



CABONNE COUNCIL STRATEGIC POLICY

DEBT RECOVERY POLICY

1. Document Information

Version Date <i>(Draft or Council meeting date)</i>	25/05/2021
Author	Department Leader Finance
Owner <i>(Relevant Executive)</i>	DGM Services
Status <i>(Draft, Approved, Adopted by Council, Superseded, or Withdrawn)</i>	Adopted by Council
Next Review Date	Within 12 months of council being elected
Minute Number <i>(once adopted by Council)</i>	21/05/08

2. Summary

Council relies on Rates and Charges to fund services and facilities for our community. The objective of this policy is to ensure the collection of rates, charges and debts owing to Council is in a timely and consistent manner.

3. History

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Minute Number	Summary of Changes	New Version Date

4. Reason

The purpose of this policy is to fulfil the statutory requirement of the Local Government Act, 1993 with respect to both the recovery of outstanding rates, annual charges, interest and sundry debtors. Council has a responsibility to ensure effective control and recovery over debts owing in a timely way to ensure effective financial management.

5. Scope

This policy applies to any person or organisation owing rates, charges, fees or other debts to Council.

6. Associated Legislation

- Local Government Act 1993
- Local Government (General) Regulation 2005
- Office of Local Government Debt Management & Hardship Guidelines, November 2018

7. Definitions

Ratepayer – The person liable for payment of the rates and charges at a property.

Rates and Charges – Rates levied on property, water and sewer charges.

Fees and Charges – Other fees levied by Council.

Legal Costs – The costs that are associated when recovering unpaid debts.

Payment arrangements – An arrangement that allows ratepayers to pay overdue balances incrementally.

8. Responsibilities

- a. Councillors
- b. General Manager
- c. Deputy General Managers
- d. Ratepayers

9. Related Documents

Document Name	Document Location
Rates & Charges Hardship Assistance Policy for ratepayers suffering from the effects of natural disasters	Doc ID 1099061

10. Policy Statement

This policy outlines the principles and guidelines for managing the recovery of outstanding rates and charges incorporating the following major elements:

- Aim to collect all rates and charges by the end of each rating year
- Apply a fair and reasonable approach to recovering overdue rates and charges
- Achieve and maintain an outstanding rates and charges ration at or below industry standard
- Recover sundry debtors accounts in a timely manner to minimise accounts being over 90 days overdue
- Apply provisions of the Act relating to the sale of land as and when required

11. Recovery Action

Recovery action of rates debts will commence when rates and or charges are not paid by the due date for each quarterly instalment unless arrangements have been entered into to make periodical payments under Section 564 of the Local Government Act, 1993.

Recovery action will commence if other debts are not paid within ninety (90) days.

Reminder Notice

If any account remains unpaid after 7 days from the due date, then a Reminder Notice will be sent. Council strongly encourages anyone having difficulty paying their Rates and Charges to contact staff to discuss the payment options that might be available to them.

Payment Arrangements

Wherever possible, Council prefers to make a sustainable payment arrangement with Ratepayers and Customers rather than take legal action. Council will treat any request for a payment arrangement sympathetically and reserves the right to accept or decline any payment arrangement.

Referral to Debt Collection Agency

If an account remains unpaid after 14 days from the Reminder Notice is sent out, then the account will be referred to Council's Debt Recovery Agency.

Compassionate Early-Stage Intervention

An Early-Stage Intervention visit may be made to ratepayers in a compassionate and rational attempt to help them to pay Council, and to help them avoid accumulating unmanageable levels of debt, and to avoid legal action.

Compassionate Late-Stage Intervention

From time-to-time accounts remain outstanding despite legal action having been taken. In most such cases the ratepayers are experiencing financial hardship and/or other complex issues exist.

Any ratepayers whose accounts remain outstanding despite legal action being taken may receive a more intensive visit to understand the difficulties they face and endeavour to help them to find a way to pay Council. Where possible, Late-Stage Intervention also helps ratepayers take steps towards their general recuperation.

Council contracts a specialist 3rd-party organisation, which assists ratepayers for many NSW councils, to perform Early-Stage and Late-Stage Interventions.

Where possible the 3rd-party organisation will visit to help ratepayers with both their Water account and any outstanding Rates account owing to a constituent council, to make payment arrangements more sustainable and to avoid cost duplication.

Legal Action

Where accounts remain outstanding, legal proceedings may commence if any of the following criteria are met:

- The amount of the outstanding debt is greater than \$600.
- A Ratepayer has two or more quarterly Rates and Annual Charges instalments outstanding.
- A Ratepayer or Customer has repeatedly failed to pay their bills when due.
- A Ratepayer or Customer has arranged to pay but failed to maintain payments under the arrangement.

According to each circumstance, several legal actions may be taken to recover debts. Some of the main legal actions that may be taken are outlined below.

Sale of Land

As an action of last resort, Council may exercise the rights awarded it under Sections 713 to 726 of the Local Government Act 1993 to have the debt paid by selling the land.