



RICHMOND SHIRE COUNCIL DEBT COLLECTION POLICY

POLICY NUMBER: 007
INFOXPRT REF: 76296
TIME PERIOD OF REVIEW: 1 Year
DATE OF NEXT REVIEW: July 2027

1. OBJECTIVE

To establish clear guidelines for Richmond Shire Council to effectively manage and reduce outstanding debts, thereby minimising the overall financial burden on ratepayers and other debtors.

2. SCOPE

Council will exercise its debt recovery powers in a consistent and responsible manner to reduce outstanding debts. It will be guided by the principles of:

- **Transparency** – Clearly communicating the obligations of ratepayers and sundry debtors, as well as the processes used by Council to support them in meeting their financial responsibilities.
- **Efficiency and Simplicity** – Ensuring debt recovery processes are straightforward to administer, cost-effective, and easy to understand.
- **Equity** – Applying consistent treatment to ratepayers and debtors in similar circumstances.
- **Flexibility** – Adapting to changes in the local economic environment where necessary.

Council aims to minimise the number of bad debts through appropriate approval and monitoring processes, supported by a range of effective debt collection strategies.

3. POLICY PROVISIONS

Rates Notices

Council will issue rates notices on a quarterly basis. Payment of all rates and charges must be made by the due date specified on the Rates Notice.

Where payment is not received by the due date, the account will be deemed overdue, and interest will be applied in accordance with legislation and Council policy and procedures.

Sundry Debtors

A debtor may hold multiple accounts with Council for various services. To be eligible for post-paid account arrangements, all accounts held in the debtor's name must comply with this Debt Collection Policy and associated procedures.

If one account falls into default, all accounts in that debtor's name may be treated as being in default.

Council applies a thirty (30) day payment term to all sundry debtor accounts. Statements will be issued monthly.

Where payment remains outstanding for a period exceeding ninety (90) days from the invoice date, the debtor may be classified as a bad debtor and recorded on Richmond Shire Council's Bad Debtors List.

4. BAD DEBTS

Bad debts will be recognised when a sundry debt is seen to be no longer commercially collectable. Such determination may be based on advice received from Council's solicitors or appointed collection agents, particularly where the cost of recovery action (including legal proceedings through the Magistrates Court) is likely to exceed the value of the debt, or where other circumstances significantly reduce the likelihood of successful recovery.

The Chief Executive Officer has the authority to write off minor debts, and rate interest up to the value of \$500.00.

The Director of Corporate Services will report to Council any debts considered for write-off that fall outside the Chief Executive Officer's delegated authority.

A register of bad debtors will be maintained by the Debtors Officer and circulated to relevant staff.

Credit arrangements will be denied to debtors who have been classified as bad debtors.

5. THIRD PARTY MANAGED ACCOUNTS

Council engages Avdata Australia to provide billing, reporting, monitoring, and access control at Richmond Saleyards Truck Wash and Bore 7 located in the Industrial Estate.

Avdata Australia is responsible for issuing accounts, monitoring usage, and providing monthly reports to Council detailing account activity, outstanding debts, and funds collected. All monies collected are deposited directly into Council's nominated bank account.

Where debts exceed Avdata Australia's payment terms and are greater than \$50.00, such debts will be automatically referred to Council's nominated debt collection agency for recovery action.

Avdata Australia provides regular updates to Council regarding the status of outstanding accounts and recovery actions.

6. FINANCIAL HARDSHIP

Council recognises that there may be circumstances in which debtors experience difficulty in meeting their financial obligations within the required timeframe due to financial hardship.

To minimise the need for escalation to legal recovery action, Council will undertake appropriate monitoring of key indicators to support the early identification of financial hardship and enable timely intervention.

Financial hardship may be identified through, but is not limited to, the following:

- **Debtor self-identification** – where a debtor advises Council of their financial difficulties;
- **Payment trend analysis** – including irregular or declining payment patterns; and
- **Payment default analysis** – including missed or overdue payments.

Where financial hardship is identified, Council may consider appropriate arrangements or support measures in accordance with its procedures.

7. RELATED DOCUMENTS

- Richmond Shire Council Debt Collection Procedure
- Richmond Shire Council Revenue Policy
- Richmond Shire Council Direct Debit Agreement
- Richmond Shire Council Agistment Policy
- Richmond Shire Policy Stable Hire Policy
- Richmond Shire Council Horse Paddock Policy
- Richmond Shire Council Outside School Hours Care Parent Handbook
- Richmond Shire Council Outside School Hours Enrolment Form

8. LEGISLATION

- *Local Government Act 2009*
- *Local Government Regulation 2012*

9. IMPLEMENTATION

This Policy will commence from the Policy reviewed date and will be made available to all corporate staff on Council's intranet site/network, and to all outdoor staff via their supervisor/coordinator. Council reserves the right to vary, replace or terminate this Policy from time to time. This Policy will typically be reviewed when a review has been deemed appropriate by organisational processes (e.g., audit recommendations), or when legislative requirements change.

10. APPROVAL

Date of Adoption: 15 February 2012
Policy Reviewed: Special Budget Meeting 29 July 2026
Resolution Number: 2026729.2

Policy Authorised: Peter Bennett
Chief Executive Officer