

Debt Management and Hardship Assistance Policy

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1. Scope

- 1.1 This Policy applies to all City of Parramatta Council (**Council**) Ratepayers and customers who have outstanding Debts with Council, including Rates, Sundry Debts, fees, and all other charges.

2. Purpose

- 2.1 This Policy sets out a consistent, transparent, and reasonable approach for Council to manage Debts owing to Council, and, where necessary, recover overdue Debts. This Policy will help ensure that Council's resources are managed with integrity and diligence.
- 2.2 This Policy further establishes a framework for Council to provide assistance to customers experiencing financial Hardship, in accordance with the *Local Government Act 1993 (NSW) (LG Act)*.

3. Policy

- 3.1 In accordance with the relevant provisions of the LG Act and the *Local Government (General) Regulation 2021 (NSW) (LG Regulation)*, Council is committed to recovering monies owing to it in a timely, efficient, and effective manner. However, Council may allow flexibility in this approach by recognising and accommodating genuine cases of customer Hardship.

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- 3.2 Council encourages all Ratepayers and debtors to meet their payment commitments as they fall due.
- 3.3 Council will employ the follow principles in managing Debt and Rates:
- (a) ensure compliance with statutory requirements set out by the LG Act and associated LG Regulation as well as other applicable legislation that may apply;
 - (b) provide a customer-focused service;
 - (c) ensure a consistent approach to the collection of outstanding Debts;
 - (d) ensure transparency and probity in Debt recovery procedures;
 - (e) ensure that customers experiencing genuine financial difficulties are treated sensitively, and on a case by case basis;
 - (f) assist customers in meeting their Rates and other accounts receivable commitments by providing mutually agreeable alternative repayment plans; and
 - (g) minimise additional costs incurred by customers.

Notification of monies owing

Issue of Rate Notices

- 3.4 Customers will be notified regarding Rates and annual charges as follows:
- 3.4.1 Council will issue its annual Rates notice for the financial year to all properties in the Parramatta local government area (**LGA**) in July of each year.
- 3.4.2 Council may, at its discretion, issue Supplementary Rates notices during the year.
- 3.4.3 Where Ratepayers elect to pay by installments, Council will issue the instalment notice at least one month prior to the due date for the instalment.
- 3.4.4 Ratepayers are encouraged to elect to receive their Rates notices electronically. Ratepayers may sign up for electronic notices via Council's Website.

Other Debt Notices

- 3.5 Customers will be notified of all other Debts through the issue of invoices as follows:
- 3.5.1 Council will issue invoices at the time they are raised (date of invoice). Invoices will be sent to customers via email where possible.

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3.5.2 Where accounts have an outstanding balance, Council will issue monthly statements in the first week of the month.

3.5.3 Council will issue reminder notices for outstanding invoices no more than 14 days after the due date.

3.6 Where Debts are overdue and an appropriate payment arrangement has not been made, Council will issue reminder notices for the outstanding amounts via an invoice no more than 14 days after the due date.

3.6.1 Where available and appropriate, Council may use additional channels of communication to remind customers of outstanding Debts. This may include text message reminders, telephone calls, and email communication.

Payment due dates

3.7 Pursuant to section 562 of the LG Act, Rates and annual charges are due as follows:

3.7.1 Rates and annual charges may be paid by a single instalment or by quarterly instalments.

3.7.2 Payments made by single instalment are due by 31 August of each year.

3.7.3 Payments made by quarterly instalments will be due by the following dates, each year:

- (a) first instalment: 31 August;
- (b) second instalment: 30 November;
- (c) third instalment: 28 February; and
- (d) fourth instalment: 31 May.

3.7.4 Where Council levies Rates and annual charges after an instalment was due, the amount payable will be apportioned across the remaining instalments.

3.7.5 A Rates instalment will be considered overdue if it is not paid on or before the due date.

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3.8 Payment terms for account invoices will be 30 days from the date of issue, unless otherwise stipulated on the invoice. Invoices will be considered overdue if not paid on or before the stipulated trading terms.

3.9 Available payment methods will be stipulated on the Rates notice or invoice.

Interest charges

3.10 Pursuant to section 566 of the LG Act, interest on overdue Rates and annual charges will be charged on a daily basis. Council will apply the interest rates as determined by the Office of Local Government to be charged on an annual basis.

3.11 Overdue Rates and annual charges will attract the interest rate set out in Council's Schedule of Fees and Charges.

3.12 A late payment fee may be charged where a reminder letter is issued, where set out in Council's Schedule of Fees and Charges.

3.13 Pursuant to section 566 of the LG Act, Ratepayers who enter into a payment arrangement with Council will continue to have interest charged on the outstanding balance.

Legal recovery of Debt

3.14 Council will only consider commencing legal recovery proceedings for the collection of overdue Debts in the following circumstances:

- (a) where Rates and charges have at least two instalments outstanding; or
- (b) where all other invoices are overdue for more than 90 days; and
- (c) where no payment arrangement has been made between the customer and Council.

