

Document Control	
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Responsible Position	Chief Financial Officer
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1. Purpose

This policy establishes a clear framework for the timely and equitable recovery of all monies owed to Maranoa Regional Council. It aims to ensure the timely, efficient, and consistent collection of debts while treating debtors fairly and with due consideration of genuine financial hardship.

2. Scope

This policy applies to all categories of debt owed to Maranoa Regional Council, including:

- Rates and charges – Overdue property rates and associated charges (e.g. general rates, service charges, levies).
- Utility accounts – Overdue Council-operated utility fees, specifically natural gas supply charges.
- Sundry and commercial debtors – Any other debts to Council (e.g. fees for services, permits, facility hire, licences, fines, recoverable works, etc.) policy applies to any person, group or
- Residential tenancy debts – Rent or other amounts owing to Council under residential tenancy agreements (e.g. Council-owned housing), subject to tenancy legislation.
- Avdata-managed debts – Charges managed through Avdata's billing system (e.g. airport landing fees, water standpipe usage and wash-down facility fees) that become overdue.

All Council departments and officers involved in billing and debt recovery must adhere to this policy.

3. Definitions

Council	<i>Maranoa Regional Council</i>
Sundry Debt	<i>Any debt owed to Council other than Rates & Charges</i>
1st Reminder Letter	<i>Letter attaching copy of outstanding Tax Invoice and advising debtor that account is overdue. Allowing an additional five (5) business days from the date of the letter to make payment or enter into an approved payment arrangement with Council.</i>
Demand Letter	<i>Letter advising debtor that account remains overdue and allowing an additional five (5) business days from the date of the letter to make payment or enter into an approved payment arrangement with Council or the account will be placed on Stop Credit and Council may refer their account to Council's Debt Recovery Agency to commence debt collection proceedings</i>
Final Demand Letter	<i>Letter advising debtor that account remains overdue and allowing an additional five (5) business days from date of letter to make payment or enter into an approved payment arrangement with Council The letter will also state that the account is on Stop Credit and Council may refer their account to Council's Debt Recovery Agency to commence debt collection proceedings.</i>
Payment Arrangement Acknowledgement Letter	<i>Letter acknowledging request from debtor to enter into a payment arrangement.</i>
Payment Arrangement Options Form	<i>Form is sent to debtor with payment arrangement acknowledgement letter for the debtor to complete and return to Accounts Processing within five (5) business days.</i>
Payment Arrangement Acceptance Letter	<i>Letter sent to debtor advising that payment arrangement submitted has been accepted with confirmation of details regarding payments.</i>
Payment Arrangement Default Letter	<i>Letter sent to debtor advising that the payment arrangement that was accepted by Council has not been adhered to by them. They must contact Council to make arrangements within five (5) business days).</i>

4. Statement

Maranoa Regional Council is committed to diligently pursuing all outstanding debts in a manner that is fair, ethical and compliant with relevant laws. In applying this policy, Council will be guided by the following principles

- Responsibility and transparency:** Council has a responsibility to recover monies owing in a timely manner to fund services and maintain cash flow. It will make clear to debtors their obligations and the steps Council will take to recover overdue amounts.
- Consistency and equity:** All debtors will be treated fairly and consistently under this policy, with like cases handled in like manner and without favour.
- Efficiency and cost-effectiveness:** Recovery processes will be designed to be simple, clear and cost-effective, aiming to minimise the level of outstanding debt while avoiding unnecessary administrative burden.
- Flexibility for hardship:** Council will show due respect and compassion to those experiencing genuine financial hardship. Debtors who demonstrate sincere willingness to pay down their debts will be given reasonable opportunity (such as payment arrangements or deferred arrangements) to rectify their debt.
- Accountability and good governance:** Recovery actions will comply with all legal requirements and Council policies. Appropriate approvals will be obtained for significant enforcement actions or write-offs to ensure oversight, while delegated authority is used to manage routine matters efficiently.

5. Policy

5.1. Rates and Charges

Rates and charges are levied under the authority of the *Local Government Act 2009* and become overdue if not paid by the day after the due date on the rate. Council will impose on overdue rates and charges, interest at the rate adopted by Council each financial year in accordance with section 133 of the *Local Government Regulation 2012*. Interest accrues on a daily basis on all overdue rates and charges, until the overdue amount is paid in full.

