



# DEBT RECOVERY POLICY AND PROCEDURE

Adoption Date: 27 October 2022

Next Review Date: October 2025

Responsible Officer: Chief Financial Officer

---

## POLICY STATEMENT

Walgett Shire Council is committed to ensuring that Council's revenue (General rates, waste management, water, sewer and sundry fees and charges) is collected promptly fairly and efficiently, to ensure no adverse effects to Council's cash flow.

## OBJECTIVES:

- To meet the Office of Local Government benchmark for a rural Council of less than 10% Total rates and Charges outstanding compared to the total Rates and Charges levied in the current year plus rates and charges outstanding from previous years.
- To ensure rates and charges are collected in a fair, equitable and transparent manner that demonstrates no discrimination within the community.
- To provide a framework for the use of contemporary debt recovery procedures as recommended in the Section 23A Guidelines provided by the NSW Office of Local Government.
- To provide clear guidelines that enables Council staff to recognise genuine hardship and assist customers in-line with Council's policies and procedures.

## POLICY SCOPE

General Manager  
Chief Financial Officer  
Rates Clerk/Rates Team  
Management Accountant  
Cashiers

## STATUTORY REQUIREMENTS

Local Government Act 1993  
Local Government (General) Regulation 2021

## GOVERNMENT REFERENCES

Office of Local Government Section 23A Guidelines

## RELATED POLICY/PROCEDURE

Financial Hardship  
Financial Management and Control

---

## PRINCIPLES

### 1. Rates and Charges

- To collect all rates and charges by end of financial year.
- Ensure the outstanding rates debt ratio meets industry standard.
- Communicate with ratepayers in a fair and respectful manner, which follows the Section 23A Guidelines issued by the Office of Local Government.
- Consider arrangements when payments are overdue.
- Individually assess hardship applications.
- Use all conventional means to recover outstanding debts prior to reverting to legal means.
- Implement Section 713 of the Local Government Act regarding Sale of Land for Unpaid Rates when available.

### 2. Sundry Debtors

- Statements to be issued for all sundry debtors at end of month.
- Follow up with a reminder letter after no contact for 2 months.
- Debt recovery will be done in a fair and equitable manner.
- Hardship applications will be assessed in accordance with Councils hardship policy.
- Where a debt is disputed, it will be referred to the relevant Manager for investigation and report to the Chief Financial Officer.
- The General Manager has delegated authority to write off up to \$500, with a report to Council at next opportunity.
- Credit notes to be approved by Chief Financial Officer or Management Accountant.

### 3. Rates and charges Notices

- Annual Rates and Charges Notices must be issued by first day of August and include all information set out in Clause 127 of the Local Government Regulations 2005.
- Instalment notices to be issued 30 days before due dates of 30 November, 28 February and 31 May.
- Water meters will be read every four months during September, February and June with Water Bills due 30 days after issue. Follow-up notices will be forwarded where consumption remains unpaid after 30 days. Failure to respond to follow-up notices will lead to a letter threatening legal action. Should Council rates be also outstanding legal recovery action will be considered otherwise the installation of a meter restrictor may be considered in extreme cases.

### 4. Debt Recovery Action

- Once two instalment notices have been missed, Council will issue a final notice requesting payment within 14 days, whilst encouraging the ratepayer who may be facing hardship to contact Council with the view of making a payment arrangement.
- Should the ratepayer fail to respond to the final notice, Council will then issue a warning letter of demand, which stipulates the matter will be referred to Council's debt collection agent that will result in legal fees and the ratepayer's credit rating being affected.
- Legal Action will commence when Council refers a case to its Debt Collecting Agent.
  - ◆ Firstly, it will involve a **demand letter** warning that legal action will commence unless the amount is paid in full or an appropriate arrangement made to pay off the debt within 14 days. Also warning the ratepayer that all legal costs are recoverable.

