1. PURPOSE

The purpose of this policy is to look to uphold best practice principles to support revenue and debt management and collection undertaken by Council. This policy aims to ensure that Council works with ratepayers and Sundry Debtors to confirm that all services provided by Council are recorded, all revenue is collected and Council treat ratepayers and Sundry Debtors with fairness, equity and sensitivity.

2. SCOPE

This policy applies to all Council staff and departments collecting revenue and funds owed to Council. It is also applicable to Council departments that are responsible for managing the provision of paid services and products, including but not limited to pre-school services, the transfer station, permits, penalties, infringements and venue hire.

3. DEFINITIONS

ACCC	Australian Competition and Consumer Commission
Act	Local Government Act 2020 (Vic)
ASIC	Australian Securities and Investments Commission
CCA	Competition and Consumer Act 2010 (Federal)
Council	City of Wodonga Council
CIV	Capital Improved Value
Debt	Amount of money owed, including an alleged debt
Financial hardship	A circumstance or occurrence where the Council reasonably considers that a ratepayer or debtor is experiencing undue and unavoidable hardship. This may include, but not limited to loss of employment, illness and change in family situation or other unforeseen factors. Financial hardship will be considered on an individual basis and always with a view to the ratepayer or debtor re-establishing financial capacity and meeting their financial obligations. The Council Rates & Charges Hardship Directive outlines the framework for administering applications for financial hardship.
Sundry Debtors	Debts owed to the Council (excluding rates and certain fines). Also known as Sundry Debtors.

4. POLICY

Council has the responsibility to ensure all services they provide meet the community's expectations in terms of cost and quality. Consistent and effective collection of Council's revenue and debts provides a positive impact on Council's financial position and consequently, strengthen the level of services provided to the community.

Rates and charges account for a considerable percentage of the total operating income of Council, with debtor management being an essential element of Council's budget monitoring and control strategy.

Decisions relating to the collection of revenue and outstanding Debts will be considered in the context of clauses 4.1 to 4.3 below.

4.1 Transparency and accountability

- Council will provide consistent information, payment terms and advice for the type of service being charged.

- Council will be clear, fair and transparent in its approach to the processes of the follow up of non-payment, and decisions will be made in accordance with the relevant legislation.

4.2 Consistency

- Council will consistently apply and interpret the relevant policies used to manage its revenue including debt management.

4.3 Fairness, equity and sensitivity

Council will:

- Actively work with ratepayers or Sundry Debtors experiencing financial hardship, as detailed in the Council Directive.
- Actively work with ratepayers or Sundry Debtors on compassionate grounds, as detailed in the Council Directive.
- Requests for assistance will be treated consistently, objectively, sensitively, respectfully and in a confidential manner.

Council's debt collection processes and Rates & Charges Hardship Directive are intended to be in line with CCA and the Debt Collection Guideline for Collectors and Creditors produced by the ACCC and ASIC. **Council will exhaust all reasonable avenues to prevent matters from proceeding to Court or other formal action.**

4.4 Risk Management

Council recognises the risk associated with the provision of a wide spectrum of services (and goods) which are managed by different business units, processes and procedures and IT systems. Council continues to work toward best practice in its business operations and look to maintain integrity of all revenue systems via suitable controls being in place and ongoing improvements to current and future procedures.

Current controls in place are sound with staff understanding roles and responsibilities. An **annual review** of documentation supporting roles, responsibilities, policies and procedures is required to:

- Ensure relevance of current processes.
- Review Risk Assessment recommendations to address the identified gaps, deficiencies and risks and control procedures that are requiring attention.
- Increase knowledge and understanding of business functions and have documented procedures in place to cover absence or changes in staffing.
- Ensure any segregation of duties is identified, understood and addressed to limit potential fraud and corruption.

This policy and associated policies, procedures, guidelines and directives governing Council rates and charges and those services provided under Sundry Debtors should be **reviewed annually** to ensure relevance and compliance.

5. RATE DEBTORS

Council operates a rates system which records financial information on a transactional basis and maintains debtor information in accordance with established principles of rating in local government. Rates debtors include, but are not limited to individuals, small businesses and larger corporations.

5.1 Collection

5.1.1 Annual rate notices and instalment notices will be issued no less than 14 days before due dates for payment in accordance with Section 158 of the Act.

5.1.2 All notices will be clear and provide sufficient information in regard to payment terms and the type of rate, charge or levy.

