

DEBT RECOVERY POLICY FOR PROPERTY-RELATED DEBTS (INCLUDING RATES AND WATER) POLICY

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.

COMMENCEMENT OF THE POLICY

This Policy commenced in 2005 and is to be revised every 2 years.

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 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; or
- 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 Plan

Debt recovery action may include:

- Any process recognised by the NSW Local Courts
- Rent for rates
- Garnishee orders
- Use of water restrictors

Debt Recovery Process

When does the Debt Recovery Process Commence?

The debt recovery process may commence once the overdue amount on a property reaches \$1,500.00.

How is the Debt Recovery Process 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.

ASSOCIATED COUNCIL DOCUMENTS

- Ratepayers Hardship Policy
- Pensioner Policy
- Privacy Management Plan

REFERENCES AND LEGISLATION

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

POLICY REVIEW

This Policy may be amended or revoked at any time and must be reviewed on an annual basis to ensure continuing compliance with all relevant legislation and related regulations.

POLICY VERSION AND REVISION INFORMATION

Policy Authorised by: Title: Manager Finance	Original issue: 2005 Revision Period – 2 Years
Policy Maintained by: Financial Services	Current Version 8

♦ **HISTORY –** Reviewed in 2025 General Policy Review – Updated – Ordinary Council 9 December 2025 Minute No. 303/25
Reviewed by Policy Owner – updated – Ordinary Meeting 25 March 2025 – Min no. 65/25
Reviewed – Ordinary Council Meeting 22 October 2024 – Min No 281/24
Reviewed November 2023 – Updated – Ordinary Council Meeting 27 Feb 2024 – Min No 26/24
Reviewed July 2020 – Updated – Ordinary Council Meeting – Min No
Adopted Ordinary Council 27 September 2016 Min No: 272/16
Reviewed by DC&G October 2012 – Updated – Ordinary Council Meeting 15/01/2013 – Min No: 9/13
Adopted as TRC Policy at Ordinary Meeting 27 September 2005 Min No 229/05

Resolved – Strategy and Finance Committee 15/3/05 SF20/05.
EMT 8/3/05.