



Shoalhaven Water - Debt Management Policy

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1 PURPOSE

Shoalhaven Water follows an established process when payments are overdue. The purpose of this policy is to ensure that customers are aware of how Shoalhaven Water responds to overdue accounts and the debt management actions which can be taken to recover the charges. Specifically, the objectives of this policy are to:

- Fulfil the statutory requirements of the Local Government Act and Regulations with respect to the recovery of charges from property owners,
- Ensure that customers are treated fairly, consistently, confidentially and with courtesy at all times in the debt recovery process,
- Raise customer awareness of payment assistance measures provided by Shoalhaven Water, and
- Uphold relative compliance with NSW Government directives and Industry practice guidelines.

This policy is consistent with debtor management matters as contained within [Shoalhaven Water's Customer Service Plan](#).

2 STATEMENT

The continuing supply of water and sewerage services to the community is contingent upon customers paying for those services.

The pursuance of unpaid debt is an important function for Shoalhaven Water to ensure available cash flow, limit the risk of unrecoverable debt and reduce environmental impacts from uncontrolled water loss. In light of Shoalhaven Water's responsibility as an essential service provider, minor deviation from standard processes, procedures or policy in relation to debt recovery may be necessary on a case-by-case basis.

3 PROVISIONS

This policy applies to all Shoalhaven Water customers, including residential, commercial, industrial and community service classified properties.

3.1 Water and other Shoalhaven Water accounts

Most Water accounts are issued on a quarterly basis at the time of water meter readings. Some bulk water users are billed on a monthly basis.

Shoalhaven Water issues accounts for services other than water supply and wastewater services. This includes but is not limited to septic tank (effluent) services, liquid trade waste, development inspections, telecommunications site fees. These accounts are known as Sundry Accounts.

Shoalhaven Water is committed to issuing accurate and timely accounts for the services provided. It is an expectation that customers will pay their accounts promptly, advise Shoalhaven Water if they are unable to do so, or commit to a payment arrangement or other payment assistance measures as agreed.

3.2 Time given to pay water accounts

Shoalhaven Water levies water accounts in the name of the property owner and to the address so nominated by the owner. Payment is due 28 days after the date the account is issued, and a further grace period of 10 days is given before interest charges are applied to allow for delays e.g., post and banking.

3.3 Overdue Water Accounts

Shoalhaven Water undertakes the following measures when payments are overdue, the workflow for metered and unmetered properties are as follows:

3.3.1 Metered Supply

If the owner of a metered property has not made contact or made regular prearranged payments and there is an amount outstanding at the due date then;

1. A **Reminder** is issued, if not paid by due date, then
2. A **Final Reminder** is issued, which includes details of payment assistance measures and next steps if the account remains unpaid. If not paid by due date, then
3. A **Registered Letter** is sent by post to the owner indicating that the property is being assessed for water flow restriction and/or legal action. If the property address is different to the postal address, a similar letter is also sent by ordinary mail addressed to the occupier. If contact is still not forthcoming, then either;
4. A **Notice of Intention to Install a Water Flow Restrictor** is hand delivered to the property advising that the property may be restricted after 24 hours (see section 3.4 *Water accounts - flow restriction* below) OR
5. The **debt is referred** to our external debt recovery agency.

Prior to progressing to step 4 or 5, and where possible, telephone or email contact will be attempted.

If the account remains unpaid Shoalhaven Water may restrict the supply of water and/or commence legal action. In each formal contact with customers, information and access to Water Account Payment Plans or assistance programs is offered.

Unmetered Supply and Standpipe Hire

For customers who do not have a metered supply to their property (i.e., properties who do not have a meter installed or for customers who hire metered standpipes) the following process applies:

1. A **Reminder** is issued, if not paid by due date, then
2. A **Final Reminder** is issued, which includes details of payment options and next steps if the account remains unpaid. If not paid by due date, then
3. A **Registered Letter** is sent by post to the owner indicating that the account is being assessed for legal action.

If the account remains unpaid, Shoalhaven Water may refer the debt to our external debt recovery agency. In the case of metered standpipe hire, failure to pay outstanding charges is basis for termination of the Hire Agreement.

3.4 Water Accounts - flow restriction

The [Local Government \(General\) Regulation 2021](#) permits the restriction of water supply to properties if “rates or charges in respect of the water supplied to the premises are unpaid”.

Water flow restriction involves significantly reducing the water supply to the property. A small amount of water is supplied for health and hygiene purposes. It is Council policy that water flow restrictors are not used on;

- Eligible pensioners as defined by Council Policy – [Revenue Pensioner Rates and Charges - Arrears and Interest](#),
- Rural properties with animals,
- Kidney Dialysis Patients,
- Hospitals,
- Schools,
- Pre-schools and;
- Retirement Homes.