3.15 Legal proceedings will commence with a Letter of Demand to the Debtor. The Letter of Demand will be issued by Council, or Council's legal recovery representative. Where the Debt remains unpaid notwithstanding the issue of the Letter of Demand, Council will proceed to commence formal legal action by the issue of a Statement of Claim (summons).

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3.15.1 Council will make best efforts to contact customers prior to issuing a Statement of Claim, with a view to minimising any legal costs that the customer may incur.

3.15.2 Council may engage a Mercantile Agent or Law Firm to conduct all or part of any legal proceedings on behalf of Council.

3.15.3 Pursuant to section 605 of the LG Act, any reasonable out-of-pocket expenses incurred by Council in connection with legal proceedings will be added to the outstanding account balance.

3.15.4 Where legal action in respect of a debt has been completed, and the Debt has been paid in full, Council will not pursue the Debt.

Hardship Assistance

3.16 Council recognises that there may be exceptional circumstances where a customer faces difficulty in paying a debt owed to Council. Such factors may include loss of employment or illness. Council will aim to work with customers experiencing Hardship to avoid legal action and, depending on the circumstances, may be able to provide the following assistance options, pursuant to applicable legislation:

- (a) extension of due date;
- (b) alternative payment arrangements; or
- (c) write off or reduce accrued interest.

3.17 Payment arrangements

3.17.1 Where customers experience Hardship and are having difficulty in meeting their payment commitments, they should contact Council as early as possible, to discuss making a suitable payment arrangement in respect of any Debt.

3.17.2 Council will work with customers experiencing Hardship to assist them with considering options and making mutually acceptable arrangements for the payment of their outstanding Debts.

3.17.3 Pursuant to section 564 of the LG Act, customers may at any time seek to make arrangements with Council to pay off their outstanding Debts by regular payments, subject to the following considerations:

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- (a) the amount and frequency of the payments under the arrangement must be acceptable to Council; and
- (b) arrangements should, where possible, seek to have the outstanding balance cleared by the end of the financial year.

3.17.3.1 Council may accept over the telephone payment arrangements within twelve months of the due date, for weekly, fortnightly, or monthly payments, whether monies owing are overdue or not, except for where legal proceedings have commenced against the debtor. Periodical payment arrangements will be confirmed in writing.

3.17.3.2 Council may grant requests for extensions of time to pay an overdue Rate installment in full provided the extension will not be greater than 30 days after the due date. Only one extension can be granted to a Ratepayer during an annual rating period. Interest on the overdue balance is still applicable under this arrangement.

3.17.3.3 Once legal proceedings have commenced against a debtor, only delegated Council officers can determine any payment arrangement, which must be formalized in writing, subject to the debtor entering into a direct debit arrangement with Council, and the debtor agreeing to pay Council's up-to-date legal costs relating to the proceedings. If a debtor objects to the direct debit arrangement, the debtor must provide reasons for their objection in writing, and propose an alternate payment method. Council will consider the alternate payment method, and will advise the debtor whether the request is accepted or rejected.

3.17.4 Where a customer has not honoured a previous payment arrangement, Council may, at its discretion decline to accept a request for a new arrangement, and may continue with further recovery action.

3.17.5 Customers aggrieved by clause 3.15.4 of this Policy, may appeal in writing to the Chief Executive Officer or their delegate. The Chief Executive Officer, or their delegate, will consider the appeal within thirty (30) days of it being received by Council and notify the customer of the decision.

3.17.6 Where a customer fails to make payment in full under an arrangement and does not notify Council of any financial difficulties, the payment arrangement will be

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voided, and the total amount outstanding will become payable and will be subject to Council's legal Debt recovery procedures, as set out in this Policy.

3.18 Waiving, reducing, or deferring Debts

3.18.1 Pursuant to section 567 of the LG Act, Council may write off accrued interest on Rates or charges payable by a person if, in Council's opinion, the reasons that the person was unable to pay the Rates or charges when they became due and payable were beyond the person's control, or that the person is unable to pay the accrued interest for reasons beyond their control, or that the payment of the accrued interest would cause the person Hardship.

3.18.2 Council may, at its discretion, write off or reduce accrued interest where a customer complies with their mutually agreed payment arrangement with Council.

3.18.3 Pursuant to section 601 of the LG Act, Ratepayers who incur a Rates increase in the first year following a revaluation of land values may apply to Council for Rates relief, if the increase in the amount of Rates payable would cause them substantial Hardship. In such circumstances, Council may, at its discretion, waive, reduce, or defer payment of the whole or any part of the increase in the amount of the Rates payable for such period, and subject to any conditions that Council deems appropriate.

3.18.3.1 While Council has the discretion to waive, reduce or defer, Council will only offer a revised payment schedule and interest free periods up to three years to ease the financial stress on the ratepayer.

3.18.3.2 Each individual case will be considered on its merits. Council's criteria for consideration Hardship assistance under section 601 of the LG Act will include, but is not limited to:

- (a) the amount of any Rate increase when compared to the average Rate increase for the Rate category;
- (b) the amount of Rates levied compared to the average Rate of the Rate category;
- (c) income from all sources;
- (d) assets owned;
- (e) living expenses;

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- (f) reason for financial Hardship;
- (g) length of occupancy; and
- (h) principal place of living.

