



**Central  
Tablelands  
Water**

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**Water Charges**

**Debt Recovery Policy**

## DOCUMENT CONTROL

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Responsible Officer		Director Finance and Corporate Services			
Reviewed by					
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## **Purpose**

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To establish guidelines for the General Manager and delegated staff on appropriate debt recovery procedures to ensure effective control over charges that become due and payable.

It will also provide a framework for the efficient and effective collection of outstanding debts and fulfil statutory requirements of the Local Government Act, 1993.

Council has a responsibility to ensure monies owed are recovered in a timely and effective manner to finance its operation and to ensure effective cash flow management. During the debt recovery process Council will; treat people fairly, consistently, and in a confidential professional manner.

## **Debt Recovery Policy Statement**

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Central Tablelands Water (CTW) acknowledges that customers will, for various reasons fail to pay for water charges when they become due and payable. It is not the intention to cause hardship to any ratepayer through debt recovery procedures, and consideration will be given to acceptable arrangements to clear the debt where possible.

The General Manager has the delegated authority to assess/approve and or reject payment arrangements from any customer.

The General Manager has the delegated authority to proceed with legal action to recover outstanding charges where an arrangement plan has defaulted or if the customer has failed to pay, or a suitable attempt has not been made to clear the outstanding balance.

The General Manager has sub delegated authority under this Policy to the Director Finance & Corporate Services, Revenue Officer and Finance Officer.

## **Procedure**

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### **Water Consumption Charges**

Charges are set annually by way of the adopted Operational Plan.

Water Notices are issued on the completion of the quarterly meter readings. On each quarterly account issued, the period covered by the availability charge components on the account is the current calendar quarter. The period covered by the water usage component on the account is the period from the last meter reading from which the account was calculated in the previous period, to the date the meter reading was taken in the current period. The frequency of the reading cycle is quarterly.

Accounts will be due for payment 28 days after the date of issue.

The person, or persons, who are listed as the owner of the property are responsible for the payment.

### **Interest on Overdue Accounts**

Interest is calculated daily on overdue charges at the maximum rate announced by the Minister for Local Government each year in accordance with Section 566 (3) of the Local Government Act, 1993. The rate of interest that applies to overdue charges will be advised in Council's adopted operational plan and advised on each account.

### **Tenanted Properties**

A number of landlords have lease agreements that stipulate that the tenant is responsible for the usage or consumption charge. The billing of tenants is the owner's or agent's responsibility.

In the case of a tenanted property, CTW will only pursue the debt directly with the landowner, and will only take legal action against a landowner. CTW will not seek payment of water charges from tenants that landowners are liable for, nor will it be involved in collecting money from tenants or accept a payment arrangement, unless provided for in s569 of the Act.

CTW will take reasonable steps to identify whether a property is tenanted before considering restricting a water supply, and will not restrict or disconnect when it becomes aware that the property is tenanted.

CTW will only restrict or disconnect the water supply as a last resort, after a notice has been issued under s569 of the Act, and a reasonable opportunity is given for the tenant to comply with the notice.

### **Payment Arrangements**

Arrangements may be entered into with all property owners in accordance with Section 564 of the Act.

Arrangements are to be negotiated with the aim of recovering all arrears and the current charges. Agreement to requests to pay by regular amounts or for an extension of the due date for payment are to be assessed on their merits, having regard to the individual's payment history and circumstances.

For those accounts where the owner has entered into an arrangement to extend the due date or to pay off by instalments, a continuing check is made that the arrangement is being kept.

Where a customer defaults on approved arrangements for payment, recovery action will recommence from the stage which had been reached prior to the last arrangement being negotiated.

### **Reminder/Final Notices**

A Reminder/Final Notice shall be issued where applicable seven (7) days after the due date of a water account to those customers who have an outstanding balance greater than the quarterly 20mm access charge, and have not made previous satisfactory payment arrangements with CTW.

The Reminder/Final Notice will provide the customer with the balance outstanding, and will indicate that if the balance remains unpaid, it may result in Council's operator attending the

premises to restrict or disconnect the water supply, and if this should occur an attendance fee will be payable immediately in addition to the outstanding amount. It will also advise the customer of the fees for reconnection or removal of the restriction.

Reminder/Final Notices will be due for payment 10 days after the date of issue.

If an account was not issued with a Reminder/Final Notice because an arrangement had been entered, and the arrangement is then not kept, the non-issue of a Reminder does not preclude the account from normal recovery actions.

### **Attend to Restrict/Disconnect Water Supply for non-payment**

**Council reserves the right to restrict the water supply at any stage of the recovery process.**

At the expiration of time nominated for payment on a Reminder/Final Notice and where the account has not been paid or a suitable payment arrangement has been entered into for any amounts outstanding of \$200.00 or over, a CTW representative may attend the premises and present a Final Notice to the Occupier Card.