Recovery actions for overdue rates and charges will typically proceed in stages:

- a) **Reminder Notices:** If rates remain unpaid 14 days after the due date (and no approved payment arrangement is in place), Council will issue a First Reminder Letter. If the account is still not settled by the end of this extension, a Second Reminder or Final Notice will be sent, typically by domestic tracking post, giving a further grace period (e.g. another 14 days) to pay or arrange payment. The final notice will warn that failure to respond will result in further recovery action.
- b) **Payment Arrangements:** Council encourages any ratepayer unable to pay by the due date to contact Council to discuss a payment arrangement as early as possible. Where appropriate, staff (under delegated authority) may approve a periodic payment arrangement to clear the rates debt over an agreed timeframe. Such arrangements should generally ensure the debt is cleared within the current billing period or a reasonable period and may require an initial payment. Interest will continue to accrue during the arrangement unless Council grants a concession or remission as per its hardship provisions (which can include interest relief in extenuating circumstances). If a ratepayer with an arrangement fails to meet the agreed payments, Council may issue a default letter (giving 7 days to catch up) or may issue a cancellation letter (advising that the arrangement has been cancelled) depending on payment circumstances. Once a payment arrangement has been cancelled, recommencement of debt recovery action will apply.
- c) **External Collection Agency Referral:** If the overdue rates remain unpaid after Council's final notice period has expired, Council may refer the debt to an external debt recovery agent. At this stage, the debt collection agency (or Council's solicitors engaged via the agency) will typically issue a formal letter of demand to the ratepayer on Council's behalf. This demand will usually set a final deadline (e.g. 14 days) for payment or arrangement and advise that legal action may commence if not resolved.
- d) **Sale of Land for Rate Arrears:** In cases of long-standing rate arrears, Council will use the remedies available under the Local Government Act and Regulation to recover unpaid rates by selling the property. If rates or charges on a property remain unpaid for the period specified in legislation (currently 3 years for most properties), Council may begin the statutory procedure to recover the overdue rates through sale of the land. Affected ratepayers are given final warning of the impending sale and ample opportunity to pay the arrears to avoid losing their property.

Throughout the recovery process for rates and charges, Council staff will remain mindful of ratepayers' rights and circumstances. Council will comply with all relevant provisions of the *Local Government Act 2009* and *Local Government Regulation 2012* governing rate recovery, interest, legal proceedings and sale of land. At any point, if a ratepayer facing genuine hardship comes forward, Council may consider hardship concessions or alternative arrangements in line with Council's Hardship Policy or the delegated authority of the CEO under LGA 2009 to grant relief (e.g. deferment of due date, waiving of interest) on a case-by-case basis.

5.2. Utility (Natural Gas) Charges

Council operates a reticulated natural gas supply for which it levies utility charges on customers. Unpaid gas charges will be recovered using a firm but fair process that includes early intervention and the option of service disconnection for non-payment, in accordance with relevant energy legislation (e.g. *Gas Supply Act 2003 (Qld)* and *National Energy Retail Law (Qld)*) and consumer protection guidelines.

Key steps for overdue gas accounts are:

