

Debt Management and Financial Hardship

Policy

Approved by Council: 16/04/2025

To establish a fair and equitable approach to the recovery of debt, the assessment of financial hardship and outline the circumstances when debt can be considered for write-off.

Background

Council's main functions are providing bulk water supply, weed biosecurity and flood mitigation services to the community. Council also operates a network of retail water filling stations and direct retail water service connections. Council is also engaged to provide weed biosecurity services outside of the local area under fee for service arrangements.

Most customers pay their accounts when they fall due. The *Local Government Act 1993* ('the Act') requires Council to be diligent in the collection and management of public funds, while also making provision for financial assistance to customers experiencing genuine financial hardship.

Policy statement

Council is committed to the efficient and effective collection of overdue monies and the fair and equitable treatment of customers.

Council will achieve this by:

- having regard to the Office of Local Government Debt Management and Hardship Guidelines
- providing a timely and cost-effective process for debt collection;
- ensuring Council staff are trained in appropriate debt recovery, hardship and write-off procedures;
- maintaining fair and respectful dealings with customers and applying the principles of integrity and confidentiality;
- providing financial assistance options consistent with the provisions of the Act; and
- complying with applicable legislative requirements in relation to the recovery of debt.

Financial hardship

Customer financial hardship will be assessed on an individual basis. Retail water customers experiencing financial hardship will need to make application to access financial assistance. Other customers facing financial hardship will need to contact Council in writing to advise of the nature of their financial hardship with details of proposed payment arrangements.

In all cases, a payment arrangement will be offered to assist in repayment of accounts. A payment arrangement will generally only be offered for a period of up to 12-months although this will be review on a case-by-case basis. If a payment arrangement is not entered into then interest will be applied to the outstanding balance at the rate prescribed in Council's Statement of Revenue (Fees and Charges) Policy.

(Note: Interest on overdue water charges (section 566(3) *Local Government Act 1993*) - the maximum rate of interest payable on overdue rates and charges for the period 1 July to 30 June is determined by the Minister for Local Government will be charged).

In addition to a payment arrangement:

- Customers with a direct retail water service connection with Council may be eligible for assistance under the Water Account Assistance Policy and Guidelines.

- Customers who have procured products or services from Council and have been charged a fee may apply for the fee to be reduced or waived in accordance with section 610E of the Act.

Recovery action

When a customer fails to pay monies owed in full or contact Council to enter into a payment arrangement by the due date of a water account or tax invoice, a reminder notice/letter will be issued. Interest will apply to water accounts in accordance with section 566(3) of the Act.

If by the due date specified on the reminder notice/letter the customer does not pay the monies owed in full or fails to contact Council to enter into a payment arrangement the matter will be referred to an external debt recovery agency. In addition, applicable credit accounts and access to products/services will be suspended.

It is the responsibility of the customer to communicate with Council and to ensure that Council's contact details including daytime telephone number, email and postal address are correct.

Where a payment arrangement is in place and a second default occurs, the matter will be referred to an external debt recovery agency.

Recovery action may include:

- Letter of Demand
- Statement of Liquidated Claim
- Default Judgement
- Examinations Summons
- Writ of Execution
- Service of a rent order where the property is tenanted
- Garnishee
- Charge against the land (via the issuing of a caveat)

All legal costs incurred in debt recovery activities will be charged against the account of which the debt is owed.

Recovery action will continue until such time as the outstanding debt, including all legal costs incurred by Council are paid in full, or a mutually agreeable payment arrangement is made with Council to pay the outstanding amount, including legal costs, as per this policy.

Council reserves the right to:

- cease offering credit and call in payment in advance of any further supply of product/service where a credit account has been suspended due to recovery action, including instances where the debt has been repaid in full including all legal costs.
- restrict or disconnect water supply to customers with a direct retail water service connection.

Write-offs

Council is limited by legislation in relation to discounts and write offs. Part 5, Division 3 of *The Local Government (General) Regulation 2021* is available [here](#) and sets out the limited circumstances and options where write offs and other account options are available.

The fact that a charge or debt is written off under clause 131 or 213 of the Regulation does not prevent Council from taking legal proceedings to recover the amount.

A write-off register will be maintained, and an information summary report will be submitted to Council on a bi-annual basis.

Informal dispute resolution

Where a customer owes a debt to Council and disputes the amount charged or outstanding, the customer is required to put the dispute in writing, stating reasons they believe the account to be incorrect. Council will investigate the complaint to determine if the dispute can be resolved informally and shall respond to the dispute in writing in a timely manner.

Council's Feedback and Complaints Handling Policy or the office of the NSW Ombudsman should be referred to for guidance on complaints.

If a customer is actively participating in a dispute resolution process, has made a request for financial hardship that has not yet been determined, or is complying with a payment arrangement made with Council in good faith, debt recovery proceedings and interest charges will be suspended.

Customers are encouraged to access support services to help resolve legal or financial issues and/or negotiate arrangements to manage debt. Community legal centres and financial counsellors provide a mix of social, financial and paralegal advice and advocacy on debt issues.

Support services

Customers suffering financial hardship or require legal support, may find the following organisations of assistance:

- ASIC's Moneysmart: www.moneysmart.gov.au
- Legal Aid NSW: www.legalaid.nsw.gov.au Telephone: (02) 6885 4233
- Community Legal Centres NSW: www.clcnsw.org.au Telephone: 1300 888 529
- Centrelink: www.centrelink.gov.au Telephone: 13 63 57
- National Debt Hotline operated by Financial Counsellors Association of NSW: www.fcan.com.au Telephone: 1800 007 007

Contact officer

Finance Manager

Related documents

Policies

Retail Water Supply (Local Approvals Policy)

Water Account Assistance Policy

Privacy policy

Procedures

Debt Management Procedure

Restrictor Procedure

Legislation

Local Government Act 1993

Local Government (General) Regulation 2021

Privacy and Personal Information Protection Act 1998

Other

Debt recovery flowchart

NSW Office of Local Government Debt Management and Hardship Guidelines

Retail Water Customer Account Assistance Guidelines

File No.: D21/404		Next review date: [2 years]	
Version	Purpose and description	Date adopted by Council	Resolution No.
1.0		21/04/2020	16/20
2.0	FOR PUBLIC EXHIBIT – Revised to remove reference to value of debts that may only be approved by Council resolution. Power to write-off debts below this threshold captured in the delegation issued to the General Manager.	17/08/2022	50/22
2.1	Revised policy deemed adopted following period of 28 days public exhibit during which no submissions were received	17/08/2022	50/22
3.0	FOR PUBLIC EXHIBIT - Amended financial hardship application instructions, removal of account assistance details contained in Water Account Assistance policy and update legal references under write-offs.	16/04/2025	19/25
3.1	Revised policy deemed adopted following period of 28 days public exhibit during which no submissions were received	16/04/2025	19/25