

Responsible Directorate	Corporate and Commercial Services
Responsible Section	Finance
Responsible Officer	Manager Finance

OBJECTIVE:

To maintain equity for all residents and ratepayers, action must be taken wherever possible to recover debts owed to the Town of Cambridge.

SCOPE:

This policy applies to all Directorates of the Town of Cambridge.

POLICY STATEMENT:

The recovery of outstanding debts is an important aspect to the Town's financial management function. The Town has a responsibility to recover monies owing to it in a timely and efficient manner to finance its operations and ensure effective cash flow management.

The Town's debt recovery procedure will be administered in a reasonable time, which minimises the risk of the debt going bad.

Except where a ratepayer is entitled to defer the payment of their rates, the Town will actively pursue the recovery of any rate arrears.

POLICY DETAILS

Rates Debts

1. To assist ratepayers who are unable to pay their rates and service charges by the due date, the Chief Executive Officer or a delegate may enter into alternative payment arrangements with ratepayers. These payment arrangements must result in the outstanding debt being paid in full by 30 June of the current financial year.
2. The Town may engage a collection agent for the recovery of rates and service charges, this also includes but is not limited to legal action. *The Local Government Act 1995*, S6.56 states costs associated with any legal proceeding are also recoverable. Legal action may include the issue of a General Procedure Claim or a Property Sale & Seizure Order.
3. In accordance with section 6.64 of the *Local Government Act 1995*, if any rates or service charges which are due to a local government in respect of any rateable land have been unpaid for at least 3 years the local government may, take possession of the land to sell or lease or have the land vested in the Municipality or the Crown to recover outstanding debts.
4. The Town may lodge a Caveat S6.64 (3) that precludes dealings in respect of land that it has an interest in until the overdue rates have been paid.
5. Section 6.60 of the *Local Government Act 1995* allows the Town to recover outstanding rates & service charges from a lessee. A lessee will be instructed to pay the Town any rent as it falls due in satisfaction of the rates or service charge.
6. The Town recognises its responsibility in responding to the needs of vulnerable residents experiencing financial hardship by ensuring that they are treated with respect, fairness and confidentiality.
7. Where evidence of financial hardship exists, recovery of any outstanding debts will be in accordance with the Council's Financial Hardship Policy.

Debtors (other than Rates and Service Charges)

This policy applies to all invoices raised in respect to non-rate debtors.

It is acknowledged that the terms of payment for each invoice may vary depending on the goods or services acquired.

1. If the invoice is not paid by the due date the Town will issue a reminder to the debtor alerting them of the unpaid invoice.
2. If the invoice remains unpaid, consultation with the relevant department is entered and a review of the circumstance of the debtors is completed, giving due consideration to all issues which have led to the debt being overdue and unpaid.
3. Where payment arrangements are requested, the Chief Executive Officer may agree in writing to these arrangements, provided the matter is resolved, or there is demonstrated progress towards resolving the matter within a reasonable period.
4. A reminder by way of phone call or email will be the last effort to recover the debt before referral to a collection agent for legal recovery. Fees incurred in recovering the debt will be passed on to the debtor.
5. Other actions that may be taken against defaulting debtors who do not respond to our requests for payment:
 - a. Commencement of legal proceedings to recover debt
 - b. Rescinding seasonal hall/reserve bookings
 - c. Refuse further hire of facilities/reserves
 - d. Request “up-front” bonds for future dealings with the Town, which may be used to offset against the outstanding debts
 - e. Offset of any Town contributions owing to the personal entity against, any outstanding debt
 - f. Report to Council to consider cancellation of a Lease Agreement

Fines, Prosecutions, and Infringements

1. Should a debtor fail to pay within the 28 day period, the debtors information is collected through the Department of Transport and a reminder notice is sent allowing a further 28 days to pay.
2. If payment is not received and no appeal has been made a final demand notice is issued, inclusive of penalties now payable by the debtor, with a further 28 days to pay.
3. Failure to pay results in the infringement being forwarded to Fines Enforcement Registry (FER). Additional fees are applied and payment can no longer be taken by the Town of Cambridge.
4. Failure to pay FER comes with serious consequence including drivers licence suspension, vehicle immobilisation, vehicle licence cancellation and seizure and sale of property.

DEFINITIONS:

Other definitions are taken as those detailed in the *Local Government Act 1995* and associated legislation.

Document Control	
Office Use Only:	
Previous Policy No	Policy No. 3.2.11
Statutory Legislation and Compliance	<i>Local Government Act 1995</i>
Related Documents/Legislation	<i>Local Government (Financial Management) Regulations 1996</i>
Date of Adoption by Council	Council Meeting – 28 July 2020 (Item CR20.85)
Date Reviewed/Amended	26 November 2024
Next Review Date	December 2026