- a) **Initial Reminder:** Once the due date for a gas account has passed without full payment (and no payment arrangement in place), Council will issue a First Reminder Letter to the customer. This notice gives the debtor a short grace period (e.g. 7 days from the letter date) to pay the outstanding gas charges in full or to contact Council to enter an acceptable payment arrangement.
- b) **Disconnection Warning:** If the account remains unpaid after the first reminder period, Council will issue a Disconnection Notice (often called a second reminder or final notice for utilities) to the debtor. This letter usually allows another 7 day period for payment or arrangement and specifically informs the customer of the scheduled disconnection date if the overdue amount is not paid. Council will make reasonable attempts to contact the customer (e.g. via telephone or SMS) during this warning period to advise of the impending disconnection and to encourage payment or negotiation of a payment arrangement. *(Note: Council will also consider any obligations under the Home Energy Emergency Assistance Scheme or similar programs and will not disconnect certain vulnerable customers without complying with applicable guidelines.)*
- c) **Service Disconnection:** If the required payment is still not received by the expiration of the disconnection warning period, Council will proceed to disconnect the natural gas supply to the property for non-payment. The disconnection notice will outline the steps the customer must take to have service reconnected. Reconnection will only occur after the customer has paid all outstanding charges in full, including the overdue gas charges and any applicable disconnection/reconnection fees. (If a payment arrangement is agreed upon instead of full payment, Council may at its discretion reconnect once a substantial initial payment is made and the arrangement is formalised.)
- d) **Final Account and Further Recovery:** After disconnection, the customer will be issued a Final Natural Gas Account (a closing bill) that itemises all charges up to the disconnection date, including any fees or penalties. The customer will typically have 30 days from issue of the final account to pay the amount due. If the final account remains unpaid after this period (with no arrangement made), Council will send a Final Demand Letter to the debtor reminding them of the debt and cautioning that the matter may be referred to Council's debt collection agency or legal recovery if not resolved promptly. After a short additional grace period (e.g. 7 days from the final demand), Council may refer the debt to its Debt Recovery Agent for collection. The external agent will then issue a written demand for payment and, if necessary, recommend legal action to Council for recovery of the outstanding utility charges.
- e) **Denial of New Connections:** A debtor who has had their gas supply disconnected for non-payment will not be permitted to open a new gas account or connect gas at another property in the Council's network until their previous debt is cleared. If a customer with an outstanding gas debt (even one that was written off as uncollectable) requests a gas connection at a new address, they will be required to pay the full amount of any past unpaid charges before the new connection is approved.

Throughout the utility debt recovery process, Council will have regard to any applicable energy industry regulations and consumer protection legislation. Council's actions (including disconnection) will be undertaken in compliance with the *Gas Supply Act 2003 (Qld)* and the *National Energy Retail Law (Qld)* where applicable, as well as the Australian Competition and Consumer Commission (ACCC) Debt Collection Guideline to ensure ethical conduct. Customers facing genuine financial difficulty with utility bills are encouraged to contact Council

to discuss their circumstances; Council may offer extensions, payment arrangements, or information on State government concession programs as appropriate in line with the hardship principles of this policy.

5.3. Sundry and General Debtors

“Sundry debts” refer to all other amounts owing to Council that are not rates or utility charges – for example, fees for services or facilities, permits and licenses, commercial contracts, recoverable works charges, infringements, rents for non-residential agreements, or any other general accounts receivable. These debts are typically recorded via Council invoices with specified payment terms (often 30 days from invoice date, unless stated otherwise). Council will manage sundry debtor accounts to ensure timely collection and will pursue overdue amounts systematically while maintaining good customer relationships and allowing flexibility where warranted.

The recovery process for sundry debts is as follows:

- a) **Invoices and Credit Terms:** Council will issue an invoice or statement for all sundry charges, with clear payment due dates and acceptable payment methods. By accepting Council services or entering agreements, debtors are expected to pay invoices by the due date and organise their affairs to meet their obligations in a timely way. In some cases, Council may require upfront payment or a bond/deposit (for example, if the debtor has a poor credit history or no established account with Council). Where credit is extended (allowing payment after service delivery), it is done so in line with Council’s Granting of Credit Policy and with an understanding that overdue accounts will be actively managed under this policy.
- b) **Initial Overdue Reminder:** If a sundry debtor fails to pay by the invoice due date, Council will generally issue a 1st Reminder Notice soon after the account becomes overdue. This first reminder is typically a polite notice attaching a copy of the outstanding invoice and advising the debtor that payment is now overdue. It will give a short extension (e.g. 5 business days from the letter) for the debtor to settle the account or to contact Council to discuss payment arrangements.
- c) **Final Reminder / Demand:** If the debt remains unpaid after the first reminder period, Council will send a Demand Letter to the debtor. This letter advises that the account is seriously overdue and gives another 5–7 business days to make payment or enter into an approved payment arrangement with Council. The correspondence will clearly state that failure to respond will result in further recovery action, such as referral to a debt collection agency or legal proceedings. Stop-Credit: Once the final demand is issued, Council will place the debtor on “stop credit,” meaning no further goods, services or credit will be provided to the debtor until the outstanding amount is paid or an arrangement is in place.
- d) **External Recovery Action:** If, after the final notice deadline passes, the debt remains unpaid (and the debtor has not made acceptable arrangements), Council will escalate the matter externally. The account may be referred to Council’s debt collection agency or solicitor for further action. The debtor will incur any additional costs associated with this collection process if allowed by law or contract. Council will suspend further direct communication with the debtor once an account is handed over, to avoid confusion; the debtor will liaise with the collection agency regarding payment.
- e) **Legal Proceedings:** For sundry debts that remain unpaid even after debt collection efforts, Council may proceed to legal recovery through the courts. This step is generally reserved for substantial debts or where other methods have failed. Factors such as the amount owing, the debtor’s capacity to pay, and the likelihood of successful recovery will be considered before commencing litigation. Council may initiate legal action (e.g. a claim in the Magistrates Court or QCAT for smaller debts) upon the recommendation of its debt collection agency or the approval of the Chief Financial Officer.
- f) **Debts Deemed Unrecoverable (Write-off):** At any point, if a sundry debt is assessed as uneconomical to pursue or legally unenforceable, it may be classified as a doubtful debt and eventually written off (see

