

## Debt Management Policy

### Purpose

This policy aims to provide a clear direction to debtors and to the Office for the Outback Communities Authority on how the Outback Communities Authority will manage outstanding debt.

### Policy Statement

The Outback Communities Authority is required to demonstrate fiscal responsibility. It will therefore review and seek settlement of outstanding debts in accordance with State Government fiscal management requirements and good governance practices.

The Outback Communities Authority will manage its obligation to recover outstanding debt in a compassionate and confidential manner.

### Implementation

When goods and/or services are provided by the Outback Communities Authority the usual accounting process of invoicing and reminders will be used. Where a debt is owed to the OCA and that debt remains unpaid for a period of 90 days the office of the OCA will attempt to make contact with the debtor to negotiate the settlement of that debt.

After 90 days but before referral to a debt collection agency, the Outback Communities Authority will consider entering into an Enforceable Payment Agreement (EPA) with the debtor provided that:

- In the case of a debt incurred from a levy or community contribution, the debtor will clear the debt before the next payment is due.
- In the case of the provision of goods and/or services, the debt will be settled within 6 months of the date of the EPA.

If reasonable attempts to contact the debtor fail or an EPA cannot be entered into within 120 days of the debt being due, the debt will be referred to a debt collection agency. Once a debtor has been placed in the hands of a debt collection agency all contact with the debtor will be through that agency.

The OCA will delegate its powers to recover outstanding debt in an Instrument of Delegation (Debt Management delegations).

### Evaluation and Review

This Policy will be regularly evaluated by the OCA staff. The Policy will be reviewed by the OCA Board on recommendation of OCA staff or within three months of the appointment or renewal of tenure of a Presiding Member, whichever shall occur first.

### Definitions

Enforceable Payment Agreement; If an agreement can be reached to repay by instalments the parties may enter into an Enforceable Payment Agreement (EPA). If the debtor falls behind in making two payments a claim can then be issued for the outstanding balance. The creditor

can obtain a judgment straight away which can then be enforced like any other judgment. The debtor, if they abide by the agreement will not get an adverse credit rating and they do not have to pay the legal costs.

## References

Nil

*This policy was adopted by the Authority on 19 March 2014*

