

POLICY OBJECTIVE

The objectives of this policy are to:

- Ensure debts for outstanding rates, annual charges, service usage charges, interest and sundry debtors owed to Council are recovered in a timely, efficient and effective manner to finance Council's operations and deliver services.
- Provide a formal administrative process to objectively determine and assist those ratepayers who are experiencing genuine financial hardship.
- Ensure Council compliance with the relevant statutory requirements of the Local Government Act 1993 (the Act).

SCOPE

This policy applies to debts owed to Edward River Council through the non-payment of Council rates, annual charges, service usage charges, interest and sundry debtors. It also outlines how Council may help ratepayers who experience exceptional and genuine financial difficulties to pay their rates and charges.

LEGISLATIVE REQUIREMENTS

- Local Government Act 1993
- Local Government (General) Regulation 2005
- Valuation of Land Act 1916 NSW
- Privacy and Personal Information Protection Act 1998

POLICY STATEMENT

Edward River Council aims to ensure effective and efficient financial management over outstanding debts. This includes overdue rates, annual and service usage charges, interest and sundry debtors.

RECOVERY OF RATES AND CHARGES

Council issues rates and charges notices in accordance with section 562 of the Local Government Act 1993 in July each year. An annual rate notice is issued on or before 31 July. They can be paid in full by 31 August or via four instalments due 31 August, 30 November, 28 February, and 31 May each year. Rate instalment reminder notices are issued on or before 31 October, 31 January and 30 April.

Arrangements to Repay Rates and Charges

In accordance with section 564 of the Act, a ratepayer may at any time arrange with Council officers to enter into a weekly, fortnightly, or monthly payment arrangement to repay the rates and charges with Council.

Failure to make payments as per the agreement voids the agreement and may result in Council referring the account for debt management. All ratepayers who enter into an arrangement will continue to have interest charged on the outstanding amount in accordance with Section 566 of the Act. Rates are required to be paid in full prior to the end of the rating year.

Applications to repay rates by set regular repayments are to be made and forwarded to Council on the approved form available from Council's Customer Service Centre or on Council's website.

Interest Charges

Council charges overdue rates and water accounts with the maximum allowable interest rate in accordance with Section 566 of the Act and may write off interest charges on overdue rates in accordance with the Act, by resolution or by delegation of authority of the General Manager.

Recovery Action Referral to an External Agency

Where rates, annual charges and water charges continue to remain unpaid without a formal repayment arrangement in place Council may refer outstanding debts to an external agency for collection. Council will utilise the services of a debt recovery agent appointed by the Council where required for this purpose.

FINANCIAL HARDSHIP IN EXCEPTIONAL CIRCUMSTANCES

Council recognises that there are some cases of genuine and exceptional financial hardship experienced by individual ratepayers due to unforeseen circumstances such as a declared event /disaster i.e. drought and flood, which may require compassion and consideration by Council in these special circumstances.

While Council will not reduce rates or annual charges, it will consider alternative available approaches to assist with cases of financial hardship. This policy establishes guidelines for assessment of residential rates and charges financial hardship applications.

General Principles in Determining Hardship

Council considers the principles of fairness, integrity, confidentiality and its obligations under the Act and other related legislation when determining hardship applications. Financial assistance may take the form of:

- Arrangement of a payment agreement or schedules;
- Extending the period in which the outstanding rates may be repaid;
- Reducing or writing off accrued interest.

Each individual case will be considered on its merits. The criteria for assessment will be, but is not limited to, the following:

1. The ratepayer must own and occupy the property as their principal place of residence;
2. The property for which the ratepayer/s is requesting assistance is the ratepayer/s principal place of residence and the property must be land categorised as either residential or farmland for rating purposes;
3. The residential component of mixed developments will only be considered for the hardship provision assistance;
4. The ratepayer is required to provide Council with details of all income and expenses from all sources, with supporting evidence;
5. The ratepayer is to provide reasons and reasonable proof of financial hardship

Applications for Hardship Assistance

Applications must be made on the Hardship Assistance Application Form available from Council's Customer Service Centre and on Council's website.

In accordance with the Act, Council has several options available to it when considering a Hardship Application. These include:

a) Entering a Payment Plan

Under Section 564 of the Act, Council may:

- Negotiate with the applicant a suitable repayment plan.

b) Transfer of Land in lieu of Payment of Rates and Charges

Under Section 570 of the Act, Council may:

- Accept a transfer of the land in respect of which rates or charges or accrued interest is due and payable in full satisfaction of the rates, charges or accrued interest.

c) Sale of Property for Overdue Rates

Under Section 713 of the Act, Council may:

- Sell any land (including vacant land) on which any rate or charge has remained unpaid for more than three (3) years from the date on which it became payable.
- Sell any vacant land on which any rate or charge has remained unpaid for more than one (1) year, provided that the amount of such rates and charges are more than the land valuation it received from the NSW Valuer-General;

- Any sale will be carried out by public auction in accordance with the process outlined in the Local Government Act 1993.

d) Write off Rates and Charges

In accordance with regulation 131 of the Local Government (General) Regulation 2005 Council may write off rates and charges:

- To correct a clerical error; or
- If the amount is not legally recoverable; or
- If a court orders the amount to be written off; or
- the General Manager believes it would not be cost effective to attempt to recover the amount outstanding

RECOVERY OF UNPAID SUNDRY DEBTS

Sundry debtor accounts and invoices will be created when information becomes available and printed and posted weekly. The payment due date will be 30 days after the invoice issue. A statement will be issued within seven days of month's end.

Overdue Sundry Debtors

The following process applies to recovery of overdue sundry debtor accounts:

- A reminder notice will be issued 14 days after due date;
- A statement will be issued at the end of the month and serve as the 2nd reminder;
- If full payment is not received after issue of the 2nd reminder, then an overdue sundry debtor account letter requesting payment or the making of a satisfactory arrangement to pay will be sent to the debtor;
- The overdue sundry debtor account letter will advise that the recovery of the overdue account will be referred to Council's debt collection agency if the account is not paid within 14 days.

PRIVACY

Council is committed to ensuring that privacy will be maintained in accordance with the principles established under the *Privacy and Personal Information Protection Act 1998*.



POLICY VERSION CONTROL

Title	Debt Recovery and Hardship Policy			
ECM Doc Set ID	92113			
Date Adopted	16/04/2020			
Council Minute No.				
Responsible Officer	Chief Financial Officer			
Version Number	Modified By	Modifications Made	Date modified and Approved by Council	Council Minute Number
1	Colleen O'Connor	Modifications Made	18/10/2018	2018/249
2	Amanda Barber	Special Amendment - Covid	16/04/2020	2020/74
3	Amanda Barber	Special Amendment – Rates Harmonisation	17/06/2021	2021/67
4	Bronwyn Chaplin	Remove Special Amendment	22/06/2022	2022/0719/11.4