



Burwood Council

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DEBT RECOVERY POLICY

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Purpose

The objectives of this policy are to:

- ensure effective recovery of overdue rates and annual charges and miscellaneous sundry debts owed to Burwood Council
- ensure a consistent approach to Burwood Council's debt management and collection practices
- be empathetic to ratepayers and sundry debtors that can demonstrate genuine financial hardship
- work within the statutory requirements of the *Local Government Act 1993* (the Act), inter alia, in relation to the recovery of rates and annual charges and miscellaneous sundry debts
- to meet, or better, the debt recovery financial benchmarks set by the NSW Office of Local Government

Scope

Applies to all rates and annual charges levied, and miscellaneous sundry debts duly owed to Burwood Council.

Dictionary

- **Rates and charges** – all balances listed on a rates and annual charges notice or legal notice
- **Miscellaneous sundry debts** – non rates and charges debts listed in Council's accounts receivable ledger
- **Financial Hardship** – demonstrable personal circumstances that indicate an inability to pay
- **Financial Benchmarks** – NSW Local Government industry standard benchmarks or performance indicators
- **Key Performance Indicator** – Council's internal rates and annual charges outstanding ratio limit
- **Debt Recovery Procedure** – procedure to follow in order to meet the objectives of this policy

Debt Recovery Standards

Rates and Charges

1. The recovery of rates and annual charges outstanding percentage at the end of each financial year will be not more than 5%
2. Ratepayers that can demonstrate genuine financial hardship and enter into, and execute, an acceptable payment arrangement, will not be subject to a final notice
3. Debt recovery will commence when either four instalments are overdue or the outstanding balance on the property is \$1,300 or more
4. Where a ratepayer fails to meet the payment arrangement, recovery action shall (re)commence in accordance with the Debt Recovery Procedure

Miscellaneous Sundry Debts

1. A sundry debt that is more than \$400 or 90 days overdue will be referred to Council's Debt Recovery Agency for collection – unless otherwise provided for under the Debt Recovery Procedure

Debt Recovery Options

1. Garnishee of salary or wages or rent (Section 569 Notice of the Act)
2. Writ of Execution and have the NSW Sheriff levy goods
3. Examination Summons

4. Warrant of Apprehension
5. Wind-Up or Bankruptcy proceedings
6. NSW Sheriff Writ on Land Title
7. Sale of Land due to Overdue Rates proceedings (Section 713 of the Act)

Related Information

- *NSW Local Government Act 1993*
- Financial Benchmarks – NSW Office of Local Government
- Debt Recovery Procedure
- Rates and Charges Hardship Assistance Policy
- Hardship Resulting from Certain Valuation Changes – Section 601
- *Local Government Act 1993*
- *Local Government (General) Regulation 2005*

Review

This policy will be reviewed every four years

Contact

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