


<b>POLICY NAME</b>	<b>DEBT RECOVERY AND WRITE-OFF POLICY</b>	
Date Adopted	28 May 2025	
Resolution Number	73/25	
Policy Custodian	Director Corporate Services	
Policy Development Officer	Manager Finance & Technology	
Review Date	May 2027 (2 years from adoption)	
Relevant Legislation	<i>Local Government Act (NSW) 1993</i> <i>Local Government (General) Regulation (NSW) 2021</i> OLG Circular 15-40 Recovery of Outstanding Water Charges <i>Civil Procedure Act 2005</i>	
Related Documents	Nil	

## POLICY OBJECTIVES

The objective of this policy is to recover monies owing in a timely and effective manner to finance Council's operations and ensure effective cash flow management. Provide a process that is ethical, transparent, compassionate, open, accountable and compliant with legal obligations.

This policy will:

- a) Ensure effective control over debts owed to Council,
- b) Outline the principles and guidelines that apply to the recovery and management of overdue Rates, Water Consumption Charges, Fees and Charges and Sundry Debtor accounts,
- c) Fulfil the statutory requirements of both the Local Government Act 1993, and Civil Procedure Act 2005, with respect to the recovery of rates and charges,
- d) Ensure the integrity and confidentiality of all proceedings for both the Council and the debtor, and
- e) Outline the process of writing off debts.

## POLICY SCOPE

This policy applies to all Ratepayers and debtors of Council.

## POLICY STATEMENT

### 1. Rates and Quarterly Instalment Notices

Rate notices are issued in July of each year and are payable in four instalments. The due dates for each instalment are 31 August, 30 November, 28 February and 31 May.

## **2. The Rates Reminder**

A Rates Reminder Notice shall be issued where applicable within 10 business days after the due date of an instalment. The Reminder Notices will be issued for amounts over \$25 outstanding and will request payment within 10 business days.

Residents can register for e-notices through the Council website. Reminder notices are issued by SMS to residents to reduce the risk of late payments.

## **3. Payment Arrangements**

Arrangements may be entered into with all ratepayers; however, interest will continue to accrue on any arrears during the period of arrangement. Payments are applied to the oldest portion of the debt first.

The daily interest rate is shown on the front of the rates notice and is applied to arrears of rates and charges.

Any default in arrangements that occur for a period greater than one (1) month, without prior notification will result in Council contacting the debtor by SMS and email to ascertain the debtor's intentions regarding the debt.

Recovery action by Council will be deferred whilst ever the agreed payment arrangement is adhered to.

## **4. Recovery Action**

Recovery action will be initiated with a "Letter of Intention" being sent to the debtor by Council's Debt Collection Agency. A letter of intention will be issued giving the debtor 10 business days to make either payment or an acceptable arrangement before further action is taken.

If payment or an arrangement for payment has not been received by the due date stated on the "Letter of Intention" then Council will proceed to further recovery action.

Where the rates debt is greater than \$1,000 or the equivalent dollar value of two instalments further action will be undertaken by an external debt collection agency.

Recovery costs will be charged to the debtor.

## **5. The Sale of Property for Unpaid Rates and Charges**

Council has the right to sell land for unpaid rates and charges pursuant to Section 712-726 (inclusive) of the *Local Government Act 1993* and Section 133 to 136K of the *Local Government (General) Regulations 2021*.

## **6. Debt Recovery for Water Consumption Charges**

The overall debt collection and recovery process for water charges will be consistent with the recovery of rates and charges. Reminder notices will be issued for amounts over \$25 outstanding and will request payment within 10 business days.

If payment is not made after a reminder notice is issued, Council may choose to issue a notice of "Intention to Restrict Water Supply". A decision to restrict water for non-payment of water charges will be consistent with the *Local Government (General) Regulation 2021*, Section 144 and allow sufficient water to use to maintain personal hygiene.

