

DEBT RECOVERY AND HARDSHIP

CS170



NARRANDERA SHIRE COUNCIL POLICY

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DEBT RECOVERY AND HARDSHIP



Policy No:	CS170
Policy Title:	Debt Recovery and Hardship
Section Responsible:	Corporate Services
Minute No:	13/405
MagiQ No:	8353
Next Review Date:	As required

Objective

- To ensure consistency, fairness, integrity and confidentiality of all proceedings for both the debtor and the Council;
- To fulfil the statutory requirements of the Local Government Act, 1993 (the Act) with respect to the recovery of rates, charges and other debts;
- To maximise the collection of rates and charges and other amounts payable to Council;
- To be sympathetic to ratepayers and other debtors suffering genuine financial hardship.

Statement

- **RATES AND CHARGES (INCLUDING WATER CONSUMPTION CHARGES AND SEWER USAGE CHARGES)**

- **REMINDER NOTICES**

Within fourteen days after the due date of payment for each rate instalment or water consumption account or combined water consumption/sewer usage account, a 'Reminder Notice' shall be issued to ratepayers with unpaid amounts (excepting those ratepayers who have a current arrangement to make payment of arrears or are the subject of current legal action);

- **FINAL NOTICES**

If after the due date of the 'Reminder Notice' payment in full or the establishment of a suitable payment arrangement are not received then a 'Final Notice' shall be issued within seven days of the due date;

- **REFERRAL TO DEBT RECOVERY AGENCY**

If after the due date of the 'Final Notice', payment in full or the establishment of a suitable payment arrangement are not received, and there are two or more rate instalments or water or water/sewer accounts overdue, then the matter shall be prepared for referral to Council's nominated debt recovery agency for the issue of a 'Letter of Demand' followed by the preparation of legal documentation to recover the arrears. In most instances any costs incurred through the legal processes for the recovery of arrears shall be added to the overdue balance.

- **INTEREST**

Interest accrues on a daily basis in accordance with Section 566 of the Act and at the rate adopted within Council's Management Plan for rates and charges that remain unpaid after the date that they become due and payable.

- **ARRANGEMENTS**

Section 564 of the Act allows Council to accept payment of rates and charges due and payable in accordance with an agreement made with the person;

Arrangements are to be negotiated with the aim of recovering all arrears and the current year's rates and charges within the current rating year, where this is possible;

Where a ratepayer defaults on an approved arrangement for payment, recovery action will recommence from the stage which had been reached prior to the latest arrangement being made.

- **SALE OF LAND FOR OVERDUE RATES & CHARGES**

Where any rate or charge remains unpaid for more than five years from the date on which it became payable, Council may proceed to sell the land in accordance with Section 713 (2) (a) of the Act;

Where any rate or charge on vacant land remains unpaid for more than one year and less than five years, Council may, in accordance with Section 713 (2) (b) of the Act sell the land at any stage when the amount outstanding is greater than the valuation of the land.

- **SUNDRY DEBTORS**

- **REMINDER NOTICES AND FINAL NOTICES**

A systematic debt recovery approach shall be taken based on 30 day, 60 day and 90 day timeframes. After 30 days the system generated statement

shall be issued, after 60 days the system generated statement with the text '1st Reminder – This Account Is Overdue! Please Pay Immediately' clearly highlighted shall be issued, after 90 days a letter titled 'Final Notice' shall be issued with the system generated statement attached;

- **REFERRAL TO DEBT RECOVERY AGENCY**

If after the due date of the 'Final Notice' payment in full or the establishment of a suitable payment arrangement are not received then the matter shall be prepared for referral to Council's nominated debt recovery agency for the issue of a 'Letter of Demand' followed by the preparation of legal documentation to recover the arrears.

- **HARDSHIP**

- A debtor to Council in hardship is someone who is identified either by themselves or an independent accredited financial Counselor as having the intention, but not the financial capacity, to make the required payments within the timeframe detailed within any account issued by Council. Where a debtor to Council falls within this definition, the Council may apply this policy;
- Relief under this policy shall be either:-
 - (a) Extension of time to make payment in full of arrears of the account beyond the due dates, or
 - (b) An arrangement for periodic payment of the account by instalments that go beyond the due dates;
- For relief from rates and charges, the following must apply before consideration:
 - a) The applicant must be the registered owner or a legally recognised interested party to the property;
 - b) The property for which the financial hardship application applies must be the principal place of residence of the applicant/s;
 - c) The property for which the financial hardship application applies must be categorised as 'Residential' for rating purposes (being all properties within the category of Residential Ordinary, the sub-categories of Residential Narrandera, Residential Barellan and Residential Grong Grong) or categorised as 'Farmland' for rating purposes, provided that the property is used for a purpose as defined within Section 515 of the Act and that the property has no more than a single dwelling house or residential unit erected upon it;

- (d) Applications for financial hardship relief must be made in writing by way of Statutory Declaration and accompanied by supporting documentation which must include (but not limited to):-
- Reasons why the person was unable to pay the rates and charges when they became due and payable;
 - Copy of recent bank statements for all accounts;
 - Details of income and expenditure;
 - Details of assets and investments;
 - Letter from a recognised financial Counselor, financial planner or community funded counseling/support service provider. The aim being to ensure appropriate financial support is available to all applicants suffering financial hardship;
- The Local Government Act does not provide for the deferral of rates and charges, apart from provisions for a formal agreement for periodical payments.
- For relief from a sundry debtor charge or another charge by Council other than rates and charges, the following must apply before consideration:
- a) The applicant must be an authorised person to deal with the matter and provide evidence of such;
- (b) Applications for financial hardship relief must be made in writing by way of Statutory Declaration and accompanied by supporting documentation which must include (but not limited to):-
- Reasons why the person was unable to pay the amount to Council when due and payable;
 - Copy of recent bank statements for all accounts;
 - Details of income and expenditure;
 - Details of assets and investments;
 - Letter from a recognised financial Counselor, financial planner or community funded counseling/support service provider. The aim being to ensure appropriate financial support is available to all applicants suffering financial hardship;

• **DETERMINATION OF APPLICATIONS**

- Applications for relief under this policy, where the determination relates solely to an extension of time to make payment in full or an arrangement for periodic payments, will be assessed on its merits and determined against:
- (a) Whether hardship exists based on the evidence; and if so
- (b) The scope of the relief to be given.

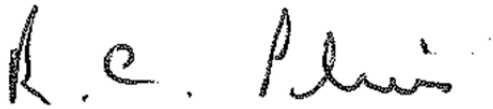
The application will be assessed by the Corporate Service staff. . Any ratepayer, who is dissatisfied with a determination by the relevant officers, may request the General Manager to review the decision.

Legislation

Local Government Act 1993

Policy History

Adopted	21 February 2012
Reviewed/Amended	11 December 2013



Signed: General Manager

Date: 11 December 2013