- 
- ◆ Secondly, if an arrangement is proposed it will need to be in writing and negotiated by Council's rate recovery officer.
  - ◆ Failure to negotiate a settlement will result in Council authorising its debt collection agent to serve a Statement of Liquidated Claim.
- As a last resort, Council will use Section 713 of the Local Government Act 1993, to sell properties for Unpaid Rates when rates remain unpaid for 5 years. Vacant land may be sold after 1 year when the rates exceed the current value of the land.

## **5. Agreements**

- Failure to pay two consecutive instalments will result in Council issuing final notice. This notice will demand payment within 14 days and ask the ratepayer whether they are having difficulty paying and suggesting that a periodic agreement may be required.
- Council acknowledges that in certain circumstances ratepayers may genuinely be suffering financial hardship and therefore be not able to meet their obligation to pay rates. If hardship prevails then Section 564 of the Local Government Act 1993 enables Councils to make agreements for periodic payments and even writing off interest if the agreement is complied with.
- Periodic payments are to be encouraged as direct debits and centrepay.
- Agreements should be in writing, which sets out amounts which need to be paid periodically (weekly, fortnightly, monthly) to settle the account by end of the financial year, or at the very latest end of second financial year taking into consideration the following years rates and charges.
- Agreements to be monitored for non-compliance. Whilst circumstances of ratepayers can change the ratepayers should be contacted when 2 payments are missed asking for an explanation before the agreement is cancelled.
- Whilst an agreement can include writing-off interest, that will only occur at the end of the agreement subject to compliance.

## **6. Interest**

- Council is obliged to charge interest under Section 566 Local Government Act 1993 at a rate set by the Minister as published in the Government Gazette.
- Interest is calculated daily and is applicable from the date the instalment or charge became due and payable. Council provides a grace period to enable all on line transactions to be processed.
- Under delegated authority, the General Manager can write off rates because of hardship. Section 567 provides authority when payment of rates and interest is beyond the ratepayers means and if paid would create hardship, Council may write off interest in the case of hardship and on the advice of the Hardship Assessment Team.

## **7. Hardship**

- Council is mindful that mitigating circumstances can create genuine financial hardship (Hospitalization, death, unemployment, natural disaster etc.).
- See Council Hardship policy for details.

## **8. Pensioners**

- Section 575 of the Local Government Act 1993, prescribed that all eligible pensioners who own and live in their dwelling are eligible for a pensioner rebate of up to \$250 for general rates \$87.50 for water charges and \$87.50 for sewerage charges. To receive the rebate, an Application for Council Pensioner Concession Rates Rebate Form

---

(Annexure 1) must be completed and returned to Council for assessment and processing.

- Clause 134 of the Local Government Regulations 2005 defines a pensioner as;  
*“Is a person who receives a pension benefit or allowance under chapter 2 of the Social Security Act 1991 of the Commonwealth or a service pension under the Veterans Entitlement Act 1986, and who are entitled to a pension concession card issued on behalf of the Commonwealth Government”.*
- Every effort will be made to assist Pensioners facing financial hardship.
- Pensioners will be encouraged to utilise the Centrelink payment system (Centrepay) for direct rate payment deductions from their fortnightly pension.
- Before referring a pensioner to Council’s debt recovery agent, the matter will be referred to the Hardship Assessment panel. (see Hardship policy)

### **ROLES & RESPONSIBILITIES**

<b>ROLE</b>	<b>RESPONSIBILITIES</b>
Chief Financial Officer	Is responsible for overseeing the effective levying of rates and charges including sundry debts, and overseeing the collection process so that Council strives to meet industry debt ratio standard.
Rates Clerk Rates Team Management Accountant	Is responsible for the effective and efficient management of the Revenue section including debt recovery. Compliance with Councils debt recovery and hardship policies. Endeavour to meet industry debt recovery ratio
Revenue Team Cashiers	Be responsible for effective collection of revenue Provide guidance for anyone suffering hardship Implement debt recovery as set out in policy.



