

POLICY



**Central
Tablelands
Water**

DEBT RECOVERY & FINANCIAL HARDSHIP POLICY

DOCUMENT CONTROL

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CONTENTS

<i>PURPOSE</i>	<i>4</i>
<i>SCOPE</i>	<i>4</i>
<i>POLICY STATEMENT</i>	<i>4</i>
1. <i>WATER CHARGES</i>	<i>4</i>
2. <i>OTHER CHARGES – SUNDRY DEBTORS</i>	<i>9</i>
3. <i>CONTACT WITH CUSTOMERS</i>	<i>9</i>
4. <i>WRITING OFF DEBTS AND UNECONOMICAL TO RECOVER DEBTS</i>	<i>10</i>
5. <i>FINANCIAL HARDSHIP</i>	<i>10</i>
<i>REVIEW OF POLICY</i>	<i>11</i>
<i>VARIATION</i>	<i>11</i>

PURPOSE

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 and to guide assistance for customers experiencing financial hardship.

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.

SCOPE

This policy will apply to all customers who may have breached the terms of an invoice, water notice, or other means of billing describing payment required.

POLICY STATEMENT

Central Tablelands Water (CTW) acknowledges that customers will, for various reasons, fail to pay bills when they become due and payable. Most customers pay promptly.

It is not the intention to cause hardship to any customer through debt recovery procedures. Consideration will be given to acceptable arrangements to clear a debt, where possible. CTW acts to collect overdue monies to ensure good financial management and fairness to those customers who pay promptly.

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 a payment arrangement 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 delegated this authority under this Policy to the Executive Management Accountant, Revenue Officer, and Finance Officer.

1. WATER CHARGES

Water charges are set annually in the adopted Fees & Charges.

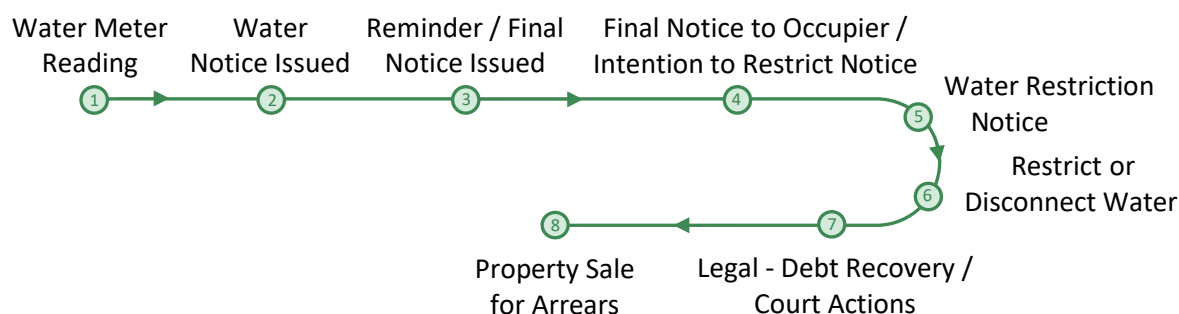
Water Notices are issued following the completion of quarterly meter readings. Each quarterly account reflects:

- Availability charges applicable to the current calendar quarter; and
- Water consumption charges calculated for the period commencing from the date of the previous meter reading, used in the prior account, to the date of the current meter reading. Meter readings are conducted quarterly.

Water Notices will be due for payment twenty-eight (28) days after the date on the notice.

The person/s listed as the owner/s of the property are responsible for the payment.

1.1 Overview of Water Billing and Debt Recovery Process



1. Water Meters are read quarterly to calculate water consumption and charges.
2. Quarterly Water Notices are issued and due for payment after 28 days.
3. If unpaid, a Reminder / Final Notice is posted 7 days after the due date.
4. If unpaid, after 10 days after the Reminder/Final Notice, a Final Notice to Occupier/ Intention to Restrict at the property will be delivered to the property.
5. If unpaid, after 7 days from the date of the Final Notice to Occupier, a Water Restriction Notice will be delivered to the property.
6. If unpaid, after 7 days from the Water Restriction Notice, the water supply will be restricted and a notification of restriction will be left at the property.
7. If unpaid, legal proceeding may commence which include judgements, writs, garnishes, or examination summons.
8. If still unpaid, Council may sell property to recover outstanding debts.

