

# Council biggest debtors pay up

**YARRIAMBIACK** Shire Council has passed its debt management, relief and hardship policy to address recommendations identified by the 2019 Inspectorate report.

Passed at council meeting on May 27, the policy lays out a framework for council recording and managing rates, charges, and fees for residents.

Yarriambiack Shire's Director Business, Strategy and Performance Tammy Smith said that the new policy would ensure that proper debt management processes are followed.

"This is to ensure that there is a process now in which we follow for hardship applications and we've revised payment plans to include a sign-off so that there is proof that it has been processed," she said.

This comes in response to the Inspectorate Report handed down in November 2019 which found that there was no evidence at the time of investigation that council had attempted to collect outstanding debts.

The report found that 12 percent of council's \$12.3 million in rate revenue for 2018-19 was outstanding, deemed by the Local Government Inspectorates office as being significantly higher than the average of four percent for similar sized councils.

Yarriambiack Shire CEO Jessie Holmes said that through the employment of the new debt collection company,

council would be able to reduce outstanding debts in line with smaller councils.

"Through our new debt collection company, we have set KPIs and we'll be pursuing our top five debtors to begin with," she said.

Two of council's largest debtors have paid council outstanding rates after it contracted a new boutique debt collection agency earlier this year.

"Now that the top two have paid, we'll actively pursue the next three and then move on to the next five, and then so forth," Ms Holmes said.

"We are hoping to see with those two that have paid in arrears an increase of approximately \$150,000."

Ms Holmes said that council would be looking at reducing outstanding debts below \$1 million within the next 12 months.

"That would get us in line with small rural council expectations," she said.

As of council's May 2020 report, there is a total of \$1.77 million in outstanding rates, with \$910,872 being current.

It passed alongside council's COVID-19 hardship policy, which extends council's existing policy to non-residential properties impacted by the virus.

The policy proposes to allow premises to defer interest payments, enter in to payment plans with council.