“Delegations and Write-Offs” below for criteria and authorisations). Even if a debt is written off for accounting purposes, the Council reserves the right to reinstate the debt and seek recovery if the circumstances change.

Throughout the sundry debt recovery process, Council staff will adhere to the ACCC Debt Collection Guidelines (which emphasise ethical practices and avoidance of harassment or coercion) and the Privacy Act/Information Privacy Act regarding debtor information. Council will also ensure compliance with any specific legislative provisions governing certain types of sundry debt (for instance, fines might have prescribed processes under other legislation).

Debtors are encouraged to communicate with Council if they anticipate difficulty in paying, as Council is willing to negotiate reasonable repayment arrangements to avoid the need for enforcement. Once an agreeable payment arrangement is in place and being met, further recovery actions will be suspended. If a debtor defaults on a payment arrangement without explanation, Council will typically issue a default notice (giving a short period to catch up) and if unmet, cancel the arrangement and proceed with the next recovery step (e.g. referral to collection).

5.4. Residential Tenancy Debts

Where the debt owed to Council arises from a Residential Tenancy, recovery will be handled in accordance with this policy in addition to the requirements of the residential tenancy legislation. Council acknowledges that the *Residential Tenancies and Rooming Accommodation Act 2008* (Qld) (and associated regulations) govern the landlord-tenant relationship. If any provision of this Debt Recovery Policy conflicts with the residential tenancy laws, the statutory tenancy provisions will take precedence.

Former tenants with outstanding rental debts may be ineligible for future tenancy with Council until the debt is paid. This policy's hardship considerations also apply – Council may agree to a repayment arrangement for a tenant in arrears to avoid eviction, or for a former tenant to gradually pay off a debt, if the tenant actively engages and demonstrates genuine effort. All debt recovery actions in this area will be carried out in compliance with the *Residential Tenancies and Rooming Accommodation Act 2008* and associated regulations, ensuring tenants' rights (such as proper notice and dispute resolution) are upheld.

5.5. Avdata-Managed Facility Debts

Council utilises Avdata Australia for automated billing of certain facility usage, notably Council-owned airports (landing fees and airport usage charges), water standpipes, and wash-down bay facilities. Under this arrangement, Avdata issues invoices to users and collects payments on Council's behalf for these services.

The following policy applies to debts arising from Avdata-managed accounts:

- a) **Avdata Billing Service:** Avdata will invoice facility users directly for charges incurred (e.g. aircraft landing fees, kilolitres of water from a standpipe, etc.) and provide payment avenues. Avdata monitors payments and sends its own reminders to users. Typically, Avdata will pursue the account for up to 90 days from the invoice date. During this period, the debt remains Avdata's responsibility to manage (as Council's billing agent) and they will attempt to collect the fees.
- b) **Transfer to Council at 60 Days:** If an Avdata-issued invoice remains unpaid beyond 60 days, the outstanding debt is referred back to Council as the asset owner. Council will then integrate the debt into its sundry debt recovery process at the External Recovery Action stage.

