

9.1. DEBT RECOVERY

OBJECTIVE: For property related debts to establish a debt collection program which applies modern, fair and effective debt recovery and hardship policies and practices in line with the *Debt Management and Hardship Guidelines* issued by the Office of Local Government, November 2018 under section 23A of the Local Government Act.

For non-property related debts to establish a debt collection program which applies modern, fair and effective debt recovery policies to ensure monies owed to council are collected in a timely, efficient and fair manner at minimal expense to both Council and individual debtors, while minimising the risk of debt from overdue payments.

GENERAL: For debt recovery purposes, debts owed to council are classified as;

Property Related Debts

- Rates and Annual Charges – as levied per the Rates and Charges notice;
- Water and Wastewater Charges – as levied per Water and Wastewater Charges notices;
- Other Property related debts – as levied per debtor invoices;

Other Debts

- Other debts – as levied per debtor invoices.

POLICY:

Rates and Annual Charges:

Levy and due dates

Rates and Annual Charges are levied in full in July for each financial year by the service of a Rates and Annual Charges notice for each property.

The total amount becomes due and payable by four equal instalments with the following due dates; 31 August, 30 November, 28 February and 31 May.

Payment may be made in full by 31 August or by the quarterly instalment due dates.

Supplementary rate levies may also be required during the year. The due dates for these notices are based on the remaining instalment dates for the year.

An Instalment Reminder Notice is sent for instalments 2 – 4 a month before each respective due date (unless rates have been paid in full).

Water and Wastewater Charges:

Levy and due dates

Water and wastewater service and usage charges are raised by individual notices per specific billing periods.

All notices become due for payment within 21 days of the notice date.

Penalties and recovery

Rates and annual charges levied become due, legally recoverable and subject to interest charges according to the assigned statutory instalments. Interest is charged daily on amounts that become overdue and interest amounts raised become due and recoverable as they accrue.

Charges for water and wastewater services become due, legally recoverable and subject to interest charges by the notice due dates.

The recovery process for property related debts will be combined per property.

The recovery process will commence once the amount overdue on a property reaches either;

- \$1,000 regardless of the number of unpaid notices; or
- \$750 if at least two consecutive notices for one charge type are unpaid.

The amount overdue includes all statutory charges relating to a property being;

- Rates and Annual Charges;
- Water and Wastewater charges;
- Interest charges.

The debt recovery process shall be in accordance with the Office of Local Government Debt Management and Hardship Guidelines. A summary of the process is outlined in Appendix A debt recovery process flowchart.

To encourage ratepayers to avoid litigation, public awareness and transparency of this policy is to be actively promoted. Full details will be provided with all rate and instalment notices and on Council's website.

Other Property Debts:

Levy and due dates

These are generally non-recurring transactions which are raised by invoice as required.

Due dates and payment methods may vary depending on the nature of the charge.

Penalties and recovery

As these are property debts the recovery of overdue amounts will be included with the process for rates and annual charges.

For properties that are exempt for rates and annual charges, the recovery process will be in accordance with other debts.

The debt recovery process shall be in accordance with the Office of Local Government Debt Management and Hardship Guidelines. A summary of the process is outlined in Appendix A debt recovery process flowchart.

Office of Local Government Debt Management and Hardship Guidelines are available from the Office of Local Government or at the time of writing by using the following link:

[Stronger Communities Fund Newsletter \(nsw.gov.au\)](http://nsw.gov.au)

Other Debts:

These are sundry debtors that cannot be legally related to a property.

They are raised by individual invoices and due dates and payment methods may vary depending on the nature of the charge.

Where an amount is overdue for more than 7 days, the customer may be placed on stop credit.

Where an amount is overdue for more than 14 days debt recovery proceedings may be instigated.

Legal costs and expenses incurred in debt recovery proceedings will be pursued through the legal proceedings.

Should a suitable payment arrangement be entered into to clear any outstanding debts and the debtor defaults on this arrangement then the full amount becomes payable and debt recovery will be instigated.