The above information outlines the debt recovery process where an account remains unpaid. Payment of the account will cease any current debt recovery action.

Intervention visits: early-stage and late-stage intervention visits can help customers manage payments and resolve complex difficulties. These can be initiated at any stage in the process at Council's discretion.

Additional charges apply for property attendance for non-payment, restriction, disconnection, and reinstatement of water supply, all debt recovery activities, intervention visits, legal proceedings, and property sales.

1.2 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 Fees & Charges in the Operational Plan and advised on each account.

1.3 Tenanted Properties

Landlords may have lease agreements that stipulate that the tenant is responsible for water usage or consumption charges. 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 from tenants, nor will it be involved in collecting money from tenants or accept a payment arrangement, unless provided for in Section 569 of the Act.

CTW will take reasonable steps to identify whether a property is tenanted before limiting or disconnecting the water supply and will only limit or disconnect a tenanted property as a last resort, after a notice has been issued under Section 569 of the Act and a reasonable opportunity is given for the tenant to comply with the notice.

1.4 Payment Arrangements

All property owners may request a payment arrangement in accordance with Section 564 of the Act.

Arrangements are to be negotiated with the aim of recovering all arrears and current charges. 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 payment history and circumstances.

Customers are encouraged to pre-arrange automated payments on a schedule that suits their financial circumstances, weekly, fortnightly, monthly or quarterly. CTW can provide estimates to assist customers calculate the amount required for bills to be fully paid as they become due.

For accounts where the owner has an approved payment arrangement to extend the due date or to pay by instalments, continuing checks are made to ensure the arrangement is being kept.

Where a customer defaults on an approved payment arrangement, recovery action will recommence from the stage which was reached prior to the last arrangement being approved.

1.5 Reminder / Final Notice

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

The Reminder / Final Notice issued to the customer will:

- State the outstanding balance on the account,
- Advise that non-payment may result in Council's representative attending the property to restrict or disconnect the water supply, and the applicable additional charges, and
- Advise of the applicable additional charges for the reinstatement of the water supply.

Reminder / Final Notices are due for payment ten (10) days after the date of issue.

If an account was not issued with a Reminder / Final Notice due to an existing approved payment arrangement, which is subsequently defaulted, the non-issuance of a Reminder / Final Notice does not preclude the account from recovery actions.

1.6 Restrict Water Supply for Non-Payment

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

Water supply restriction or disconnection will not be reversed until such time as the debt has been paid in full.

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 not been entered into for any amounts outstanding of \$200.00 or over, CTW may issue a Final Notice to the Occupier / Intention to Restrict letter.

The Final Notice to the Occupier / Intention to Restrict letter will show the total balance outstanding and the actions required to maintain the water supply.

If contact is not made by the occupier or owner by the date and time notified, a further Water Restriction Notice will be served on the occupier giving seven days' notice of restrictions. The Notice will state that if the total balance shown, and due, is not paid by the date and time shown on the card, the water will either be limited or disconnected and associated additional charges.

If contact is not made by the owner or occupier by the date and time notified, the water supply will be:

- Limited to a nominal supply (approximately 1-2 litres per minute) if the property is occupied and categorised as a residential, industrial or commercial connection.
- Disconnected if the property is deemed to be vacant, categorised as a rural connection, or previously limited due to non-payment of the account.

The attendance fee identified in the current fees and charges will be added to the account for the actioning the restriction.

A notification will be left at the property stating that the water supply has been limited or disconnected and will only be restored on payment of the full account balance plus the reinstatement fee. Reinstatement of the water supply will be completed two business days after payment has cleared in CTW's account.

