

**RATES AND CHARGES DEBT
MANAGEMENT AND
RECOVERY POLICY**

Corporate Plan Reference:	<i>Theme 5: Excellence</i> <i>Objective 5.2: Continue to deliver a financially sustainable Council that has the resources now and into the future to achieve its strategic objectives. This will be supported through the introduction of enhanced sustainability reporting and performance indicators, as well as ESG (environment social and governance) accounting practices as guided by statutory requirements.</i>
Endorsed by Council:	30 June 2025
Policy Author:	Revenue Services Manager

POLICY STATEMENT

Noosa Council (Council) aims to ensure that credit provided to ratepayers and other customers is monitored and the debts are collected within acceptable timeframes to manage its risk regarding bad debt realisation. The purpose of this policy is to ensure a fair, consistent, timely, and accountable approach to Council's debt management and collection decisions, processes and practices.

PURPOSE

The Rates and Charges Debt Management and Recovery Policy (the *Policy*) is to be read in conjunction with the 2025-26 Revenue Policy and 2025-26 Revenue Statement.

The Policy supports the underlying approach and principles of the Revenue Policy, in particular:

- equity: by treating all ratepayers in similar circumstances in the same manner
- fiscal responsibility: by having regard to capacity to pay
- transparency and clarity: by making clear the obligations of ratepayers and the processes used by Council in assisting them to meet their financial obligations
- consistency: by scheduling reminder notices and recovery of overdue rates and charges within a consistent timeframe
- simplicity: in the administration and maintenance of the recovery process
- flexibility: by accommodating ratepayers' needs through short-term payment arrangements
- sustainability: by ensuring overdue rates and charges remain at a level that does not substantially and negatively impact Council services.

SCOPE

The Policy outlines Council's recovery procedures and applies to all Council ratepayers and debtors. Council will exercise its rates and charges recovery powers in accordance with chapter 4, part 12 of the *Regulation*, to maintain liquidity through adequate cash flows, to fund operations.

REVIEW

This Policy will be reviewed at least once per Council term (every four years) and otherwise whenever Council considers review necessary or prudent.

DEFINITIONS

Term	Meaning
Act	The <i>Local Government Act 2009</i> .
CEO	Council's Chief Executive Officer.
Council	Noosa Shire Council, the body of elected members responsible for the good rule and local government of Noosa Shire, established and continued by the <i>Local Government Act 2009</i> .
Councillors	Council's elected members.
Executive Team	Council's administrative team of senior executive officers, comprising the CEO and five directors.
Regulation	The <i>Local Government Regulation 2012</i> .
Shire	Council's local government area as defined by the <i>Regulation</i> (section 6 and schedule 1).

To assist in the interpretation of the Policy, refer to the dictionary schedules contained in the *Act* and the *Regulation* for definitions.

COUNCIL POLICY

Council is committed to the collection of overdue rates, charges, and sundry debts in a fair, equitable and efficient manner, duly considering financial hardship case-by-case. Council will be duly diligent in the application of administrative processes relating to payment arrangements and the selection of various actions for the effective recovery of overdue debts.

Debt Recovery Process

Initial recovery

Initial recovery will commence with a reminder notice to the debtor, stating the nature and amount of the debt. The reminder notice will be issued within 30 days of the amount owing under the rate notice or invoice becoming overdue, and will allow fourteen (14) days to respond.

For overdue sundry debts or charges the subject of regular statements of arrears (generally monthly) given to the debtor, no further reminder notice will be sent. Statements of arrears state the amounts owed, their descriptions, and relevant payment terms.

If a ratepayer who has received a reminder notice or arrears statement does not make full payment, or does not enter into an acceptable payment arrangement with Council, the matter will be referred to Council's debt collection agency without further notice. The table below provides indicative maximum threshold values for guidance purposes only; however, Council will consider both the materiality and age of arrears when determining whether to refer the matter to its debt collection agency. For properties classified as "Shopping Centres", "Retirement Villages", or "Other", Council will assess each case individually, based on its specific circumstances.

Rates

Classification	Categories	Threshold
Residential / Non-Residential	1, 2, 5, 6, 7, 8, 9, 10, 11, 13, 21, 22, 23, 24	\$1,000
Non-Strata Residential	25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36	\$1,500
Shopping Centres / Retirement Villages / Other	3, 4, 14, 15, 16, 17, 18, 19, 20	Case-by-Case

Sundry debtors and charges

Category	Threshold
Sundry debtors and charges	\$1,000

Advance Recovery

Where initial recovery action is unsuccessful, and after due consideration of all relevant factors, Council may elect to take either or both of the following actions:

1. Legal action

Legal action may be undertaken in the relevant jurisdiction by a mercantile agent or solicitor acting on Council's behalf, pursuant to section 134 of the *Regulation*. Before legal action is implemented, a letter of demand will be issued by the agent or solicitor. Legal action is a last resort (short of statutory sale) and may be undertaken if the debtor fails to adhere to an agreed payment plan or fails to respond to communication attempts made by Council's agent or solicitor.

All recoverable costs of pursuing debt recovery will be passed to the debtor.

2. Sale of land (rates debts only) – Rates only

An annual process will be undertaken to identify properties concerning which rates and charges have been overdue for at least three (3) years, and which the *Regulation* empowers therefore empowers Council to sell to recover the arrears. A list of the identified properties will be presented to Council with a recommendation that it resolve under *Regulation* section 140 to sell.

