

## **DEBT RECOVERY Property Related Debts (Including Rates and Water)**

### **OBJECTIVE:**

To document Council's debt collection process for property related debts, to ensure monies owed to council are collected in a timely, efficient and fair manner with minimal expense to Council and the property owner.

### **LEGISLATIVE REQUIREMENTS:**

- *Local Government Act 1993.*
- *Local Government (General) Regulation 2021 (NSW).*
- *Valuation of Land Act 1916 NSW*
- *Debt Management and Hardship Guidelines November 2018*

### **RELATED POLICY AND PLANS:**

- Ratepayers Hardship Policy
- Pensioner Policy
- Privacy Management Plan

### **POLICY:**

Payment Arrangements:

Any property owner experiencing difficulties with regards to payment of property related debts is encouraged to reach out to Council to formulate and implement a mutually acceptable payment arrangement under either:

- Council's hardship policy or
- a mutually acceptable arrangement to pay

If a payment arrangement is in place no further legal action will be taken whilst ever the payment arrangement is within the agreed terms. If the payment arrangement is breached without notice on more than one occasion, within 12 months of implementation, Council may undertake debt recovery action.

Property Related Debt

A property related debt are payments owed to Council for:

- rates and annual charges
- water and wastewater charges
- debt recovery costs
- any other costs able to be classified as a property debt e.g. footpath construction
- Interest charged on any overdue property debt

Reminders

A reminder or overdue notice is not considered to be debt recovery and may be sent under any circumstances.



Debt Recovery Action:

Debt recovery action may include:

Any process recognised by the NSW Local Courts

Rent for rates

Garnishee's

Use of water restrictors

## **DEBT RECOVERY PROCESS**

When Will the Debt Recovery Process Commence?

The debt recovery process will commence once the overdue amount on a property reaches:

- \$1,000

How will the Debt Recovery Process be Implemented?

**Step 1:** Council or its agent will issue a letter of demand giving 21 days' notice to respond by either:

- Making payment of the overdue amount in full; or
- Entering into a mutually acceptable payment arrangement

**Step 2:** If the letter of demand is not met with a response as outlined above then legal action will commence without further notice. All associated court and recovery agent fees will be levied against the property.

**Step 3:** Should legal action fail then Council will as a last resort sell the property for unpaid rates. Any such sale will be in accordance with s713 of the Local Government Act.