

DEBT COLLECTION POLICY	
Type	Governance
Category	Finance
Responsible Officer	Manager Corporate Services
First Issued / Adopted	Amended and approved by Audit Committee on 12 October 2011 and Management 8 November 2011
Review Period	4 Years
Last Reviewed	10 December 2025; 23 September 2021, 9 April 2020, 22 May 2019, 23 May 2016, 27 January 2016, 7 April 2014
Minutes Reference	OM300/25; OM319/21, OM344/20, SM21/20, OM188/19
Next Review Date	September 2029
Applicable Legislation	Local Government Act 1999 Local Government (Financial Management) Regulations 2011
Related Documents	Better Practice Model – Internal Financial Controls for South Australian councils – SALGFMG. June 2022 Debt Collection Procedure Debt Recovery and Write Off Policy 2024 – LGA SA (FP304) Financial Hardship Policy Financial Hardship (CWMS) Policy Rates Policy
Public Consultation Required	No
File Reference (ALTUS)	2024.1339 – working copies 2025.0784 - MASTER document

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1. PURPOSE

To set out Council's principles and processes for the timely, fair and lawful management and recovery of overdue amounts (rates and sundry debts), ensuring revenues are received when due, risks are managed, and support is available to customers experiencing genuine hardship.

2. SCOPE

Applies to all amounts owed to Council, including subsidiaries and committees. Rates recovery is governed by the Rates Policy and relevant legislation; sundry debt recovery follows this Policy and the Debt Collection Procedure.

3. DEFINITIONS

See Attachment 1

4. POLICY

4.1 Principles

Council will:

- a) Recover monies owing promptly and efficiently to support service delivery and cash flow.
- b) Use effective billing and collection processes with clear 30-day terms for sundry debts.
- c) Encourage early contact and offer flexible payment arrangements where appropriate.
- d) Apply the Financial Hardship Policy (including CWMS) for eligible ratepayers/customers and pause escalation while assessments occur.
- e) Communicate rights and obligations clearly, including notice before escalation.
- f) Refer matters to recovery/legal action where required, on a without-prejudice basis.
- g) Consider write-off (other than rates) under approved delegations when recovery is not viable or is disproportionate to the amount.
- h) Apply risk management and internal-control practices consistent with SALGFMG better practice and LGA SA FP304.

4.2 Rates, Levies and Service Charges

Debt collection for rates and service charges must follow the Rates Policy and the Local Government Act 1999, including statutory notices, interest/fees, arrangements/postponements, and any sale-of-land provisions (where applicable).

4.3 Credit Management (Sundry Debtors)

- a) Council will ensure customers are aware of fees/charges, how calculated, and payment terms (30 days from invoice date).
- b) Deposits/bonds/prepayment may be required before supplying certain goods/services.

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- c) Council may charge late fees/interest and recover reasonable collection/legal costs where permitted and adopted in the Fees & Charges Register.

4.4 Support, Vulnerability & Payment Arrangements

- a) Customers who cannot pay by the due date should contact Council early to discuss options.
- b) Payment arrangements (instalments) may be offered where reasonable; failure to maintain arrangements may result in escalation.
- c) Council will identify and support vulnerable customers (e.g., family/domestic violence, serious illness, bereavement, disability) and pause enforcement while genuine vulnerability is assessed, consistent with the Financial Hardship Policy.

4.5 Sundry Debt Recovery Workflow (summary)

Debtors should be reviewed and monitored on a monthly basis, including all debtors which have been referred to debt collectors.

(Full detail in the Debt Collection Procedure.)

- a) Day 0 – Invoice issued. Terms: 30 days.
- b) ~Day 21 – Courtesy reminder (email/SMS/letter). Invite contact for hardship/arrangements.
- c) Day 30 – Overdue notice. Advise fees/interest (if applicable), options to pay/arrange, and potential escalation.
- d) ~Day 45 – Final notice. Advise pending referral to collection agency/legal and possible recovery of reasonable costs.
- e) Day 60+ – Referral/Legal action. Commence formal recovery where no arrangement/dispute/hardship exists or where an arrangement has failed.

Collection activity is paused while a bona fide dispute or hardship assessment is underway and the customer engages reasonably.

4.6 Disputes & Complaints

- a) Genuine billing disputes will be investigated promptly; recovery action is paused during investigation.
- b) Customers may lodge complaints via Council's complaints process; unresolved matters may be escalated to external bodies as applicable.

