

QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

26 APRIL 2018

ITEM 12.5 DRAFT ACTIVITY ATTRIBUTION AND DISTRIBUTION OF
GOVERNANCE COSTS POLICY

ATTACHMENT 1 DRAFT ACTIVITY COST ATTRIBUTION AND DISTRIBUTION
OF GOVERNANCE POLICY

Activity Cost Attribution and Distribution of Governance

Date policy was adopted:	
Resolution number:	
Next Policy review date:	30 June 2019
Reference number:	

1 OUTCOMES:

Full cost attribution seeks to determine the “true” cost of providing a good or service by tracking and accumulating the total costs of the process to create and distribute the good or service.

Typically, includes costs that are incurred in:

- research and development (strategic planning for the provision of goods and services)
- design of the good or service (specifying the requirements, testing the good or service)
- production (creating/building/manufacturing the good or service)
- marketing (informing the community of the availability of goods and services)
- distribution (delivering the good or service to customers)
- customer service (“after-sales” service, feedback, customising the good or service).

The level of corporate overheads varies in NSW Government agencies depending on size, with acceptable benchmarks for the proportion of staff engaged in corporate services activities being:

- large agencies (1,000 FTE) 8-10%
- medium agencies (350 to 1,000 FTE) 10-12%
- small agencies (less than 350 FTE) 12-14%.

2 DIRECTIVE:

Council deploys an ‘activity based costing’ (ABC) approach to budgeting, pricing and reporting.

Direct costs will be recorded through invoices and the like, and *charged* directly to a nominated cost centre (activity), and recorded as an employment, material, contract and the like expense (resource).

Internal Labour Costs will be charge to projects at a labour rate including costs of salary and the associated on-costs.

Plant costs will be *charged* at a hire rate calculated on the life-cycle cost of ownership and operation of the item of plant.

Corporate support costs (direct and indirect overhead) will be *attributed* to an activity on a full cost recovery basis as a percentage charge on the FTE wage expense allocated to an activity.

Property Management costs (rates, electricity and maintenance) will be *attributed* to an activity on a full cost recovery basis as a percentage charge on the FTE wage expense allocated to an activity.

Project management costs will be *attributed* at 4% of the total capital expenditure, and capitalised against the created asset.

Governance costs will be *distributed* between Funds (General, Water, Sewer, Waste) on the apportioned share of total rateable assessments or services of those Funds.

There will be two reasonableness tests:

- total distribution should not exceed total corporate support expense
- attributed support to each Fund should not exceed 12% of respective Fund’s operational expenditure (OPEX)

Commercial and competitive pricing will be set at a level to recover attributed costs.

3 DEFINITIONS AND APPLICABILITY

Cost Categories

Costs can be either direct costs or indirect costs. A *direct cost* is one that can be specifically assigned to a particular good, service, function or activity – e.g. the labour and material costs associated with cataloguing library books.

An *indirect cost* is one that supports the provision of a range of services – e.g. the supervision of staff associated with the acquisition of library books, part of which will be allocated to the cataloguing activity. This same categorisation applies to overheads.

Overheads are costs that are not directly incurred in producing or delivering a good, service, function or activity – costs such as superannuation, leave costs, senior executive salaries, and interest payments on loans. They can also be classed as direct overheads and indirect overheads.

Direct overheads such as superannuation and annual leave are directly related to ordinary time hours and can be allocated on that basis, directly to the good, service, function or activity that the labour hours are associated with. Indirect overheads may be allocated on some other basis.

Costs can be categorised as either fixed or variable. A *fixed cost* is a cost that does not vary with different levels of service and a *variable cost* is one that does vary with levels of service

Definitions

Attribution - The assignment of apportioned corporate support costs to activities.

Distribution – The assignment of apportioned governance cost to Funds.

Cost driver – a factor that affects costs, the reason why costs behave as they do.

Cost pool – a grouping of cost items.

Direct cost - a cost that can be specifically assigned to a particular good, service, function or activity – e.g. the labour and material costs associated with cataloguing library books.

Fixed cost - a cost that does not vary with the volume of service provision – e.g. capital cost of plant, equipment and buildings.

Incremental costs – the costs to move to a different service level (e.g. the costs to move to a weekly litter bin collection, rather than a fortnightly collection – additional staff, vehicle, protective clothing, supervision etc). This concept is aligned to the notion of semi-fixed and semi-variable costs.

Indirect cost - a cost that supports the provision of a range of services – e.g. supervision costs.

