

Policy No. PP016

# Debt Recovery & Hardship Policy

## 1 INFORMATION ABOUT THIS POLICY

### POLICY INFORMATION

<b>Date Adopted by Board</b> 23 February 2017	<b>Resolution No.</b> 20/012
<b>Policy Responsibility</b> Corporate Services Manager	
<b>Review Timeframe</b> 4 yearly	
<b>Last Review</b> 21/02/2020	<b>Next Scheduled Review</b> 21/02/2024

### DOCUMENT HISTORY

DOCUMENT NO.	DATE AMENDED	SUMMARY OF CHANGES
	02/08/2017	Updated to include the debt recovery process of debt collection through an external party.
	21/02/2020	Re-write of debt recovery portion of policy to clarify policy requirements
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	
	DD/MM/YYYY	

### FURTHER DOCUMENT INFORMATION AND RELATIONSHIPS

<b>Related Legislation</b>	<b>NSW Local Government Act 1993, NSW Local Government General Regulation 2005</b>
<b>Related Policies</b>	
<b>Related Procedures, Protocols, Statements and Documents</b>	<b>Debt Recovery Procedure</b>

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### 3 PURPOSE

To enable Council to operate a consistent and fair process when recovering outstanding debts and providing assistance to customer suffering genuine financial hardship, ensuring that revenue is managed so that Council continues to be financially sustainable.

### 4 SCOPE

This Policy applies to all customers of Council.

### 5 WATER ACCOUNTS

Goldenfields Water issues water accounts to property owners, unless previously arranged by the owner that the accounts should be issued to a property manager or tenants.

Payment of the water accounts is due twenty one (21) days from the date of issue.

#### 5.1 Overdue Water Accounts

Goldenfields Water follows a process when water accounts are overdue and the property owner either has not made contact or has defaulted on a payment arrangement:

1. If a water account has not been paid by the due date, a **Final Notice** is sent
2. If the water account remains unpaid, an onsite visit by an authorised Officer of Council will issue a **Pending Flow Restrictor/Disconnection Notice**.
3. Water supply will be restricted or disconnected by Goldenfields Water staff, and a **Notice of Restriction or Disconnection** card will be left at the property.  
\*Vacant properties will be disconnected and left a Disconnection Notice.  
\*Disconnection is at Goldenfields discretion and may be used in situations including but limited to meter tampering, unauthorised removal or damage to a restrictor.
4. If the bills remain unpaid, details of the outstanding debt will be provided to Goldenfields Water's external debt collection agency whereby the commencement of legal action may result in further charges being added to the customer's account.

#### 5.2 Interest Charged on Overdue Water Accounts

Interest accrues on a daily basis in accordance with Section 566 of the Local Government Act 1993 on rates and charges that remain unpaid after they become due and payable. The maximum rate of interest is that set by the NSW Office of Local Government.

#### 5.3 Intention to Restrict / Disconnect Supply

Council reserves the right to instigate restriction / disconnection of water supply at any stage of the debt recovery process.

Council will only restrict or disconnect the water supply to a property as a last resort when water accounts are outstanding for an extended period of time, the customer continues to default on payment arrangements, or no contact has been made to organise a payment arrangement.

Council will give reasonable warning prior to restriction or disconnection, and will leave a Notice of Restriction or Disconnection card at the property when the restriction or disconnection has taken place.

Restriction/Disconnection will be undertaken Monday to Thursday, and devices will not be removed outside of business hours.

#### **5.4 Avoiding Restriction / Disconnection of Supply**

Council will not restrict or disconnect if a customer:

- If the property is known to be tenanted
- Agrees to a payment plan, and meets the commitments of that plan when they are due
- Is arranging payment for overdue bills in conjunction with Council staff
- Has an existing or outstanding billing complaint with Council

#### **5.5 Restoring Water Supply**

Council will restore the water supply when:

- The outstanding debt is paid in full, including reconnection fees as outlined in the current Schedule of Fees and Charges
- A decision is made to restore the water supply on compassionate or other reasons, or at Councils discretion

#### **5.6 Legal Action**

Where outstanding accounts are not paid, Council may initiate legal action against the property owner with an external debt recovery agency, the cost of which will be added to the customer's water account in accordance with the appropriate legislation.

## **6 FINANCIAL HARDSHIP**

### **6.1 Conditions**

The following conditions apply to all applications under this policy:

- That the property for which the hardship application applies is the principal place of residence or occupancy of the applicant.
- That the actual hardship exists (examples are provided below).
- That water charges payable must be more than 10% of the gross income (net of pensioner concession) of the property owner for requests to waive interest.
- That a mutually accepted repayment schedule is entered into, which takes into account future charges levied against the property, and is for a period not exceeding two years, to be reviewed after 12 months. Where a customer defaults on an approved arrangement, recovery action will recommence.
- In special circumstances, interest charges may be suspended until overdue amounts are repaid.
- If a property has already been restricted prior to Hardship Application, a larger sized flow restriction device may be installed until the account has been paid in full.

#### **Examples**

Following are examples, provided as a non-exhaustive guide of what may be considered genuine financial hardship under this policy:

- Loss of employment: resulting in a loss of income.
- Death, terminal illness or injury: resulting in a loss of income. Evidenced by medical certificate and proof of loss of income are required.
- Natural disaster: causing loss of income.

## **6.2 Review Procedures**

All applicants must complete the attached “Application for Financial Hardship” form. All applications are reviewed by the Administration Coordinator and approved by the Corporate Services Manager.

## 7 ANNEXURE 1 – APPLICATION FOR FINANCIAL HARDSHIP

I,.....of.....

.....

Apply for hardship relief on the following grounds:

1. Cause of financial hardship:

.....  
.....  
.....  
.....

2. How long have you been in hardship:.....

3. Do you receive any pensions or benefits:  Yes  No

4. Is this property your principal place of residence?  Yes  No

5. Do you rent the property?  Yes  No

6. How many people live at the property? .....

Self  Spouse / Defacto  Others ..... (Specify)

Relatives  Children (please note ages): .....

7. Do you own or have an interest in any other land or buildings?  Yes  No

If "Yes", state address: .....

8. Proposed Payment Arrangement:

Amount: \$.....  Weekly  Fortnightly  Monthly

I declare that the information provided in this application is true and correct:

Signature: ..... Date:.....

### PRIVACY:

Information contained in this application will be treated as private and confidential, used only for the purpose of assessing eligibility under the Hardship Policy.