4.7 Privacy & Confidentiality

- a) Personal information is managed in accordance with applicable privacy/confidentiality obligations.
- b) Collection agencies engaged by Council must comply with relevant laws and handle data securely and only for the purpose of recovery.

4.8 Roles & Responsibilities

- a) Council: approves this Policy; receives oversight reporting via ARMC.

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- b) Audit & Risk Management Committee: oversees control effectiveness and monitors debt-management risks.
- c) Chief Executive Officer: ensures implementation, resourcing and compliance.
- d) Manager Corporate Services: policy owner; oversees debt management, engagements with collection agencies, reporting and write-off recommendations.
- e) Finance Team: billing, reminders, arrangements, hardship referrals, reconciliations, ageing and KPI reporting.

4.9 Monitoring & Reporting

- a) Monthly: Finance reviews ageing, arrangements, referrals and risks (including agency matters).
- b) To EMT: as requested or via routine finance reports.
- c) To ARMC: in line with the Committee Work Plan (e.g., quarterly/biannual), including KPIs such as ageing buckets, collection rate, days-sales-outstanding (DSO), hardship uptake and write-offs.

5. DOCUMENT REVIEW

This Policy will be reviewed per the Policy Review Schedule or earlier where there are changes in legislation, related documents, requirements, intent, delegated authority, or as determined by the CEO or relevant Director.

6. FURTHER INFORMATION

This policy will be available for inspection at the Council offices listed below during ordinary business hours and available to be downloaded, free of charge, from Council's internet site: www.pirie.sa.gov.au

- Port Pirie Council Principal Administration Centre, 115 Ellen Street, Port Pirie
- Crystal Brook Rural Office, Bowman Street, Crystal Brook.

A copy will be provided to interested parties upon request, and if requested, upon payment of a fee in accordance with Council's Schedule of Fees and Charges.

7. DOCUMENT HISTORY

Version No.	Date Approved	Minute Reference	Notes/ Changes
1.0	08/11/2011	n/a	New document
2.0	09/04/2020	OM344/20	Unknown changes
3.0	10/12/2025	OM300/25	Added: Applicable Legislation - Local Government (Financial Management) Regulations 2011; Related Documents - Better Practice Model – Internal Financial Controls for South Australian councils – SALGFMG. June 2022, Debt Collection Procedure;

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DEBT COLLECTION POLICY (Cont'd)

			<p>Debt Recovery and Write Off Policy 2024 – LGA SA (FP304), and Rates Policy; Credit Management (section 4.2); Debt Management & Recovery Principles (section 4.3); Risk Management Principles (section 4.4); Monitoring and Reporting (section 4.5) Document Review (Section 5); Document History (Section 7). Document Review (Section 5); Document History (Section 7).</p> <p>Changed/ Updated: review period from 2 years to 4 years; File Reference from Synergy to ALTUS; Purpose statement (Section 1); Next review Date from 30 Nov. 2023 to 30 June 2025 (EMT 04/07/2025).</p> <p>Deleted: <i>(and where relevant transferred to Debt Management Procedure)</i>: All Other Fees and Charges; Payment Arrangements; Legal Debt Collection; Sale of Land for Unpaid Rates and Charges; Fines on Rates of Estate Properties; and Variation to Recovery of Debt.</p>
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ATTACHMENT A - DEFINITIONS

Collection Agency

means a company engaged by Council for the formal legal collection of rates and sundry debtor amounts owing to the Council.

Debt

means the amount of money owed by the debtor as a result of a transaction with the Council. A debt is expected to be settled within the normal payment terms of trade.

Debtor

means an individual, organisation or other party that receives goods or services from the Council and/ or enters into other transactions that results in a future payment to the Council. A debtor is an asset for the Council, as it gives rise to an anticipated future benefit. The future benefits are cash inflows, which occur when the debt is paid

Invoice Date

means the date on which the invoice has been raised in the debtor's system.

Rates Debtor

means any person, body corporate, or group incurring a rates debt including property rates, service charges, fines, interest and any other related charges.

Risk

means (in the case of a debt) the possibility of non-payment of the debt when the amount is due. The likelihood of non-payment increases with the age of the debt.

Sundry Debtor

means any person, body corporate, or group incurring a debt for services, goods, penalty or other purpose.

Write-off

means the accounting procedure for cancelling a debt that is no longer collectable resulting in its removal from the debtors Balance Sheet account.

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