Overhead (corporate support) – a cost that is not directly incurred in producing or delivering a good, service, function or activity – e.g. superannuation, leave costs, senior executive salaries, and interest payments on loans. Overhead costs can be categorised as either direct overhead (costs that are directly related to the inputs to a process such as workers' compensation insurance, annual leave loading) and indirect overhead (costs that are not directly associated with a process such as bank charges, public liability insurance).

Property – a cost incurred in providing premises for Council operations. Costs include water usage, electricity, depreciation and property maintenance.

Variable cost - a cost that varies with the volume of service provided– e.g. number of labour hours, materials consumed.

Applications

The quadruple bottom line framework adopted by Council assigns an accounting regime to the projects and programs prioritised for funding in the Delivery Program. The highest ranked projects are assessed along life-cycle principles for consideration by the elected body.

Chart of Accounts (CoA)

It is important to have a well-structured chart of accounts that facilitates the collection, aggregation and reporting of costing information. The chart of accounts performs two critical roles:

1. It enables the capture of all of Council's financial transactions in a systematic manner; and
2. It facilitates the efficient and effective reporting of the financial transactions to supervisors, team leaders, managers, elected members and the preparation of general purpose financial reports for external users.

The principles for designing a good chart of accounts are:

- Understand the current, and potential future, structure of the organisation – reporting of financial information is usually structured, to a large extent, on organisational lines.
- Understand the needs of the various users of financial information - the chart of accounts must meet their needs, not just the needs of the finance section.
- Understand the capabilities and limitations of the software package used to process financial transactions – most modern general ledger packages provide a variety of methods to collect, aggregate and present financial information.
- Develop a draft structure and consult with the users of financial information to ensure that it meets their needs – it will also be useful to provide for different ways that the data can be presented using the capabilities of the general ledger package.
- Build in as much flexibility to the chart of accounts as possible – there is nothing more certain than the fact that the organisational structure and the services provided will change.

CoA Hierarchy

Council adopted a 'services and program framework' aligned to the strategic pillars of Community, Choice, Character, Connection and Capability. (Attachment 1 – Service Framework).

The Chart of Accounts has been designed to align with that framework, adding a further layer 'activity'. The framework reflects the organisation structure so that services are assigned to Level 2, programs to Level 3 and Activities to Level 4. For example:

Service: Transport
Program: Urban Sealed Roads
Output: Renewal
Activity: Traffic Control

4 LEGISLATIVE OBLIGATIONS AND/OR RELEVANT STANDARDS

The NSW Office of Local Government Accounting Code (The Code) defines "governance" costs as including the following:

- general meetings of Council and corporate policy making committees

- elected members' fees, allowances, and expenses
- local elections
- subscriptions to local authority associations
- preparation of business papers and related reports and minutes of meetings.

The Code requires that other overheads including "accommodation costs, general administrative salaries and on-costs, printing, photocopying and stationery, publications and subscriptions, postage and telephone, bank charges, insurance, payroll services and security, occupational health and safety training and equipment, office equipment - depreciation, office building - maintenance, office cleaning, electricity, interest expense and debit charges" ... "must be apportioned to individual activities where a reliable basis exists..".

5 CONTENT:

Attributed Costs:

- Workplace (Human Resources)
- People and Culture (organisational Development)
- Digital (Information Technology)
- Finance
- Store

Distributed Costs:

- Elected members
- Office of the Chief Executive
- Portfolio General Managers
- Communications
- Customer Service
- Governance
- Legal & Risk
- Record Management

Property Costs:

- Property Maintenance
- Electricity
- Water Usage
- Debt servicing

6 PERFORMANCE INDICATOR:

- Total distribution should not exceed total corporate support expense
- Total attributed support to each Fund should not exceed 12% of respective Fund's opex

7 RELATED DOCUMENTS:

Revenue and Pricing Policy.

