

Purpose

From time to time, Council incurs debts from ratepayers, residents, and businesses within the region as part of its general operational activities. These generally relate to services it performs, facilities it provides, and to sundry account fees (such as animal registration, licensing, and permits) and fines.

Council allows a certain reasonable timeframe for payment of debts, at the end of which Debtors are required to pay all outstanding monies owed to Council.

Whilst the Act and Regulation do not prescribe any obligations for the collection of general debts owed to Council, this Policy provides procedural direction for:

- the timely, efficient, cost-effective, fair, and consistent collection of debts owing to Council, to achieve Council's budgetary objectives;
- when credit will be granted by Council, and upon what key terms;
- recovery action for general debts, but allowing flexibility for Debtors who display genuine commitment to clearing their debt; and
- parameters for writing off bad debts.

However, this Policy shall not apply to outstanding Rates and Charges, which shall be governed by the Act, the Regulation and certain other Council policies (particularly, the Rates and Charges Recovery Policy).

Scope

This Policy applies to all debts owed to Council (other than outstanding Rates and Charges).

Guiding Principles

1. Obtaining Credit from Council

- 1.1. The granting of credit to any party, including the specified credit limit, is at the sole discretion of Council.
- 1.2. No credit will be extended by Council until a Credit Application is completed and signed by the Applicant and such application is assessed and approved by Council in keeping with its internal procedures.
- 1.3. Before granting any credit, Council may require:
 - 1.3.1. a Guarantee and Indemnity by the Directors (if the Applicant involves a Company);
 - 1.3.2. a Bank Guarantee for part or all of the credit given; and/or
 - 1.3.3. another form of security;

with the final decision resting with the CEO or an authorised delegate.

1.4. For all requests for credit:

1.4.1. \$5,000 or under – it will be at Council’s discretion as to whether or not credit checks are undertaken of the Applicant through a Credit Reporting Body; and

1.4.2. over \$5,000 – Council will undertake credit checks of the Applicant by a Credit Reporting Body.

1.5. If credit checks of the Applicant are not satisfactory to Council, then Council may deny credit or require further security be provided.

1.6. With every credit check completed by a Credit Reporting Body, Council will place an “alert” on that customer to ensure that Council is advised by the Credit Reporting Body should any adverse activity occur.

1.7. Council may, in its sole discretion and without cause, withdraw or suspend credit to an Applicant at any time. In the event the credit facility is withdrawn, for whatever reason, the monies owed to Council shall become due and payable within thirty (30) days.

1.8. Council will not grant credit for entities under a Trust Name - only Companies, associations, or private individuals (including in partnership) may apply for credit, but such entities may be granted credit as Trustee for a Trust.

1.9. Council at its sole direction may require the Applicant (including any Director of a Company) to provide a bank guarantee or personal guarantee on terms suitable to Council for any amount up to and including the specified credit limit.

1.10. Council shall retain the right to charge interest, as identified in Council’s Interest on Overdue Rates, Charges & General Debts Policy, on all overdue amounts commencing as from thirty (30) days from the due date of payment.

2. Reminder Notices

2.1. A period of thirty (30) days from the date of Council’s invoice shall generally be allowed for the debt owing to Council to be paid. Any amounts not paid within this thirty (30) day period are deemed overdue.

2.2. After the expiration of thirty (30) days from the date of the invoice, Council will use best endeavours to notify the Debtor by way of a Reminder Notice, where the Debtor’s account shows Overdue Amounts greater than \$500.00.

2.3. It is the responsibility of the Debtor to notify Council of any change to their contact details without delay.

2.4. The Reminder Notice will be a reminder on the need to settle outstanding amounts, with no threat of legal or other action. Its purpose is to encourage Debtors to engage with Council staff if they are experiencing difficulties in paying their account to arrange an acceptable payment arrangement to clear the outstanding debt.

2.5. Following the Reminder Notice, a Final Demand Notice may be sent to the Debtor giving the Debtor fourteen (14) days in which to complete payment or make acceptable arrangements with Council. The Final Demand Notice should contain Council's proposed action for recovery, state that interest may accrue on the debt commencing as from thirty (30) days from the due date of payment and offer a further opportunity to contact Council staff to arrange an acceptable repayment arrangement.

3. Payment Arrangements

- 3.1. Should a Debtor propose a periodic payment arrangement, Council may defer recovery action if an acceptable level of regular payment is made demonstrating a genuine attempt to clear the debt.
- 3.2. In general, and without limiting any legal rights of Council, Council will not pursue further recovery action against a Debtor who has an agreed periodic payment arrangement, while the arrangement is current, and the Debtor adheres to the agreed repayment schedule.
- 3.3. Council reserves the right to renegotiate or cancel a payment arrangement, should circumstances change where the debt will not, or Council suspects that the debt will not, be paid within a reasonable time frame.
- 3.4. Where a periodic payment arrangement is in place, Council reserves the right to suspend further credit to the Debtor until the payment arrangement is complete or for a shorter period as deemed fit by Council at its discretion.
- 3.5. Where an agreed periodic payment arrangement has elapsed without prior approval, the Debtor will be deemed to be in default and Council may initiate recovery action as necessary, without further notice to the Debtor.
- 3.6. Where the Debtor enters into a periodic payment arrangement with Council, interest may continue to accrue on the debt in accordance with clause 5 of this Policy.