If Final Notice to the Occupier / Intention to Restrict letters have been issued to the property on 4 or more occasions, further Final Notice to the Occupier / Intention to Restrict letters will not be issued. Only Water Restriction Notices will be issued once bills are overdue.

Restrictions will only be removed following payment of the full account balance plus the reconnection fee identified in the current fees and charges.

1.7 Early-Stage Intervention

At any stage in the debt recovery process prior to legal action commencing, an Early-Stage Intervention visit may be undertaken to assist customers, in a compassionate and rational manner, manage payments, prevent unmanageable levels of debt, and avoid legal proceedings.

Customers with an outstanding balance greater than \$600.00 or two (2) bills outstanding who do not currently have a payment arrangement with CTW, may be sent a letter encouraging payment or to request a payment arrangement. The letter will give fourteen (14) days' notice of a compassionate visit if no payment or payment arrangement is made.

The letter will explain:

- The purpose of the visit
- The time 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, and
- 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 arrangement

- Assist the customer to complete any relevant forms
- Where indicated, assist the customer to complete a Financial Hardship application
- Where indicated, with the customer's consent, introduce financial counselling, and
- Explain the consequences of taking no action to resolve the situation.

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

Council contracts a specialist third-party organisation to perform Early-Stage Interventions.

Additional charges apply to all actions in the Early-Stage Intervention stage.

1.8 Legal Action

If payment has not been received or no payment arrangement has been made following the restriction of the water supply for non-payment, or after Early-Stage Intervention, the debt may then be handed to a debt recovery agency. Payment arrangements after the commencement of legal action are encouraged and will be accepted provided the debt will be repaid within a satisfactory time frame.

Application for Judgment is to be affected wherever possible where payment or satisfactory payment arrangements have not been made. Action following Judgment is to be assessed by the debt recovery agency or General Manager and may include the issue of a writ, garnishee or examination summons.

Recovery costs, including legal expenses, are payable by the property owner and will be added to the outstanding water account. Those amounts form part of the charges secured against the property under Section 550 of the Act.

Regular reports detailing all legal action will be presented at Council meetings..

1.9 Late-Stage Intervention

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

Any customers whose accounts remain outstanding despite legal action may receive a more intensive visit to understand the difficulties they face, assist in finding a way to pay CTW.

CTW contracts a specialist third-party organisation to perform Late-Stage Interventions.

Where possible the third-party organisation will visit to help customers with both their water account and any outstanding accounts owing to a constituent council, to make payment arrangements more sustainable and to avoid cost duplication.

Additional costs apply for all actions in the Late-Stage Intervention stage.

1.10 Sale of Land for Unpaid Charges

In accordance with Section 713 of the Act, where charges remain unpaid for more than five (5) years, or one (1) year for vacant land, Council may begin proceedings to recover the outstanding amounts through a sale of land.

2. OTHER CHARGES – SUNDRY DEBTORS

CTW raises charges for non-water charges items including infrastructure works, equipment sales and services. The payable amounts are set with the customer at the time of agreement.

Where amounts are not paid in advance an invoice will be issued to the customer stating the applicable charges, GST and if relevant the period of service on dates either contractually agreed or determined by CTW.

Unless otherwise contractually agreed, accounts are due for payment fourteen (14) days after the date of invoice. Any applicable interest, fees or penalties are determined by the contractual arrangement.

CTW may stop the provision of credit facilities to customers when an invoice is overdue, or invoices are consistently paid late.

2.1 Other Charges Debt Recovery Process

Where an invoice is not paid by the due date CTW will issue a statement to the customer showing all outstanding amounts and attempt to contact the customer by any combination of telephone call and/or email.

Payment arrangements will be considered and are to be negotiated with the aim of recovering all charges. 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 payment history, circumstances and contractual arrangements.