Attachment 1 – Service Framework

	COMMUNITY	CHOICE	CHARACTER	CONNECTION	CAPABILITY	COUNCIL
Service	1 culture					
	2 community	11 business	21 urban development	31 transport	41 people	51 strategy
	3 education	12 health	22 rural development	32 water	42 technology	52 executive
	4 recreation		23 urban landscapes	33 sewer	43 financial	
			24 natural landscapes	34 waste	44 quality	
			25 sustainability	35 facilities	45 risk	
			26 strategic planning	36 logistics	46 property	
KRA	1-3	1-3	1-3	1-3	1-3	1-3
Program	1.1 cultural development	11.1 economic	21.1/21.1 development assessment	31.1 roads	41.1 human resource mgmt/IR	51.1 PR/Performance
	1.2 performance	11.2 tourism	21.2/21.2 subdivision assessment	31.2 bridges	41.2 capability and development	51.2 Sustainability
	1.3 community gathering	11.3 events	21.3/21.3 subdivision certification	31.3 paths/cycleways	41.3 payroll	51.3 Property
	1.4 events	11.4 conference	21.4/21.4 development contributions	31.4 traffic/safety	41.4 WHS/wellbeing	51.4 Asset
	1.5 museums	11.5 place management	21.5/21.5 development control	31.5 parking	41.5 customer/asset triage	51.5 Workforce
	1.6 sister city	11.6 development liaison	21.6 new release	31.6 public transport	41.6 network	51.6 Communications
	2.1 children	11.7 certification	21.1 parks/playgrounds/sportfields	31.7 cross border/smart city	42.2 systems	51.7 Financial
	2.2 youth	11.8 saleyards	23.1 CBD	32.1 water operations	42.3 applications	51.8 Client UX
	2.3 aged	11.9 caravan parks	23.3 signage	32.2 water infrastructure	42.4 digital workplace	
	2.4 indigenous	12.1 Food/premises	23.4 heritage	32.3 stormwater	42.5 records	
	2.5 disabled	12.2 cemetery	23.5 public amenities	33.1 sewer operations/recycling	42.6 telecoms	
	2.6 community development		23.6 community land	33.2 sewer infrastructure	43.1 accounting	
	2.7 engagement		24.1 NRM/biodiversity	34.1 waste operations	43.2 revenue	
	3.1 library		24.2 catchment	34.2 waste infrastructure	43.3 reporting	
	3.2 knowledge		24.3 vegetation	35.1 buildings	43.4 procurement/store	
	3.3 by laws		24.4 environ health	35.2 energy	43.5 grants	
	3.4 animals		25.1 education	35.3 security	43.6 budget	
	4.1 indoor sports		25.2 climate	35.4 sustainability	44.1 business excellence	
	4.2 aquatic		25.3 monitoring and reporting	36.1 design/support	44.2 business analysis	
	4.3 events		25.4 sustainability projects	36.2 asset planning	44.3 business reporting	
			26.1 landuse	36.3 emergency	44.4 quality assurance	
			26.2 profiling	36.4 plant/fleet/workshop	44.5 red tape reduction	
			26.3 spatial/IIS/naming	36.5 RMS contract	44.6 projects	
			26.4 certificates	36.6 projects	45.1 risk	
				36.7 private works	45.2 insurances	
					45.3 audit	
				45.4 business continuity		
				46.1 office		
				46.2 depot		
				46.3 administration		
Staff FTE						
Asset \$m						
Budget \$m						

POLICY:-	
Policy No:	
Policy Title:	Activity Cost Attribution and Distribution of Governance
Date Policy was adopted by Council:	25 January 2017
Resolution Number:	
Previous Policy Review Date:	
Next Policy Review Date:	
PROCEDURES/GUIDELINES:-	
Date Procedure/Guideline (if any) was developed:	
RECORDS:-	
Container Reference in TRIM: Policy	
Container Reference in TRIM: Procedure	
Other locations of Policy:	Intranet (linked to TRIM Container)
Other locations of Procedures/Guidelines:	Intranet (linked to TRIM Container)
DELEGATION (if any):-	
RESPONSIBILITY:-	
Draft Policy developed by:	
Committees (if any) consulted in the development of the Draft Policy:	
Responsibility for Implementation:	
Responsibility for Review of Policy:	

INTEGRATED PLANNING FRAMEWORK:	
Strategic Direction (CSP):	
Service:	
Program:	

Senior Authorising Officer	Position General Manager	Signature/Date (Signed and dated)
-----------------------------------	------------------------------------	---

ACTION	COUNCIL MEETING DATE	RESOLUTION NUMBER	REPORT ITEM NUMBER
NEW/RECONFIRMED/ AMENDED			

DATE REVIEWED	REVIEWER POSITION	REVIEWER NAME

QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

26 APRIL 2018

ITEM 12.10 REPORT ON THE 6 FEBRUARY 2018 MEETING OF THE
AUDIT, RISK AND IMPROVEMENT COMMITTEE

ATTACHMENT 1 06 FEBRUARY 2018 - AUDIT, RISK AND IMPROVEMENT
COMMITTEE - MINUTES



MINUTES OF THE ORDINARY MEETING OF THE QUEANBEYAN-PALERANG REGIONAL COUNCIL AUDIT COMMITTEE held at the Council Chambers, 253 Crawford St, Queanbeyan on Tuesday, 6 February 2018 commencing at 2:00 to 5:00.