In accordance with [NSW Office of Local Government Circular 15-40](#) of 16 December 2015, Water flow restrictors will not be installed on properties once Shoalhaven Water becomes aware that a property is tenanted. A tenant is so determined to be an occupier of the property holding a signed NSW Government Fair Trading “Standard form – Residential tenancy agreement” or similar e.g., Commercial Property Lease Agreement. In this case, water account debts of tenanted properties may be referred to our external debt recovery agency. (see section 3.5)

Avoiding Restriction

Shoalhaven Water will not instigate a water flow restriction to customer properties if;

- A suitable formal Water Account Payment Plan is accepted, signed and the payments on the due date are made,
- An accepted and active Centrepay arrangement (through Centrelink) is maintained,
- There is an outstanding water account complaint with Shoalhaven Water or a complaint that is being investigated by the Energy and Water Ombudsman of NSW (EWON).

3.4.1 Restoring the water supply

If a property has been restricted, Shoalhaven Water will restore the water supply when;

- The outstanding water charges are paid in full including the removal fee, or
- The customer has paid an agreed lump sum of the outstanding balance and has agreed and signed an approved formal arrangement, or
- Contact has revealed that the property is subject to a signed NSW Government Fair Trading “Standard form – Residential tenancy agreement” or similar e.g., Commercial Property Lease Agreement.

3.5 Water Accounts – Legal Action

To ensure that debts related to an essential service are clearly identified in debt recovery proceedings, legal actions undertaken on behalf of Shoalhaven Water, are conducted by an alternate external recovery agent to that used for Council Rates.

Once the debt is referred, the Debt Recovery Agency will issue a letter in relation to the overdue amount advising that Shoalhaven Water has referred the debt to the agency for collection and that payment in full or an approved payment arrangement is required within 14 days, otherwise legal action may be commenced. The letter specifies the **minimum** amount in legal costs that will be added to the water account if legal action is commenced.

Subsequent steps undertaken by the Debt Recovery Agency under instruction of Shoalhaven Water may include (but not limited to) summons, Statement of Claim and Judgement. Minimum costs of any subsequent actions will also be advised in advance of progression of legal action.

3.6 Eligible Pensioner Accounts

On 24 June 2015, Council resolved (MIN15.421) to amend the means by which Council deals with outstanding debts of eligible pensioners. Shoalhaven Water’s debt recovery dealings with eligible pensioners reflects the process as defined in Council’s *Revenue – Debt Recovery Policy*.

3.6.1 Recovery Action for Pensioners Who Became Eligible after 1 July 2015

1. A **Reminder** is issued, if not paid by due date, then
2. A **Final Reminder** is issued, which includes details of payment assistance measures and next steps if the account remains unpaid. If not paid by due date, then
3. A **Registered Letter** is sent by post to the owner indicating that the property is being assessed for legal action, including minimum legal fees which may be charged if legal action proceeds. If the property address is different to the postal address, a similar letter is sent by ordinary mail addressed to the occupier. If contact is still not forthcoming, then
4. A **Report to Council** will be submitted, detailing arrears of water account charges and requesting permission for referral to our Debt Recovery Agency. Only on approval

from Council will referral to the agency occur. Once approved by Council, subsequent legal action will continue as outlined in this Policy, under *Water accounts – Legal Action*.

3.6.2 Recovery Action for Pensioners Who Became Eligible prior to 1 July 2015

Shoalhaven Water will not institute legal action to recover water account charges from eligible pensioners, except where such charges are outstanding for a period of seventeen (17) years, at which time Shoalhaven Water will commence action to secure outstanding charges. Such action to secure overdue charges will include the issuing of a Statement of Claim followed by Judgment.

3.7 Payment Assistance Scheme

Shoalhaven Water's Payment Assistance Scheme (PAS) is consistent with the essential service industry to help customers experiencing financial difficulties. The program is in lieu of a formal hardship policy and is available to residential customers including tenants. The scheme is largely managed by a range of Community Support Agencies on behalf of Shoalhaven Water. Under this scheme, vouchers are issued by an Agency to offset water usage charges. Full details of the Payment Assistance Scheme are articulated in the following Policy: *Payment Assistant Scheme - Water Accounts*.

3.8 Overdue Sundry Accounts

Shoalhaven Water issues accounts for services other than water supply and wastewater services. This includes but is not limited to septic tank (effluent) services, liquid trade waste, development inspections, telecommunications site fees. These accounts are known as Sundry Accounts.

The following is the debt recovery process for Sundry Accounts, where accounts are overdue, and no approved payment arrangement is being maintained:

1. A **Reminder** is issued, if not paid by due date, then
2. A **Final Reminder** is issued, which includes details of payment options and next steps if the account remains unpaid. If not paid by due date, then
3. A **Registered Letter** is sent by post to the owner indicating that the property is being assessed for legal action.

If the account remains unpaid, Shoalhaven Water may refer the debt to our external debt recovery agency.

4 IMPLEMENTATION

The Shoalhaven Water Business Services Manager is responsible for the implementation, actions and management of this policy.

5 REVIEW

This policy will be reviewed within one year of the election of every new Council.

6 APPLICATION OF ESD PRINCIPLES

To reduce the demand on treated water supplies through the user pay principle.