As soon as practicable after the resolution, a Notice of Intention to Sell, containing the details that section 140(4) prescribes, will be issued to all interested parties, i.e. the landowner, the holder of any registered interest in the land, and any encumbrancee, or trustee of the land who has given Council notice of their interest in the land.

This policy does not preclude Council from taking action to sell land earlier than three years after the rates/charges become overdue, where it is enforcing a judgment ordering payment

of the arrears.

At any time, Council will end recovery action if the overdue rates and charges, including all recovery expenses incurred (*recovery costs*), are paid in full. The CEO has the authority to remove a property from the sale list, or to defer a sale, by rescheduling the auction to another date within the timeframes prescribed by *Regulation* section 141.

For full details of the procedures for sale process, refer to *Regulation* chapter 4, part 12, division 3, subdivision 2 (section 138 et seq).

Consideration of advanced recovery action will take account of any security held for the debt, prospects of successfully recovering the debt, and the cost-effectiveness of the method employed.

Debt Recovery – supporting procedures

Application for Rates Relief on the Grounds of Hardship

Ratepayers may apply for relief based on hardship, the application to be supported by relevant documentation as outlined in the Rates and Charges Financial Hardship Policy.

Where hardship has been established, all reasonable steps will be taken to establish a payment arrangement or negotiate settlement of the debt. Debtors are expected to take responsibility for their debt obligations and to organise their affairs in such a way as to be able to discharge the obligations when required.

Instalment Payment Plans

Council has not made a resolution under *Regulation* section 129 to allow payment of rates or charges by instalments. At its sole discretion, Council will assess case-by-case whether to enter deferment plan agreements for *Regulation* section 121, allowing ratepayers to pay levied rates and charges by instalments. Council will only accept instalment plan applications received in writing.

Section 125(3) of the *Regulation* allows Council to include in an agreement for deferment made for section 121 a condition requiring the ratepayer to pay an additional charge in return for Council agreeing to defer payment of the rates or charges.

Any Council agreement to allow a deferment of rates will require the ratepayer to adhere to an approved payment plan, and, in return for the deferment, to pay an additional amount equivalent to the interest that would have been applied had the deferment not been approved.

Council will consider applications for instalment payment plans submitted on the approved form or as detailed in acceptable written or electronic form.

Council will assess applications for instalment payment plans entailing payments being made at least monthly and the outstanding balance being cleared by the end of the rating period of the same financial year (31 December or 30 June).

At the discretion of the Revenue Services Manager, Council may accept, though it will not encourage, instalment payment plans that fall outside the above-mentioned timeframes where there are extenuating circumstances and where the balance owing will be cleared prior to the due date of the next rate levy. Consideration will be given to whether the applicants have adhered to previous payment plans.

Council will not agree to an instalment payment plan where the proposed duration will not ensure extinguishment of the debt in a reasonable time.

Where an instalment payment plan meets the criteria set by Council and is approved, written acceptance of the plan will be provided to the ratepayer. This correspondence will also advise that the outstanding account may be referred to Council's debt collection agency if

the ratepayer does not adhere to the approved plan.

Instalment payment plans will be reviewed regularly to confirm ratepayer compliance.

Payment Plan Default

Where payments have not been received in accordance with the approved payment plan, the ratepayer will be advised in writing of the default and the account may be referred to Council's debt collection agency without further notice to the ratepayer. A payment plan may be reinstated if the arrears under the plan are paid. A payment plan may be renegotiated where there has been substantial compliance with it.

ROLES AND RESPONSIBILITIES

Councillors

Councillors consider and adopt the Policy.

CEO and Executive Team

The CEO and Executive Team endorse the Policy for Council adoption and provide leadership and commitment in complying with the Policy and relevant legislation and documents.

Revenue Services

The Revenue Services branch oversees the administration of the Policy, including the management of the debt collection process, and provide aged debt reports and other necessary information to the Executive Team for review. An annual report is presented to Council on properties recommended for sale due to overdue rates and charges.

Financial Services

Overall oversight of the collection of sundry debt is undertaken by the Financial Services Manager. Where possible outstanding charges (including infrastructure charges) are transferred to the relevant rate assessment.

Council Officers

Relevant managers/officers responsible for any sundry debt are required to engage in debt recovery process as and when required.

All Council staff are bound by the principles outlined in the policy.

RELEVANT LEGISLATION AND POLICIES

Local Government Act 2009

Local Government Regulation 2012

Revenue Policy

Revenue Statement

Rates and Charges Financial Hardship Policy

HUMAN RIGHTS AND ANTI-DISCRIMINATION STATEMENT

In developing this policy, the subject matter has been considered in accordance with the requirements of the *Human Rights Act 2019* and the *Anti-Discrimination Act 1991*. It is considered that the subject matter does not conflict with any human rights or

anti-discrimination imperative, and supports a human rights and non-discrimination approach to decision making by Council.

This policy should be read in conjunction with the *Human Rights Act*, Council's Human Rights Policy, and the *Anti-Discrimination Act*.

Version control:

Version	Reason/ Trigger	Change (Y/N)	Endorsed/ Reviewed by	Date
1.0	Create new	Y	Council	30/06/2025