
Cessnock City Council Debt Collection Policy (Rates, Annual Charges and Sundry Debtors)

Date Adopted: 19 June 2024 Revision: 3

1. POLICY OBJECTIVES

- 1.1. The objective of the policy is to provide direction for the collection of rates, annual charges and sundry debtors.

2. POLICY SCOPE

- 2.1. This policy applies to all ratepayers and debtors of Council.
- 2.2. The policy applies to the collection of outstanding rates, annual charges and sundry debts.

3. POLICY STATEMENT

- 3.1. Council relies on rates and charges to fund facilities and services for our community.
- 3.2. Council recognises that it is in the community's interest to maximise the collection of rates and charges and to recover interest, costs and expenses where these are necessarily incurred.
- 3.3. To ensure integrity, confidentiality and fairness needs to be maintained in all proceedings for Council and its customers.

4. OVERDUE RATES

- 4.1. Council's rates are overdue when not paid in accordance with section 562 of the Act.
- 4.2. Applications for a payment arrangement are to be received in writing either via post or email and must be addressed to the General Manager.
- 4.3. Council may take recovery action after the rates become due, unless the ratepayer enters into a formal *overdue payment agreement*.
- 4.4. Council may grant an extension of two weeks for overdue rates and charges provided that the ratepayer has applied for the extension before the due date.
- 4.5. Council will not take recovery action for overdue rates when a ratepayer complies with an *overdue payment agreement*.
- 4.6. Should Council deem it necessary to take legal action to recover overdue rates and charges, any costs awarded to Council by a court in these proceedings are a charge on the land, payable by the ratepayer, in accordance with section 550 of the Act.

- 4.7. Ratepayers must pay overdue rates in full by 30 June of the rating year in which they enter the *overdue payment agreement*. Council may extend the 30 June deadline if they believe exceptional circumstances exist which are dealt with under Council's Financial Hardship Policy.
- 4.8. Council will send a reminder letter or other technology methods that may be available for Council to use.
- 4.9. Council may attempt, where resources allow, to make telephone contact with the ratepayer to advise them of the next steps in the Debt Collection Policy and Council's Hardship Policy
- 4.10. If no contact is made after Council's reminder letter or phone call, a Letter of Demand may be issued by Council's External Debt Collection Agency giving the ratepayer 14 days to contact Council; pay the amount in full; or enter an approved payment arrangement.
- 4.11. Should no payment arrangement be mutually agreed within this time, legal action may be taken by Council's external Debt Collection Agency by way of a Statement of Claim. Costs associated with the Statement of Claim will be raised as a charge against the property.
- 4.12. The ratepayer has 28 days from the date of service of the Statement of Claim to pay the amount in full or arrange alternative payment options with Council.
- 4.13. If the ratepayer still fails to make contact with Council or Council's nominated Debt Collection Agency, Default Judgment is entered against the ratepayer. This judgement will be automatically uplifted to the ratepayers credit file by the Court.
- 4.14. Council will defend any action in relation to a Statement of Claim in court proceedings if required.
- 4.15. Once Default Judgment has been entered against a ratepayer, the following Post Judgment actions are then enforceable. These include, but are not limited to:
 - 4.15.1. Rent for Rates
 - 4.15.2. Garnishee Orders (Wages, Bank and Third Party)
 - 4.15.3. Examination Notice
 - 4.15.4. Examination Summons Order
 - 4.15.5. Writ of Execution
 - 4.15.6. Warrant of Apprehension
 - 4.15.7. Creditors Statutory Demand (Windup Notice)
 - 4.15.8. Bankruptcy Notice Sale of Land under section 713 of LGA
 - 4.15.9. Sale of Land for Unpaid Rates and Charges under section 713 of the Act.

5. INTEREST CHARGES ON OVERDUE RATES

- 5.1. Council levies interest on overdue rates in accordance with section 566 of the Act, with the rate detailed in the Revenue Policy.
- 5.2. Upon application in writing by the ratepayer, Council may write off interest charges on overdue rates (in accordance with section 567 of the Act) by Council resolution or by delegated authority to the General Manager or their delegate.