The water restriction notice will in addition, state:

- The amount outstanding,
- The total amount to be paid to avoid water restriction,
- That the supply will not be restored unless the outstanding amount together with the reconnection fee is paid in full,
- Arrangements for payment will not be entered into after the water supply becomes restricted,
- That a fee for the reconnection of the normal water supply will apply and specify such fee.

After ten (10) business days from service of the restriction notice and if the outstanding account remains unpaid, the water will be restricted until all charges and fees are paid in full.

If after ten (10) business days of the restriction being enforced the debt remains unpaid legal action will commence, following the same procedures used to recover rates debt. Recovery costs will be charged to the debtor.

### **Section 569 of the *Local Government Act 1993***

Council will only restrict or disconnect water as an option of last resort, after it has issued a notice to the tenant (residential and business) under section 569 and a reasonable opportunity is given to the tenant to comply with the notice.

#### **Who is liable to pay charges? -**

Section 561 of the *Local Government Act 1993* states the person liable to pay a charge is the person who, if the charge were a rate would be liable.

Section 569 outlines specific instances where a notice may be issued to the **occupier**. i.e., (1) if the person liable to pay the rate or charge:

(a) is resident outside New South Wales, or

- (b) is unknown to the council, or*
- (c) has not been served in any legal proceedings for the recovery of the rate or charge after reasonable efforts have been made by or on behalf of the council to effect service, or*
- (d) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his or her creditors or makes an assignment of his or her remuneration for their benefit, or*
- (e) dies, or*
- (f) has had judgment given against him or her for the amount of the rate or charge.*

*(2) The notice may demand that any rent in respect of the land is to be paid by the occupier to the council as it falls due in satisfaction of the rate, charge or judgment.*

*(3) The council may recover the amount of the rate, charge or judgment outstanding as a debt from the occupier if rent is not paid to the council in accordance with the demand.*

*(4) A payment under this section to the council discharges the payer from any liability to any person to pay the rent.*

## **7. Debt Recovery for Sundry Debtors**

Recovery action will commence when amounts are outstanding 60 days and over. Arrangements to pay off outstanding amounts by regular payments may be made where appropriate at the discretion of Council staff with the appropriate delegation.

## **8. Write-Off of Accounts**

The provisions of the *Local Government Act 1993* and *Local Government Regulation 2021* allow Councils in certain circumstances to write off, waive or reduce debts owing to Council.

Accounts that the Manager Finance and Technology considers not to be cost effective to recover shall be written-off provided that the account cannot be attached to a larger debt or carried forward and included in subsequent accounts.

In accordance with the Delegation to the General Manager, the General Manager can approve the writing-off of debts up to \$5,000.

Requests to write-off of debts exceeding \$5,000 must be approved by Council resolution only after legal action to recover the debt has been unsuccessful.

The write-off of a debt does not preclude Council from pursuing the amount outstanding in the future. Where a debt is recovered after writing-off the debt is re-instated and paid through the accounts system.

## **POLICY DEFINITIONS**

Nil Applicable

## VERSION CONTROL AND CHANGE HISTORY

### Debt Recovery Policy

Previous Versions	Date of Adoption by Council	Resolution #	Author/Editor	Summary of Changes
V1.0	23/5/03	231/03		Original Policy
V2.0	18/11/04	584/04		
V3.0	23/04/08	190/08		
V4.0	19/12/12	525/12		
V5.0	27/3/13	69/13		
V6.0	27/4/16	92/16		
V7.0	23/08/17	168/17		
V8.0	28/10/20	231/20		
V9.0	21/12/22	248/22		

### Writing-Off Debts Policy

Previous Versions	Date of Adoption by Council	Resolution #	Author/Editor	Summary of Changes
V1.0	24/6/15			Original Policy
V2.0	27/2/13			
V3.0	23/8/17			
V4.0	28/11/18			
V5.0	21/12/22	248/22		

### NEW Debt Recovery and Write-Off Policy

Previous Versions	Date of Adoption by Council	Resolution #	Author/Editor	Summary of Changes
V.1	28/05/25	73/25	Acting Manager Finance & Technology	New Combined Policy