

Policy PP016 – Debt Recovery, Financial Hardship



Policy - Debt Recovery, Financial Hardship

Policy No. PP016

INFORMATION ABOUT THIS POLICY

Date Adopted By Board	23 February 2017	Resolution No.	17/009
Policy Responsibility	General Manager		
Review Timeframe	Biennial		
Last Review Date	2009	Next Scheduled Review Date	January 2019

Document History

Doc No.	Date Amended	Summary of Changes

Further Document Information and Relationships

Related Legislation	NSW Local Government Act 1993, NSW Local Government General Regulation 2005
Related Policies	
Related Procedures / Protocols, Statements, Documents	

Policy - Debt Recovery, Financial Hardship

Policy No. PP016

TABLE OF CONTENTS

<u>INFORMATION ABOUT THIS POLICY</u>	1
<u>TABLE OF CONTENTS</u>	2
<u>PURPOSE</u>	3
<u>SCOPE</u>	3
<u>DEBT RECOVERY</u>	3
<u>FINANCIAL HARDSHIP</u>	4
<u>Conditions</u>	4
<u>Examples</u>	4
<u>Review Procedures</u>	4
<u>ANNEXURE 1 - Application for Financial Hardship</u>	5

Policy - Debt Recovery, Financial Hardship

Policy No. PP016

Policy Title: Debt Recovery, Financial Hardship

PURPOSE

Council has historically carried forward significant amounts of outstanding debts over consecutive years. This policy sets out the procedures Council follows to recover monies that are overdue for water related fees, charges and other debts.

Council recognises that some customers can over time experience genuine financial hardship and this policy provides a formal process for the administration of such requests for assistance.

SCOPE

This Policy applies to all customers of the Council.

DEBT RECOVERY

In an effort to reduce the level of outstanding debts the following procedure will be used:-

1. Quarterly Accounts are issued and payable twenty one (21) days from date of posting.
2. Twenty eight (28) days after accounts issued, interest begins to accrue and Reminders Notices (stating that the account is now overdue) are sent to all accounts.
3. After a further seven (7) to fourteen (14) days, a Final Notice is sent advising disconnection is pending.
4. After a further seven (7) to fourteen (14) days, an onsite visit by an Authorised Officer of Council (external contractor maybe utilised) will be carried out hand delivering a notice containing information regarding the options available under this policy and stipulating a 48 hour period in which to choose an option. An Attendance Fee, as set down in Council's Fees & Charges and reviewed from time to time, will be incurred and added to the outstanding account.
5. Dependent on 4 above, either:
 - a) A Flow Restrictor, restricting the flow to approximately 0.01157 litres per second or 1000 litres over a 24 hour period, is fitted if time payment arrangements are entered into by the customer. The Flow Restrictor is to remain in place until such time as the outstanding debt is paid in full, at which time it will be removed. Or if the customer defaults on the previously agreed repayment schedule, the service will be temporarily disconnected.
 - b) If no action is taken by the customer or at their request, the service is Temporarily Disconnected and the service is not reinstated until full payment of the outstanding amount is received (including a Disconnection Fee).

Policy - Debt Recovery, Financial Hardship

Policy No. PP016

6. If Temporary Disconnection has occurred, then after a further thirty (30) days a Summons will be issued to recover the outstanding amount. Fees associated with this action will be added to the account.
7. After a further thirty (30) days and subject to the outcome of 6 above, Permanent Disconnection of the service will take place. Reconnection at this time or thereafter within a ten year timeframe, will incur Council's Standard Connection fee (applicable at the time). Thereafter, New Connection conditions, including the payment of Headworks Contributions, will be applicable.
8. Any accounts still outstanding after the above process has been followed, will be eligible for inclusion on any Sale of Land for Unpaid Rates and Charges pursuant to Section 713 of the Local Government Act. Wherever possible, this will be carried out in conjunction with the appropriate general purpose council.

FINANCIAL HARDSHIP

Conditions

The following conditions apply to all applications under this policy:

- That the property for which the hardship application applies is the principal place of residency or occupancy of the applicant.
- That the actual hardship exists (examples are provided below).
- That rates payable must be more than 10% of the gross income (net of pensioner concession) of the property owner for requests to waive interest.
- That a mutually accepted repayment schedule is entered into which takes into account future charges levied against the property and is for a period not exceeding two years and is reviewed after 12 months.