ATTENDANCE

Present:

Andrew Cox	(External Chairperson)
Ken Crofts	(External member)
Max Shanahan	(External member)
Peter Neil	(Portfolio General Manager, Organisation Capability)

Also Present:

Peter Tegart	QPRC, General Manager
Richard Bozzato	QPRC, Risk Advisor and Internal Audit Coordinator
Bill Warne	QPRC, Service Manager, Legal and Risk
Shane Taylor	QPRC, Chief Financial Officer
Brett Hanger	Hill Rogers (Items 6.1 and 6.2)
David Nolan	NSW Audit Office (Items 6.1 and 6.2)
Chris Davies	Oakton

1. APOLOGIES

Councillor Brown, Committee Member.

2. DECLARATIONS OF INTEREST

Resolved

That Committee members now disclose any interests and reasons for declaring such interest in the matters under consideration at this meeting.

No disclosures were made.

3. CONFIRMATION OF MINUTES

3.1 Minutes of the Ordinary Meeting of Audit Committee held on 5 December 2017

Resolved

The Committee confirmed the minutes for the 5 December 2017 meeting.

4. ACTIONS ARISING FROM PREVIOUS MEETINGS

4.1 Status of Actions Arising from Previous Meetings

Resolved

The Committee noted the status of actions arising from previous meetings, and that:

- copies of Bluett's Local Government Handbook and the Office of Local Government Calendar of Compliance Reporting would be distributed to members to address item 4.10 of meeting 5 of 3 July 2017
- the draft Committee meeting plan for 2018-19 will be presented to the next meeting, at which the Committee's role in relation to Council's Integrated Reporting system will be considered to address item 4.3 of meeting 6 of 12 October 2017
- scoping of the proposed audit of Council's family day care program, as addressed by item 4.3 of meeting 7 of 5 December 2017, is currently underway.

5. INTERNAL AUDIT REPORTS

5.1 Management of Delegations

Resolved

The Committee noted the report, and that:

- the Local Government Act 1993 limits authority to sub-delegate powers to the General Manager only, with this being managed by the Legal and Risk Team
- review of Council's delegations is progressing in line with finalisation of team structures following the recent reorganisation, with all regulatory positions already having been reviewed
- the delegations database does not interface with Council's financial management or human resources systems, however both systems include processing controls to ensure appropriate authorisation of transactions.

5.2 Review of Current Charters against NSW Treasury Policies TPP 15-03 and TPP 17-06

Resolved

The Committee considered the report, and:

- noted that the Office of Local Government (OLG) will issue draft policy guidance on Internal Audit and Audit Committees for consultation early in 2018, and that this would be informed

by NSW State Government polices TPP 15-03 and TPP 17-06

- noted the identified areas of variance between Council's current Internal Audit and Audit, Risk and Improvement Committee charters and guidance detailed in the NSW policies
- agreed that as a matter of good practice, members would provide written declarations of interest consistent with TPP 15-03 in advance of Council's planned charter review following release of finalised guidance from OLG.

5.3 Update on Internal Audit Activity

Resolved

In considering the report the Committee:

- noted the verbal update on the status of key system development activities provided by Mr Davies and further commentary provided by Mr Neil and Mr Tegart on current issues and their management within the context of Council's project governance framework
- noted the updated report 'Implementation of Activities from Transition Plan – Phase 3' along with additional commentary provided by Mr Tegart in relation to the progress of key activities
- questioned whether the report 'Physical Security Review' provided thorough analysis of Council's physical security arrangements in accordance with the audit objectives, as its focus appeared to be limited to compliance with procedural elements of the of Australia-New Zealand Counter-Terrorism Committee's 'National Guidelines for Protecting critical Infrastructure from Terrorism'
- requested that all future internal audit reports provide fuller analysis against all aspects of the audit objective, including inclusion of positive commentary on areas of compliance or relevant practices, procedures, policies or systems that are in place and operating satisfactorily, and that the report 'Physical Security Review' be updated to include such analysis
- discussed the audit report 'ICT General Controls' and advice provided relating to:
 - Council's consideration of the draft social media policy at an upcoming meeting
 - penetration testing conducted in previous years, and preparation of a disaster recovery plan prior to the merger
 - the need for differing practices required to manage system vendor initiated and other changes