5.6. Delegations and Write-Off Authority

Council recognises the need to balance operational efficiency with appropriate governance oversight in the debt recovery process. Certain recovery actions and decisions – particularly the write-off of debts deemed unrecoverable – are subject to financial delegation limits. The following delegations are established (in accordance with section 257 of the Local Government Act 2009 and Council's financial management practices) for approving recovery actions or writing off bad debts:

- a) **Routine Recovery Actions:** Council officers are authorised to carry out the routine steps of debt recovery (issuing reminder letters, contacting debtors, making payment arrangements, referring matters to collection agents) as outlined in this policy without needing case-by-case approval, provided they adhere to the policy and any relevant procedures. The Chief Executive Officer (CEO) delegates day-to-day administration of debt recovery to the respective responsible officers (e.g. Rates and Utility Billing Officer for rates/gas, Accounts Receivable Officer for sundry debts) under the oversight of the Chief Financial Officer (CFO) or Director.
- b) **Payment Arrangements Approval:** The CEO (or delegate) has authority to approve payment arrangements proposed by debtors to clear outstanding amounts. This delegation allows staff to quickly implement repayment arrangements for most debts. All arrangements must be documented and monitored, and if a debtor defaults on an arrangement, staff should escalate the matter in line with the policy (with authority to cancel arrangements and resume recovery after giving notice).
- c) **Authority to Commence Legal Action:** The Chief Executive Officer and his/her delegates (e.g. CFO, or Director, as specified in Council's delegations register) are authorised to initiate legal recovery proceedings for debts.
- d) **Write-Off of Bad Debts:** When debts are assessed to be unrecoverable despite exhaustive efforts (for reasons such as the debtor's insolvency, death, inability to locate, expiration of statutory limitation period, or disproportionate cost of recovery), they may be written off from Council's accounts. Only authorised officers may approve write-offs, up to defined limits, as contained within the Financial Delegations Register. The following write-off authority limits apply (per debtor, per debt) in line with best practice in Queensland councils:
 - o The Chief Executive Officer (or delegate) is delegated authority to write off amounts up to \$10,000 per debtor.
 - o Debts greater than \$10,000 per debtor can only be written off by Council resolution. In such cases, a report will be presented to Council detailing the debt and the reasons it is considered unrecoverable, and Council may resolve to write off the debt (in full or part) or direct further action.

These limits ensure that routine small write-offs (for example, minor balances or cases where the debtor cannot be found) can be handled administratively, whereas significant financial losses are given due consideration by the elected Council. It is noted that writing off a debt does not extinguish the debt legally or prevent Council from re-attempting recovery in the future if circumstances change.

- e) **Interest and Penalty Remissions:** The CEO (under LGA 2009 s257 delegation) or a delegated officer may approve the remission (waiver) of accrued interest or other penalty charges on outstanding debts in certain justified cases, such as approved financial hardship situations or administrative errors.
- f) All **delegations** mentioned in this section are formalised through Council's Register of Delegations (administrative and financial). The CEO may sub-delegate powers to appropriate staff in writing, consistent with the Local Government Act. Council may review these delegation thresholds from time to time to ensure they remain appropriate.

- g) **Refunds:** Refunds can be applied for by submitting the prescribed form , however if it is found that there is an outstanding debt owed by the same debtor, a refund must not be provided until all of the outstanding debt is paid in full, unless otherwise approved by an authorised officer.

6. Related Policies and Legislation

- Queensland Local Government Act 2009
- Queensland Local Government Regulation 2012
- Residential Tenancies and Rooming Accommodation Act 2008
- Residential Tenancies and Rooming Accommodation Regulation 2009
- Gas Supply Act 2003 (Qld)
- National Energy Retail Law (Qld) Act 2014
- Fire and Emergency Services Act 1990
- Australian Competition and Consumer Commission Debt Collection Guidelines
- Privacy Act 1988
- Queensland Information Privacy Act 2009
- Revenue Policy 2025/26
- Revenue Statement 2025/26
- Rates and Utilities Hardship Policy