3.18.4 Council may make a determination to grant a moratorium up to 90 days, where a group or area of Ratepayers or debtors affected by a natural disaster or significant event. Applications for approval of this moratorium must be in writing.

3.18.5 Upon notification of a Ratepayer(s) death, Council will grant a 12-month interest free period to allow for probate or Letters of Administration to be processed. After the 12-month period ends or the property is transferred, whichever comes first, interest will accrue at the prescribed rate.

Pensioner concessions

3.19 Available Rates rebates for Eligible Pensioners are set out by Council's Voluntary Pensioner Rebate Policy.

3.20 Council will not take legal proceedings against Eligible Pensioners to recover Debt. Eligible Pensioners will still be issued with reminder notices and are subject to interest on overdue balances, in accordance with this Policy.

4. Delegation

4.1 There are Administrative and/or Legislative Delegations applicable to this Policy, which are provided for in Council's Delegations Manual(s).

5. Procedure

5.1 Customers seeking consideration of financial Hardship must apply to Council in writing, with supporting evidence, using the Hardship Relief Application form.

5.1.1 Completed Hardship Relief Application forms may be submitted:

- (a) via email, to council@cityofparramatta.nsw.gov.au;
- (b) by mail, to City of Parramatta, PO Box 32, Parramatta NSW 2124; or
- (c) in-person at PHIVE Customer Service Desk.

5.1.2 The application must contain, at a minimum, the following information:

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- (a) the address and contact details of the customer; and
- (b) the reason(s) for the financial Hardship, with sufficient information provided as to enable Council to make an informed decision regarding the application.

5.1.3 Where a customer is seeking for Council to consider waiving the interest accrued on a Debt, the following additional information may be required:

- (a) details of all income including wages, benefits, and any other sources of income;
- (b) details of all expenditure;
- (c) details of all bank accounts and balances;
- (d) details of all credit cards and balances;
- (e) details of any other investments; and
- (f) details of last Tax Assessment Notice.

5.1.4 Council may request that any application for consideration of financial Hardship be supported by a statement from a financial advisor or accountant.

5.2 Council may collect the following customer information during the process of establishing any payment arrangements, with this information capable of being used for any Debt recovery process:

- (a) contact phone numbers (including mobile, work, and home);
- (b) employment details; and
- (c) email address.

5.3 Council will provide written confirmation to customers for any agreed payment arrangements.

6. Definitions

Debt	Monies owing to Council as part of its general business activity, including Rates, Sundry Debts, fees, and/or charges owing to Council.
Eligible Pensioner	As defined in the Dictionary to the LG Act and section 134 of the LG Regulation, means: (a) persons who receive a pension, benefit or

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	<p>allowance under Chapter 2 of the <i>Social Security Act 1991</i> of the Commonwealth, or a service pension under Part III of the <i>Veterans' Entitlements Act 1986</i> of the Commonwealth, and who are entitled to a pensioner concession card, issued by or on behalf of the Commonwealth government, or</p> <p>(b) persons who receive a pension from the Commonwealth Department of Veterans' Affairs and who are entitled to a pensioner concession card, issued by or on behalf of the Commonwealth government, or</p> <p>(c) persons who have received a lump sum mentioned in section 234(1)(b) of the <i>Military Rehabilitation and Compensation Act 2004</i> of the Commonwealth or are receiving a weekly amount mentioned in that paragraph, and who are entitled to a pensioner concession card, issued by or on behalf of the Commonwealth government, or</p> <p>(d) persons who receive a general rate of pension adjusted for extreme disablement under section 22(4) of the <i>Veterans' Entitlements Act 1986</i> of the Commonwealth, or a special rate of pension under section 24 of that Act, or</p> <p>(e) persons who receive, or who at some point in their life have been eligible for, a Special Rate Disability Pension under the <i>Military Rehabilitation and Compensation Act 2004</i> of the Commonwealth.</p>
Hardship	Refers to any situation where an individual is having difficulty paying legally owed Debt. This can result from life changes (such as illness, unemployment or changed financial circumstances) and can restrict a person's short-term capacity to pay.
Letter of Demand	Demand letter from Council or Council's legal recovery representative issued in accordance with the Australian Competition and Consumer Commission and the Australian Securities and Investments Commission guidelines
Rates	Refers to all amounts charged in accordance with section 546 of the LG Act.

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Ratepayer	The person/s who are the owner of rateable land or a person/s responsible for a lease where the LG Act provides that a Rate is to be paid to Council.
Sundry Debt	Any Debt owed to Council that is not a Rate or charge which is levied on a property.
Supplementary Rates	Refers to Rates which are issued when there has been a change to the rating record common adjustment, including changes to the land value or how the land is used in relation to the property. Also referred to as a part year rating.

REFERENCES	<i>Local Government Act 1993 (NSW)</i> <i>Local Government (General) Regulation 2021 (NSW)</i> <i>Social Security Act 1991 (Cth)</i>
ASSOCIATED POLICIES	Complaints Handling Policy Privacy Management Policy and Plan Voluntary Pensioner Rebate Policy
ATTACHMENTS	Hardship Relief Application Form

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