- the action plan prepared by the Service Manager Technology to address issues identified in the audit.
- commented that internal audit reports presented are 'negative by exception', and
 - noted that while there may be positive commentary in some, reports prepared at the conclusion of each audit do not generally include positive comments to provide balanced reporting
 - noted the internal audit standards encourage acknowledgement of satisfactory performance in audit reports
 - requested the internal audit service provider incorporate this element into reports, to be given prominence in the same way as 'negative by exception' comments, by way of a separate section in the report titled 'good practice', 'areas of strength', or similar.

6. ITEMS FOR INFORMATION

6.1 CFO Report 29th January 2018

Resolved

The Committee noted the Chief Finance Officer Status Report, which provided an update on key activities and issues including:

- timeline for finalisation, audit and submission of Council's 2016-17 annual financial statements
- issues identified during preparation of the statements in relation to completion of reconciliations, team resourcing and bank confirmation letters
- harmonisation of accounting practices for assets transferred from the former Queanbeyan City and Palerang Council's
- preparation of Council's long term financial plan
- development of the updated 'Code of Accounting Practice' by the Office of Local Government.

The Committee also noted advice provided on:

- the impact on Council's investment activities as a result of recently updated investment ratings and the Investment Policy
- development of a plan for preparation of the 2017-18 financial statements, inclusive of Committee oversight activities.

6.2 Presentations from Audit Office of NSW.

Resolved

The Committee noted the briefing provided by Hill Rogers, the Audit Office of New South Wales, and Council's Chief Financial Officer, which highlighted:

- the effort of the Finance team in preparing statements using information held by Council's disparate legacy systems and impacted by the resignation of Council's former CFO in April 2017
- outstanding issues yet to be cleared by the auditors, which relate to contributed assets at Googong
- issues in the preparation of statement working papers that will be addressed in future years
- Council's financial performance for 2016-17, with a total income of \$228m and a balance of investments and cash of \$157m at 30 June 2017

The Committee was also advised that:

- the audit management letter and client service report are expected to be issued in the week of 5 - 9 February 2018
- the NSW audit Office are expected to complete their audit quality review by the end of the month
- the statements will be presented to Council by the end of February
- a strategy is being developed to ensure availability of skilled staff to support preparation of the 2017-18 statements
- audit fees will be impacted by additional work that was required, which will be discussed with Council in the near future
- the audit management letter will inform Council on whether issues identified in previous years have been resolved or remain outstanding.

The Committee also noted:

- that asset revaluations have provided a platform to move forward with an updated asset management plan and resourcing strategy, and will assist in the alignment of ad valorem and base rate components with the cost of asset upkeep and service delivery respectively
- implementation of Council's new payroll, assets and revenue systems during 2017-18 will present challenges for preparation of the 2017-18 financial statements
- Mr Nolan's acknowledgement of the efforts of the Chief Financial Officer and finance staff in preparing the statements and assisting the audit, and advice that the Audit Office's understanding of Council gained through the audit will assist in planning and completion of future audits.