6. SUNDRY DEBTORS

- 6.1. Sundry Debtor accounts are overdue if not paid within thirty (30) days from the date of the invoice.
- 6.2. Council may stop the provision of credit facilities to Sundry Debtors when an account is overdue for more than thirty (30) days.
- 6.3. Council may take recovery action of overdue Sundry Debtor accounts within ninety (90) days of the account becoming overdue unless the Sundry Debtor enters into and complies with an approved *overdue payment agreement*.
- 6.4. Council's approved payment agreement with Sundry Debtors will not exceed twelve (12) months. Council may extend the twelve-month limit if they believe exceptional circumstances exist which are dealt with under Council's Financial Hardship Policy.
- 6.5. Where an amount is overdue for more than 90 days, the account may be forwarded to either Council's external Debt Collection Agency for recovery or the Office of the Sheriff. The external debt collection agency will issue a final "Letter of Demand" outlining that the debt is to be paid in full within 14 working days.
- 6.6. Legal costs and expenses incurred in debt recovery proceedings will be pursued through the legal proceedings.
- 6.7. Recovery action can be put on hold where a repayment schedule is approved by Council Officers and adhered to by the debtor.

7. RESPONSIBILITIES

7.1. Compliance, monitoring and review

- 7.1.1. The Chief Financial Officer is responsible for compliance with this Policy and its review.

7.2. Reporting

- 7.2.1. Council's outstanding rates and charges are reported in Council's Annual Financial Statements.

7.3. Records management

- 7.3.1. Staff must maintain all records relevant to administering this policy in accordance with Council's [Records Management Policy](#).

7.4. Privacy

- 7.4.1. Personal information collected or given to Council under this policy will be handled in accordance with Council's Privacy Management Plan

7.5. Complaints

- 7.5.1. Any complaints under this policy will be managed in accordance with Council's Complaint Handling Policy.

7. POLICY DEFINITIONS

Act	means the <i>Local Government Act 1993</i> (NSW)
Council	means Cessnock City Council
Sundry Debtor	Means a person, business or organisation who owes money to Council for the supply of goods or services.

8. POLICY ADMINISTRATION

Business Group	Corporate and Community Services
Responsible Officer	Chief Financial Officer
Associated Procedure (if any, reference document(s) number(s))	
Policy Review Date	Three years from date of adoption unless legislated otherwise
File Number / Document Number	AD2017/022084
Relevant Legislation (reference specific sections)	<ul style="list-style-type: none"> ▪ <i>Local Government Act 1993</i> (NSW), sections 550, 562 and 567 ▪ <i>Local Government (General) Regulation 2021</i> (NSW)
Relevant desired outcome or objectives as per Council's Delivery Program	<p><i>Civic leadership and effective governance</i></p> <p>Objective 5.3 Making Council more responsive to the community</p>
Related Policies / Protocols / Procedures / Documents (reference document numbers)	<ul style="list-style-type: none"> ▪ Financial Hardship Policy (AD2017/022085) ▪ Granting of Council's Rebate Contribution on Pensioner Rates Policy (DOC2014/002628) ▪ Records Management Policy (DOC2019/038769) ▪ Complaint Handling Policy (DOC2018/048382)

9. POLICY AUTHORISATIONS

No.	Authorised Function	Authorised Business Unit / Role(s)
R25	<p>Instructions to Debt Recovery Agents</p> <p>Give Instructions to Council's debt recovery agents to provide legal services to Council, including the institution of legal proceedings confined to debt recovery matters for recovery of outstanding rates and charges and Sundry Debtors.</p>	<p>General Manager Director Corporate and Community Services Chief Financial Officer Finance Coordinator Debt Management Officer</p>
	<p>Approve and direct the provision or cessation of credit facilities to Sundry Debtors when an account is overdue for more than thirty (30) days</p>	<p>General Manager Director Corporate and Community Services Chief Financial Officer Finance Coordinator</p>
	<p>Approve and sign off an overdue payment agreement for Sundry Debtors</p>	<p>General Manager Director Corporate and Community Services Chief Financial Officer Finance Coordinator</p>

10. POLICY HISTORY

Revision	Date Approved / Authority	Description Of Changes
1	21/06/2017	Creation of policy and adoption at Council Meeting 21 June 2017
2	15 July 2020 (CC61/2020)	Review and update to the new template
3	19 June 2024 (CC37/2024)	Periodic review and adoption by Council.