

	<h1>District Council of Cooper Pedy</h1>	<p>Issued: 29/08/2018</p> <p>Next Review:</p>
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Policy Name: Writing Off Bad Debts Policy

1. Introduction

Council raises charges for rates, water supply, electricity supply, sewerage services and a range of other local government services.

Council has processes in place for the follow-up of non-payment of amounts owing to Council. These processes involve follow-up by Council staff in the first instance and include the making of payment arrangements with debtors, sometimes involving the assistance of other government and non-government agencies. Continuing non-payment results in the debt being referred to a debt collection agency. In some cases this might result in prosecution to attempt to recover the debt.

2. Background

Where a debt becomes unrecoverable the Local Government Act at Section 143 makes the following provisions in respect of those debts:

“143—Writing off bad debts

- (1) A council may write off any debts owed to the council—
 - (a) if the council has no reasonable prospect of recovering the debts; or
 - (b) if the costs of recovery are likely to equal or exceed the amount to be recovered.
- (2) A council must not write off a debt under subsection (1) unless the chief executive officer has certified—
 - (a) that reasonable attempts have been made to recover the debt; or
 - (b) that the costs of recovery are likely to equal or exceed the amount to be recovered.
- (3) If a council delegates the power to write off debts under this section, the council must set an amount above which the delegation will not apply.”

3. Policy

The Chief Executive Officer shall ensure that Council maintains appropriate procedures and practices to:

- 3.1. Wherever possible, assure the credit worthiness of prospective customers of Council.
- 3.2. Raise invoices for amounts duly owing to the council.
- 3.3. Follow-up non-payment of invoices.

- 3.4. Refer continuing non-payment of amounts owing to Council to a debt recovery agency.
- 3.5. If necessary, prosecute debtors for non-payment of amounts owing to Council.
- 3.6. Where it becomes obvious that a debt is unrecoverable, initiate action to write off the debt.

Council delegates to the Chief Executive Officer the power under Section 143 of the Local Government Act to write off bad debts for any amount less than \$10,000