Mr. ANDREW COX
CHAIRPERSON

QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

26 APRIL 2018

ITEM 12.11 INVESTMENT REPORT - MARCH 2018

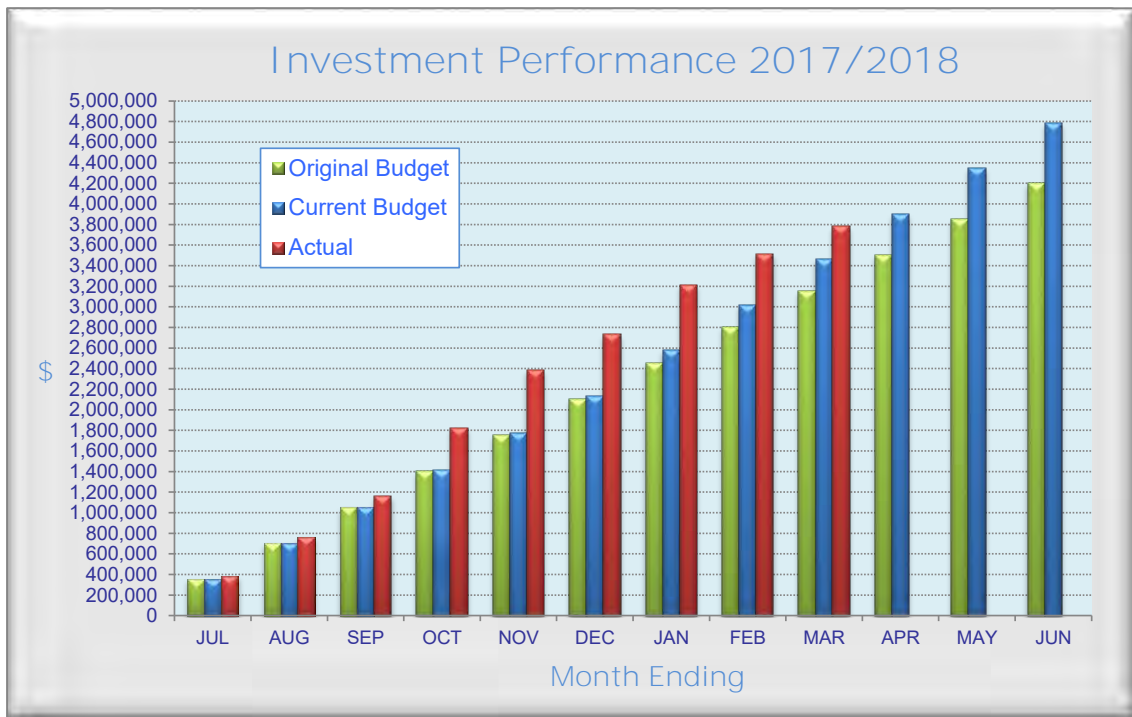
ATTACHMENT 1 INVESTMENT REPORT - MARCH 2018 - ATTACHMENT 1 - 26
APRIL 2018

Attachment 1
Ordinary Meeting of Council: 26 April 2018
Investment Report – March 2018

Contents

Graph 1	Actual return against budget
Graph 2	Investment portfolio performance against the benchmark AusBond Bank Bill Index (BBI)
Table 1	Cash and cash equivalent investments listing Notes
Table 2	Individual institution or counterparty limits
Table 3	Investment percentage split
Table 4	Market value of tradeable investments
Table 5	Budgeted interest allocation by entity

Graph 1 – Actual return against budget



Graph 2 - Investment portfolio performance against the benchmark AusBond Bank Bill Index (BBI)