Examples

The examples are provided as to what Council may consider for qualification under this policy:

- Loss of employment causing loss of income which renders the customer unable to meet payments for a specified period.
- In the case of death, terminal illness or Injury causing loss of normal income, which renders the customer unable to meet payments for a specified period and is evidenced by medical certificate and proof of loss of income.
- Natural Disaster causing loss of normal income which renders the customer unable to meet payments for a specified period.

Review Procedures

All applicants must complete the attached "Application for Financial Hardship" form. All applications are reviewed by the Administration Coordinator and approved by the Corporate Services Manager.

Policy - Debt Recovery, Financial Hardship

Policy No. PP016

HARDSHIP RATE RELIEF APPLICATION

PRIVACY

The information in your application and any information the Council obtains confirming your eligibility for hardship rate relief is private and confidential. Council's employees and any other people dealing with this document are instructed to keep it confidential. If they do not, they may be guilty of an offence.

CONFIDENTIAL

OWNERSHIP OR RESIDENCY DETAILS

Property Address:

.....

1. Is this property your principal place of residence? Yes No
2. Do you rent the property? Yes No
3. How many people live at the property?
4. Who lives at the property? Self, Spouse/Defacto, Children
 Relatives Others (Specify)
5. Do you own or have an interest in any other land or buildings? Yes No
If "Yes", state address:
6. How many children do you support? State ages:

AUTHORITY FOR INFORMATION CONFIRMING ELIBIGLITY

I authorise the Council to receive and government departments and other institutions to give to Council, information that is necessary for the Council to decide whether I am eligible for rate relief in relation to the property which I have given as my address.

Applicant: Date:.....

Policy - Debt Recovery, Financial Hardship

Policy No. PP016

STATEMENT OF FINANCIAL POSITION

Name: _____

Debtor/Property Number: _____

Personal Details

Debtor/Property Number: _____

Name: _____

Residential Address: _____

Postal Address: _____

Phone Number: _____

Employment Details Currently Employed? Yes / No

Employer: _____

Employer Address: _____

Employer Phone Number: _____ Part-Time / Full-Time: _____

If you are self-employed, please state:

Type of Occupation: _____

Name of Business: _____

Address of Business: _____

Average weekly gross profit: _____

Dependants

Do you have any dependants? _____

What are their ages? _____

Do any of the dependants work? _____

If the debt is jointly owed, please provide the other debtors details:

Name: _____

Residential Address: _____

Policy - Debt Recovery, Financial Hardship

Policy No. PP016

Postal Address: _____

Phone Number: _____

Employer: _____

Employer Address: _____

Employer Phone Number: _____ Part-Time / Full-Time: _____

If self employed, please state:

Type of Occupation: _____

Name of Business: _____

Address of Business: _____

Average weekly gross profit: _____

Name of Financial Institution:

INCOME

Gross Weekly Earnings: \$ _____

Rental Income or Lease Income: \$ _____ per week

Residential address of property: _____

If there are any other owners, please state their name/s: _____

Average Quarterly Interest Received: \$ _____

Do you receive a pension? Yes / No

Pension: \$ _____ per week

Pension Number: _____

Pension Type: _____

Date of Grant: _____

Total Weekly Gross Income: \$ _____

ASSETS

Policy - Debt Recovery, Financial Hardship

Policy No. PP016

House / Land: \$ _____

Less Mortgage Owning: \$ _____

Vehicle (Make & Rego): \$ _____

Furniture: \$ _____

Personal Property: \$ _____

LIABILITIES

Credit Cards: \$ _____

Personal Loans: \$ _____

Total Monthly Liabilities: \$ _____

EXPENSES

Mortgage Repayment: \$ _____

Property Maintenance & Insurance: \$ _____

Food: \$ _____

Gas / Electricity: \$ _____

Telephone: \$ _____

Vehicle, Petrol, Rego & Insurance: \$ _____

School Fees & Uniforms: \$ _____

Life Insurance / Superannuation: \$ _____

Health Insurance / Medical Expenses: \$ _____

Other: \$ _____

Total Weekly Expenses: \$ _____