rates/assessment property of the debtor or credited to miscellaneous income account.

9. PRIVACY

- 8.1 In recognition of individual privacy and to ensure all debtors are, and are seen to be, treated consistently; the list of debts on which Council is required to resolve to write off or transfer to the rates assessment, in accordance with this policy will be presented identifying the Debtor code, description of the sundry debt and the amount outstanding only.

10. RESPONSIBILITIES

- 9.1 All employees & councillors of Mount Isa City Council are bound to abide by this policy.

11. VARIATION

- 10.1 Council reserves the right to vary, replace or terminate this policy from time to time.

12. BREACH OF POLICY



STRATEGIC POLICY
MOUNT ISA CITY COUNCIL
Sundry Debt Recovery Policy

RESOLUTION NO. **OM30/11/2020**VERSION V7

11.1 Where Council reasonably believes an employee has breached this policy, the matter will be dealt with under the Performance and Misconduct Policy.

13. COMMUNICATION AND DISTRIBUTION

12.1 Council will make available to the public, the Sundry Debt Recovery Policy on our website at www.mountisa.qld.gov.au

12.2 Supervisors will ensure the policy is distributed as per the Distribution and Dissemination table on this policy.

14. ASSOCIATED DOCUMENTS

- Revenue Policy
- Sundry Debtors Payment Commitment Application Form
- Debtors Application Form