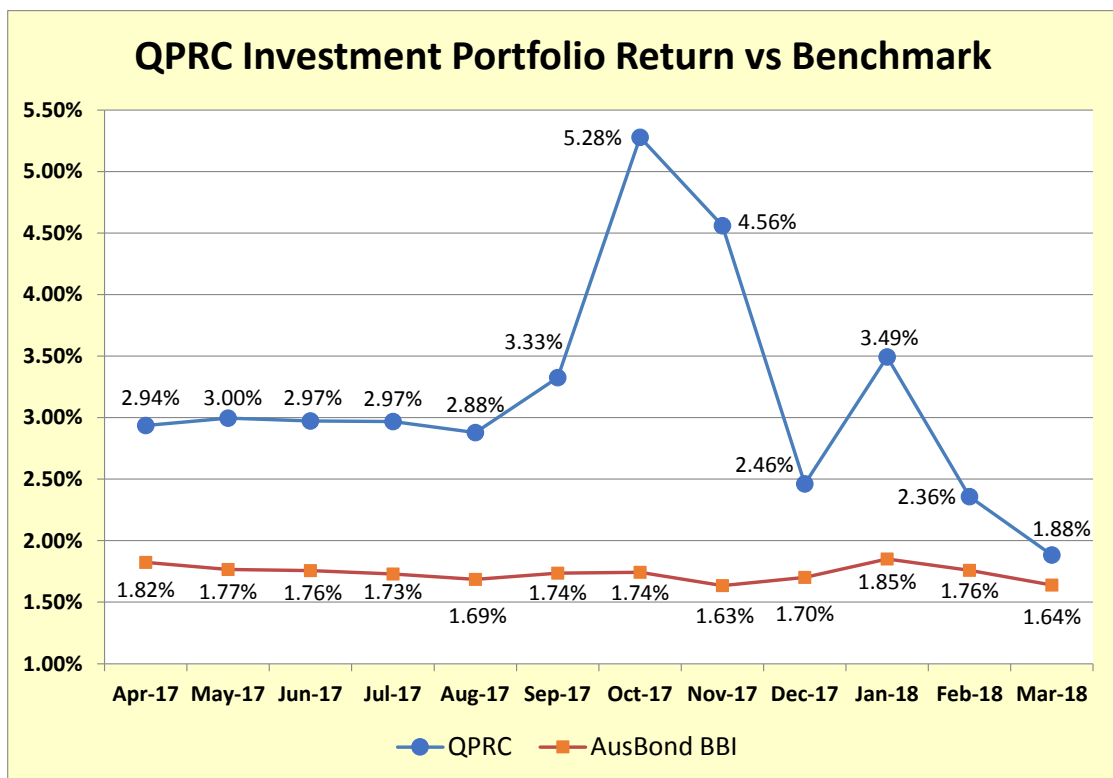


Table 1 - Cash and cash equivalent investments

Table 1									
Purchase Date	Maturity Date	Full Term	Institution	Credit Rating	Principal Amount \$	Return on Investments			
						Month		Year to Date	
						Return \$	Yield p.a %	Return Accrued/Paid \$	Yield p.a %
Cash Deposit Accounts									
			Westpac - General	AA-	449,962	893		9,397	
			NAB - General	AA-	1,294,717	3,370	1.50	25,012.42	1.50
			NAB - Main	AA-	575,519	1,215	1.50	18,214	1.50
			NAB - High Interest	AA-	10,459,323	16,587	1.80	109,323	1.80
			CBA Cash Management	AA-	594,996	229	1.65	1,990	1.65
			ANZ Premium Business	AA-	336,068	489	1.90	63,886	1.90
			Bendigo-Adelaide Bank	BBB+	16,677	19	1.50	227	1.50
			AMP Bank	A	833,456	1,149	2.05	14,785	2.05
			Sub Total		14,560,717	23,951		242,835	
Pooled Managed Investment Group									
			NSW Treasury Corporation	NA	12,547,236	-90,018	-8.07	547,236	8.83
			Henderson	AA	11,880,296	6,802	0.68	202,679	2.32
			Sub Total		24,427,532	-83,216		749,915	
Floating Rate Note Investment Group									
17/04/14	17/04/18	4 yr	ME Bank ³	BBB	1,000,000	2,633	3.10	6,200	3.03
07/05/15	07/05/18	3 yr	Heritage Bank ¹⁵	BBB+	1,000,000	2,480	2.92	4,160	2.87
24/08/15	24/08/18	3 yr	Credit Suisse ¹⁷	A	1,000,000	2,404	2.83	2,559	2.79
14/11/13	14/11/18	5 yr	Bendigo-Adelaide Bank ⁶	BBB+	1,000,000	2,573	3.03	3,736	2.99
07/06/16	07/06/19	3 yr	Greater Bank ⁵	BBB	2,000,000	4,557	3.47	4,557	3.36
11/12/15	11/06/19	3.5 yr	AMP Bank ²	A	750,000	1,177	3.02	1,177	2.86
18/07/16	18/07/19	3 yr	ME Bank ²⁴	BBB	3,000,000	8,294	3.26	19,262	3.15
17/09/14	17/09/19	5 yr	Bendigo-Adelaide Bank ⁸	BBB+	1,000,000	952	2.90	952	2.70
28/10/16	28/10/19	3 yr	Teachers Mutual Bank ²⁷	BBB	1,500,000	4,051	3.18	7,972	3.12
21/11/16	21/02/20	3.25 yr	Bendigo-Adelaide Bank ²⁸	BBB+	2,000,000	4,867	2.87	5,965	2.82
24/02/17	24/02/20	3 yr	Greater Bank ³⁰	BBB	1,000,000	2,743	3.23	2,920	3.19
03/03/15	03/03/20	5 yr	Macquarie ¹³	A	1,000,000	2,080	2.92	2,080	2.85
20/03/17	20/03/20	3 yr	CUA ¹	BBB	2,000,000	1,971	3.27	1,971	3.07
07/04/15	07/04/20	5 yr	Newcastle Permanent ¹⁴	BBB	1,000,000	2,680	3.16	7,088	3.08
25/07/16	07/04/20	5 yr	Newcastle Permanent ²⁵	BBB	2,000,000	5,359	3.16	14,176	3.08
18/08/15	18/08/20	5 yr	Bendigo-Adelaide Bank ¹⁶	BBB+	2,000,000	4,867	2.87	6,279	2.82
20/10/15	20/10/20	5 yr	Suncorp Metway ¹⁸	A+	2,000,000	5,172	3.05	11,346	2.98
26/10/16	26/10/20	4 yr	BOQ ²⁶	BBB+	2,000,000	5,011	2.95	9,860	2.89
18/01/16	18/01/21	5 yr	CBA ¹⁹	AA-	2,000,000	5,019	2.96	11,658	2.88
04/03/16	04/03/21	5 yr	RaboBank ²⁰	A+	1,000,000	2,365	3.32	2,365	3.25
09/03/16	09/03/21	5 yr	Credit Suisse ²¹	A	1,000,000	2,324	3.86	2,324	3.71
29/03/18	29/03/21	3 yr	Heritage Bank ³⁴	BBB+	2,000,000	357	3.26	357	3.26
20/04/16	20/04/21	5 yr	Bendigo-Adelaide Bank ⁴	BBB+	1,000,000	2,765	3.26	6,064	3.19
12/05/16	12/05/21	5 yr	NAB ⁷	AA-	5,000,000	12,442	2.93	18,864	2.89
18/05/16	18/05/21	5 yr	BOQ ²²	BBB+	2,000,000	5,512	3.25	7,112	3.20
03/06/16	03/06/21	5 yr	Westpac ²³	AA-	2,000,000	4,260	2.99	4,260	2.92
17/01/17	17/01/22	5 yr	CBA ²⁹	AA-	2,000,000	4,943	2.91	11,640	2.84
03/03/17	03/03/22	5 yr	RaboBank ³¹	A+	1,000,000	2,066	2.90	2,066	2.83
30/03/17	30/03/22	5 yr	AMP Bank ¹²	A	2,000,000	338	3.08	338	2.82
05/07/17	05/07/22	5 yr	NAB ¹¹	AA-	5,000,000	11,487	2.71	31,497	2.64
25/07/17	25/07/22	5 yr	CBA ⁹	AA-	2,000,000	4,527	2.67	9,492	2.60
25/01/18	25/01/23	5 yr	Bendigo-Adelaide Bank ³²	BBB+	1,500,000	3,612	2.84	7,573	2.84
06/02/18	06/02/23	5 yr	Newcastle Permanent ³³	BBB	1,250,000	3,365	3.17	5,754	3.17
			Sub Total		58,000,000	129,251		233,623	