The Final Notice to the Occupier card will state that a representative of Central Tablelands Water visited the premises in regard to the imminent restriction/disconnection of the water supply because of non-payment of water charges. It will show that if the amount due is not paid by the date and time shown on the card, the water will either be restricted/disconnected.

The Final Notice to the Occupier card will show the total balance outstanding, including the attendance fee.

If no contact is made by the Occupier by the date and time notified, the water supply will be:

- a) Restricted by the fitting of a restriction device but so as to make available a nominal supply to the consumer (approximately 0.2 litres per minute) if the property is occupied.
- b) Disconnected if the property is deemed to be vacant.

When a restrictive washer has been fitted to a meter, or alternatively the supply has been disconnected, a card will be left at the premises notifying the occupant that as no contact has been made after the issuing of the Final Notice to the Occupier card, they are informed that the water supply to the premises has been disconnected/restricted and will be restored on payment of all arrears owing, in addition to a reconnection fee.

The supply will not be restored until the total amount outstanding is paid, or other arrangements made to the satisfaction of CTW. Notification of payment must be made to CTW prior to 2pm if same day restoration of supply is required.

\*\*\* If a Final Notice to the Occupier card has been issued to the owner of a property on 4 consecutive times or more, a further Final Notice to the occupier will not be issued. The water supply will be restricted without further notice. The restrictive washer will only be removed after payment of the water account and reconnection fee is paid in full.

\*\*\* If a Final Notice to the Occupier card has been issued to a tenant, reasonable opportunity must be given for the tenant to comply with the notice and contact the landlord/estate agent prior to the restriction/disconnection of the water supply is to take place.

### **Early-Stage Intervention**

At any stage in the debt recovery process prior to legal action commencing, an Early-Stage Intervention visit may be made to customers in a compassionate and rational attempt to help them to pay Council, and to help them avoid accumulating unmanageable levels of debt, and to avoid legal action.

Those customers who have an outstanding balance greater than \$600.00 or 2 bills outstanding and do not currently have a satisfactory payment arrangement with CTW, may be sent a letter encouraging them to pay in full or to enter a satisfactory arrangement with CTW. The letter will give fourteen (14) days' notice of a compassionate visit if no payment or arrangement is made.

The letter will transparently explain:

- The purpose of the visit.
- The timing of the visit.
- The cost of the visit, to be recovered at cost from the customer.
- How to opt-out of both the visit and the cost.
- The debt recovery consequences of taking no action.

The purpose of each visit is to:

- Avoid the requirement for legal action.
- Understand the customer's situation and whether they are experiencing financial hardship and desire assistance.
- Assist the customer to calculate a sustainable payment plan.
- Assist the customer to complete the relevant forms.
- Where indicated, assist the customer to complete a Financial Hardship application form.
- Where indicated and with the customer's consent, introduce Financial Counselling.
- Explain the consequences of taking no action to resolve the situation.

During the 14 days' notice period, contact with a customer may be attempted - by any combination of telephone call, SMS message, and/or email - to help the customer to make a payment arrangement and avoid an Early-Stage Intervention visit.

### **Legal Action**

If payment has not been received or no arrangement has been made following the disconnection/restriction of the water supply for non-payment, or if the total outstanding remains unpaid after a final notice to the occupier card was presented, or after Early-Stage Intervention, the debt may then be handed to a debt collection agency appointed by CTW to follow up collection of the outstanding debt. Arrangements to pay after the commencement of legal action are encouraged and will be accepted provided the offer will complete the debt within a satisfactory time frame.

Application for Judgment is to be effected wherever possible if satisfactory arrangements have not been made to finalise the account. Action following Judgment is to be assessed by the General Manager and may include the issue of a writ, garnishee or examination summons.

All legal costs and expenses incurred in recovering outstanding water charges shall be charged against the property in accordance with Section 605 of the Local Government Act, 1993.

A report detailing all legal action is to be provided to a subsequent Council meeting for notification.

### **Late-Stage Intervention**

From time-to-time accounts remain outstanding despite legal action having been taken. In most such cases the customers are experiencing financial hardship and/or other complex issues exist.

Any customers whose accounts remain outstanding despite legal action being taken may receive a more intensive visit to understand the difficulties they face and endeavour to help them to find a way to pay CTW. Where possible, Late-Stage Intervention also helps customers take steps towards their general recuperation.

Council contracts a specialist 3<sup>rd</sup>-party organisation, which assists ratepayers for many NSW councils, to perform Early-Stage and Late-Stage Interventions.

Where possible the 3<sup>rd</sup>-party organisation will visit to help customers with both their water account and any outstanding rates account owing to a constituent council, to make payment arrangements more sustainable and to avoid cost duplication.

If Late-Stage Intervention fails to get the account paid to Council, then after 5 years, pursuant to Section 713 of the Local Government Act 1993, the property upon which the water service is provided may be sold by Council.

### **Variation**

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Council reserves the right to review, vary or revoke this policy.