Where the account remains unpaid, CTW may instruct a debt recovery agency to commence recovery actions or directly commence legal proceeding. All legal costs and expenses incurred in recovering outstanding debts will be added to the account.

CTW reserves the right to cease work or withhold any goods or services where payments are not made within the agreed time frames and are allowable under the contractual arrangement.

3. CONTACT WITH CUSTOMERS

In making contact and corresponding with customers, CTW staff and agents will follow the ACCC / ASIC Debt Collection Guidelines and the Office of Local Government's Debt Management and Hardship Guidelines. CTW has obligations to protect the privacy of all customers, and when making direct contact will always ensure it is dealing directly with the customer or their legal representative. Communications will only occur to the extent necessary and reasonable.

CTW staff and agents will conduct themselves with courtesy and respect when dealing with customers and shall maintain the privacy and confidentiality of all customers' personal circumstances. CTW request customers also conduct themselves with courtesy and respect and reserve the right to limit contact and communication methods, where appropriate, to protect staff from any unreasonable conduct.

3.1 Contact Details

As notices are sent to the customer's last known address for service, it is the customer's responsibility to immediately advise CTW in writing of any change of address. Changes of address must be signed by the owner of the property and will be accepted once CTW is satisfied that the signed notification was signed by the owner. For example, CTW may require proof of identification.

It is the responsibility of customers to ensure contact details including emails, phone numbers and the postal address for service of notices are correct as well as the preferred delivery channel for all communications.

4. WRITING OFF DEBTS AND UNECONOMICAL TO RECOVER DEBTS

If a debt cannot be recovered, or CTW chooses not to take further action, or it is assessed as uneconomical to recover, outstanding amounts may be written off. This can occur before, during or after any legal action has commenced.

Bad debts for non-water charges may be written off by the General Manager within delegated authority or by Council resolution.

5. FINANCIAL HARDSHIP

The Act requires CTW to be diligent in the collection and management of public funds, while also making provision for assistance to customers experiencing genuine financial hardship.

Hardship is difficulty paying debts when repayment is due and can arise from a temporary change in circumstances such as loss of employment or income, illness, loss from an accident, natural disaster or emergency, family violence or financial impact due to externalities. Long term hardship can arise from the above or can relate to the challenge of managing living costs with a low or fixed income such as a pension.

CTW is committed to engaging with its customers to limit the use of legal action in recovering debts. CTW will not commence legal action against any customer who is currently experiencing evidenced genuine financial hardship.

CTW will consider applications for financial hardship on an individual basis. As part of any application for relief under financial hardship the customer must confirm the nature and extent of the hardship. Evidence confirming the customer's hardship status must accompany the application. All customers who request assistance due to hardship will be assessed with the same eligibility criteria.

The following conditions apply to all financial hardship applications under this policy:

- The property for which this hardship application is made must be owned and occupied by the applicant as their principal place of residence
- Tenants are not eligible for hardship as responsibility for water charges resides with property owners
- That actual financial hardship exists; the applicant is experiencing a reduced capacity to pay, rather than an unwillingness to pay
- That a mutually accepted payment arrangement is agreed, which takes into account future charges estimated against the property and is for a period not exceeding eighteen (18) months, to be reviewed after 12 months and monitored for continued payments. Where a customer defaults on an approved arrangement, recovery action will recommence
- If a property has already been limited prior to Hardship Application, an decrease in restriction may be applied until the account has been paid in full.

Applications will be determined by the Executive Management Accountant and the Financial Officer or Revenue Officer. The applicant will be notified of the decision in writing. Any applicant who is dissatisfied by the determination may, by way of written request, have the application reassessed by the General Manager. The General Manager's decision will be final. CTW, at its discretion, may withdraw any hardship concession.

5.1 Support Services

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

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

REVIEW OF POLICY

This policy shall be reviewed each term of Council and any amendments, if necessary, shall be approved by a resolution of Council.

VARIATION

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