5.1.3 Debt collection costs incurred, including legal fees, are generally also recoverable and added to the account.

5.2 Interest

Council will charge interest on rates and charges in accordance with Section 172 of the Act. The interest percentage charge is the rate fixed under Section 2 of the Penalty Interest Rates Act 1983 (Vic). This rate will be confirmed each year in the declaration of rates and charges.

5.3 Waiving rates, interest and charges

5.3.1 Rates are a first charge on the property pursuant to the Act and will **generally not be waived.**

5.3.2 Interest, rates, charges and legal costs may be waived in accordance with clause 5.4.

5.4 Financial Hardship

5.4.1 Ratepayers who are suffering financial hardship or would suffer financial hardship if the full amount of rates and charges for which they are liable were paid, may apply to Council for a **deferment**. This may be for the whole or part of any rate, charge or interest imposed for late payment. Council will assess each application in accordance with the Rates & Charges Hardship Directive administered by Council and the hardship provisions set out in the Act.

5.4.2 Council may also provide alternative payment arrangements to assist ratepayers deemed to be under financial hardship in accordance with the Rates & Charges Hardship Directive.

5.5 Sale of Land to Recover Debt

5.5.1 Council will utilise the sale provisions under Section 181 of the Act in the following circumstances:

a) where all other recovery attempts have failed;

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b) where at least 3 full years' rates and charges remain unpaid;

5.5.2 Preparation for sale of property should commence:

a) as soon as permitted under the Act;

b) where 3 years rates and charges remain unpaid for owner occupied dwellings.

5.5.3 Council must ensure outstanding rates, legal and other costs never exceed the CIV of the property, except in cases where a property has a valuation of less than $10,000.

5.6 Authority to waive principal and/or interest

Applications to waive principal and/or interest will be considered under delegation by the Chief Executive Officer, Director Corporate Services or Manager Finance following recommendation by the Revenue Administrator.

The waiver of principal (rates and charges) and/or interest will be authorised within the delegated authority limits.

6. SUNDRY DEBTORS

Council utilises a computerised debtor accounts system which records financial information on a transactional basis and maintains debtor information in accordance with the principles of commercial business. All invoices will be clear, well defined and provide sufficient information on payment terms and the service, charge or product that is being invoiced.

6.1 Collection

Invoicing, collection and management of relevant agreements will be undertaken in a fair, transparent and consistent manner, including the formal processes in place for the follow up of non-payment. Follow up of non-payment will generally be referred to a debt collection agency where collection is unsuccessful. Debt collection costs incurred, including legal fees, are generally also recoverable and added to the account.

6.2 Interest

Council **will not** charge interest on any Sundry debtor account unless permitted under specific legislation.

6.3 Authority to waive a Sundry Debt

Applications will be considered under delegation by the Chief Executive Officer, Directors and Manager Finance following recommendation by the relevant Director, Manager or Team Leader.

The waiver of Sundry debts (including legal fees) will be authorised within the delegated authority limits.

6.4 Arrangements on default of a Sundry Debt

Council will consider all requests for alternative payment arrangements in accordance with the guidelines, however, full payment of the debt in the shortest reasonable time is preferred.

6.5 Financial hardship

No formalized guidelines exist for financial hardship in relation to Sundry Debtors. Individual departments liaise with the Finance department on outstanding debts (see clause 6.4) to consider alternative payment arrangements.

The **annual review** of documentation (see clause 4.4) supporting roles, responsibilities, policies and procedures should include **Financial Hardship Guidelines for Sundry Debtors** taking in to account the provision of paid services and products, including but not limited to pre-school services, transfer station waste collection, permits, penalties, infringements and venue hire.

6.6 Discounts for community purpose

The Council operates a large number of services and facilities for community purpose for which not all may be invoiced or charged. This will be in line with the Council's pricing policy (normally items which are classified as accessible) and annual updates to fees and charges.

7. Attachments

Nil

8. Related policies

Nil

9. Related legislation

Local Government Act 2020
Local Government Regulation 2012
Penalty Interest Rate Act 1983
Infringements Act 2006

10. References

Rating Strategy
Preschool Enrolment Procedural Guidelines
Rates & Charges Hardship Directive
Cash Handling Directive
Departmental Fees and Charges Schedule

11. Review

Council may review this policy at any time but unless otherwise requested at least every year from date of adoption. Minor amendments to the policy may be authorised by the CEO at any time where such changes do not alter the substance of the policy eg:

typographical errors, a change to the name of a related policy, or a change to the name of legislation.

Title:	Revenue Policy
Reference No:	Record Number
Business Unit:	Finance
Category:	
Approved By:	Manager Finance
Next Review:	November 2023