

# Outstanding Debt

## COUNCIL POLICY NO. 025

### 1. POLICY OBJECTIVE

To confirm the manner in which Council will recover outstanding debt.

### 2. SCOPE

This Policy applies to ratepayers and other clients who have an outstanding debt with Council and sets out the steps that Council will take to recover these debts.

### 3. REFERENCES

*Local Government Act 1989 and Local Government Act 2020*

### 4. POLICY

#### 4.1 Rates and Charges

Council will issue a Final Notice within 30 days of the final date for payment to those ratepayers who have opted to pay by lump sum in February and have failed to do so. If the assessment remains unpaid after 14 days or suitable payment arrangements have not been made within that time, the Director Corporate Services is authorised to commence legal action via Council's Collection Agency to assist with recovery of the amount owing.

Penalty interest is to be charged on overdue amounts in accordance with Section 172(2) of the *Local Government Act 1989*.

#### 4.2 Special Rates and/or Special Charges Schemes

Council will issue quarterly instalment or other periodic notices in accordance with the payment options set by Council when the Scheme was adopted.

Penalty interest is to be charged on accounts where an instalment remains unpaid. Interest will be calculated at the adopted rate backdated to the date on which the instalment became payable.

Where an instalment remains unpaid for two payment periods, Council will issue a Demand for full payment of the account. Unless paid in full within 30 days of that Demand, the Director Corporate Services is authorised to commence legal action via Council's Collection Agency to assist with recovery of the amount owing.

#### 4.3 Private Works/Hire and General Debtors (Including childcare, leases, etc.)

Council will issue invoices for private works/hire and general debtors. Where these accounts are unpaid after 60 days, the Director Corporate Services is authorised to commence legal action to assist with recovery of the amount owing.

Interest may be charged on amounts unpaid for in excess of 60 days in accordance with Section 120 of the *Local Government Act 2020*.

#### 4.4 Home and Community Care services/Meals on Wheels

Council will issue monthly invoices for Home and Community Care services and Meals on Wheels services. The Director Corporate Services will provide the Manager Community Care with a list of those clients who have failed to pay their accounts after 60 days.

The Manager Community Care will investigate the client's circumstances and recommend those that require further action to recover the amount owing.

Fee collection and non-payment of fees is determined by the Victorian Home and Community Care (HACC) fees policy and states that if a client is not paying the required fee, Council should review the client's ability to pay. If ability to pay is not an issue, Council may notify the person that services will be withdrawn. If payment is still not made, services can be ceased at the discretion of Council.

Where Council has provided services to aged care brokered clients and the invoice is not paid within 30 days of receipt of invoice, the brokerage firm is in breach of their contract with Council and Council can terminate services. A reminder letter is sent to the brokerage firm reminding them of their payment obligation under the contract and demanding immediate payment.

#### 4.5 National Disability Insurance Scheme

Council's preferred practice is to quarantine planned funds to ensure service levels to clients are financially viable. All outstanding amounts are followed up on a monthly basis. Where these accounts are unpaid after 120 days, services can be interrupted to provide basic essential services until outstanding amounts are recovered.

## 5. POLICY REVIEW

This policy will be reviewed within twelve months after a general election of the Council.

At the time of review, this policy was compliant with the *Victorian Charter of Human Rights and Responsibilities Act 2006*.

## 6. FURTHER INFORMATION

Members of the public may inspect all Council policies at Gannawarra Shire Council's Kerang and Cohuna Offices, or online at [www.gannawarra.vic.gov.au](http://www.gannawarra.vic.gov.au)

Any enquiries in relation to this policy should be directed to the Director Corporate Services on (03) 5450 9333.

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