## **APPLICATION FORM**

### **PENSIONER CONCESSION RATES REBATE**

#### **About the Form:**

This application form will be used by Walgett Shire Council to determine the applicants eligibility to receive financial assistance, in the form of the following rebates:

- i. Up to \$250 on your Land Rates
- ii. Up to \$87.50 on your annual water charges
- iii. Up to \$87.50 on your annual sewerage charges

If joint owners are eligible for a pensioner concession, a separate form will need to be completed by each owner to receive the maximum rebate, otherwise only a partial rebate will be granted.

The application is made up of 2 parts; Applicant's Information and Consent. The application will not be assessed unless both parts are completed and returned in full.

#### **Application Eligibility:**

To be eligible to apply for a Pensioner Concession Rates Rebate, the applicant must be

- i. a holder of the Pensioner Concession Card (PCC);
- ii. a holder of a gold card embossed with 'TPI' (Totally Permanently Incapacitated);
- iii. a holder of a gold card embossed with 'EDA' (Extreme Disablement Adjustment);
- iv. war widow/er or wholly dependant partner entitled to the Pensioner Concession Card<sup>1</sup>

#### **APPLICANT'S INFORMATION**

Council Account/ Assessment Number:	
Name:	
Concession Card Type (eg Pensioner Concession Card, DVA Gold Card)	
Concession Card Number:	
Date of grant of Concession Card:	/ /
Phone:	
Email:	

<sup>1</sup> If you are a war widow/er or wholly dependent partner but do not have a Pensioner Concession Card, you should contact the Department of Veterans' Affairs (DVA) to test your eligibility for the DVA income support supplement.

Property Address:	
Is this your sole / principal place of living	Yes / No
When did you move into the property?	/ /
Have you claimed a pensioner rebate for any other property in the last 12 months? <i>(if Yes, please provide the address of the other property)</i>	Yes / No Address: _____
Are you the sole owner of the property? <i>If No, who else owns a share?</i> <i>(If more than one other co- owner please list the name of each co-owner and their relationship to you.)</i>	Yes / No Spouse / Other Further Details (if applicable):

**Privacy and Personal Information Protection Act 1998. Compliance with Section 10.**

The information contained in this application form and any information requested for the purpose of assessing this application under the Local Government Act 1993 and the Local Government (General) Regulation 2021, is private and confidential and can be updated/amended at any time, by the applicant, with a written request to Walgett Shire Council.

The information provided will not be disclosed to any person or body not involved in the assessment of the hardship application.

If you have a complaint about the use of your personal information you may contact Walgett Shire Council's Public Officer on 02 6828 6100.

By submitting this form, you declare that the information provided is true and correct and that you are the person making this application.

Signature..... Date / / .

NB: If you make a false statement in an application, you may be guilty of an offence and fined up to \$2,220



## **APPLICATION FORM**

### **PENSIONER CONCESSION RATES REBATE**

#### **CONSENT**

By signing this form, I \_\_\_\_\_ authorise Walgett Shire Council to use Services Australia Confirmation eServices to perform a Centrelink/DVA enquiry of your Centrelink or DVA customer details and Pensioner Concession Card to confirm my eligibility for a Pensioner Concession Rates Rebate.

I understand that Services Australia Confirmation eServices will disclose personal information to Walgett Shire Council including my name, address, payment type, payment status and concession card type and status.

I understand that Walgett Shire Council may regularly perform a Centrelink/DVA enquiry to confirm ongoing eligibility, therefore this consent, once signed, remains valid whilst I am a customer of Walgett Shire Council unless I withdraw it by written request to Walgett Shire Council.

In the event, I choose not to provide consent; I will obtain proof of my details and circumstances from Services Australia / Department of Veterans Affairs and provide it to Walgett Shire Council, along with my Application Form. I understand that without this information Walgett Shire Council will not be able to proceed with the assessment of my application, which will therefore render my application for the Pensioner Concession Rates Rebate ineligible.

I have read and give my consent to the above

Signature .....

Date .....

---

## **Policy/Procedure Review History**

Date	Changes Made	Reviewed By
August 2011	Complete Review	Ray Kent - General Manager
October 2022	Complete Review	Tony Hughes – Chief Financial Officer
27 October 2022	Adopted by Council at Ordinary Meeting	Minute No. 12/2022/7