4. Legal Process

- 4.1. Upon the expiry of the Final Demand Notice, Council may make a final attempt to contact the Debtor before the matter is referred to an external party for recovery action.
- 4.2. After Council has made its final attempt to contact the Debtor, should the debt not be addressed by way of the following:
 - 4.2.1. payment of the debt in full by the Debtor;
 - 4.2.2. agreement between the Debtor and Council for an acceptable payment arrangement; or
 - 4.2.3. the debt arrangement is on hold pending an investigation or awaiting a decision of Council;

the debt will then be referred to either Council's solicitor or an appropriate debt collection agency for recovery action.

- 4.3. Those agents acting on behalf of Council will be empowered to take whatever lawful steps are necessary to recover the outstanding amounts.

- 4.4. Unless an acceptable payment arrangement is made, payment in full of the outstanding amount (including all interest accrued and legal outlays) will be required prior to the withdrawal of the current recovery action.
 - 4.5. Prior to initiating legal action against a Debtor, authorisation by the CEO or DCS must be obtained. In giving their authorisation, the CEO or DCS must consider the likelihood of such legal processes resulting in recovery of the debt.
5. Interest
- 5.1. Unpaid accounts extending beyond thirty (30) days after the due date of payment may attract an interest rate as permitted by the Act and/or Regulation, and in keeping with Council's Interest on Overdue Rates, Charges and General Debts Policy.
6. Write-off Procedures - Bad Debts
- 6.1. Debts of an amount exceeding \$25,000 per Debtor may only be written off by resolution of the Council.
 - 6.2. Write-off of debts up to and including \$25,000 per Debtor may be authorised by the CEO in keeping with their delegated authority.
 - 6.3. Write-off of debts up to and including \$10,000 per Debtor may be authorised by the DCS in keeping with their delegated authority.
 - 6.4. Write-off of infringement-related debts up to and including \$5,000 per Debtor may be authorised by the Director Community Services in keeping with their delegated authority.
 - 6.5. Write-off of debts up to and including \$2,500.00 per Debtor may be authorised by the Manager Financial Services in keeping with their delegated authority.
 - 6.6. Notwithstanding clauses 6.1 to 6.5, a debt may be written off only if:
 - 6.6.1. there are no reasonable prospects of recovering the debt (after reasonable attempts have been made to recover or legal advice to that affect has been received);
 - 6.6.2. the costs of recovery are likely to equal or exceed the amount to be recovered; or
 - 6.6.3. it will result in full settlement of the remaining unpaid amount.
 - 6.7. No Employee should exercise their delegated authority to write-off a debt if they have any real, potential, or perceived conflict of interest in writing off the debt.

Related Policies and Legislation

Local Government Act 2009 (Qld) (Act)

Local Government Regulation 2012 (Qld) (Regulation)

Credit Application

Interest on Overdue Rates, Charges & General Debts Policy

Definitions

Applicant refers to the person requesting for a credit facility, using the process and documentations specified by Council.

CEO refers to the Chief Executive Officer of Council appointed in accordance with the Act, or any person acting in that role.

Council refers to the Whitsunday Regional Council.

Credit Application means a form approved by Council from time to time for applying for credit.

Credit Reporting Body means a credit reporting body under the *Privacy Act 1988* (Cth).

DCS refers to the Director of Corporate Services of Council appointed in accordance with the Act, or any person acting in that role.

Director Community Services refers to the Director Community Services of Council appointed in accordance with the Act, or any person acting in that role.

Debtor shall mean a person, group, association, or entity who/which owes money to Council.

Employee refers to any employee or contractor of the Council.

Final Demand Notice refers to a communication to a Debtor, demanding the payment of Outstanding Amounts, sent after the Reminder Notice.

Overdue Amounts refers to amounts that remain owing to Council by a Debtor beyond thirty (30) days from the date of the invoice.

Manager Financial Services refers to the Manager Financial Services of Council appointed in accordance with the Act, or any person acting in that role.

Rates and Charges refers to levies imposed on land and for a service, facility or activity that is supplied or undertaken by Council or someone on behalf of Council, including:

- (a) General Rates (including differential rates);
 - (b) Special Rates and Charges;
 - (c) Utility Charges; and
 - (d) Separate Rates and Charges;
- as well as any accrued interest on outstanding balances (where applicable).

Reminder Notice refers to a communication by Council to the Debtor, either in writing or in person through telephone contact to alert the Debtor about the Overdue Amount and requesting payment thereof.

COUNCIL POLICY			
Date Adopted by Council	18 June 2025	Council Resolution	SM2025/06/18.13
Effective Date	01 July 2025	Next Review Date	30 June 2026
Responsible Officer(s)	Manager Financial Services	Revokes	