Table 1 - Cash and cash equivalent investments (Continued)

Term Investments									
08/05/14	08/05/18	4 yr	ME Bank	BBB	1,250,000	4,884	4.60	43,007	4.60
17/05/17	17/05/18	1 yr	ME Bank	BBB	2,000,000	4,671	2.75	41,137	2.75
24/05/17	24/05/18	1 yr	CBA	AA-	1,000,000	2,200	2.59	19,372	2.59
08/06/17	06/06/18	1 yr	CBA	AA-	4,000,000	8,697	2.56	76,590	2.56
06/12/17	06/06/18	6 mth	NAB	AA-	3,000,000	6,293	2.47	23,347	2.47
08/09/17	13/06/18	9 mth	NAB	AA-	2,000,000	4,348	2.56	28,616	2.56
14/03/18	13/06/18	3 mth	NAB	AA-	9,000,000	10,689	2.55	10,689	2.55
16/03/17	19/09/18	18 mth	Police CU SA	NR	2,000,000	2,466	3.00	2,466	3.00
20/12/17	17/10/18	10 mth	Auswide Bank	BBB-	5,000,000	11,253	2.65	36,664	2.65
21/12/16	19/12/18	2 yr	BOQ	BBB+	3,000,000	7,771	3.05	25,570	3.05
22/01/14	22/01/19	5 yr	ME Bank	BBB	2,000,000	8,578	5.05	18,816	5.05
26/02/16	27/02/19	3 yr	Newcastle Permanent	BBB	1,000,000	2,888	3.40	2,981	3.40
02/03/17	27/02/19	2 yr	BOQ	BBB+	2,000,000	4,926	2.90	5,085	2.90
02/03/17	27/02/19	2 yr	Defence Bank	BBB	2,000,000	5,260	3.00	5,260	3.00
06/09/17	04/09/19	2 yr	AMP Bank	A	5,000,000	10,829	2.55	71,959	2.55
24/12/14	11/12/19	5 yr	RaboDirect	A+	2,000,000	6,879	4.05	20,860	4.05
23/12/14	18/12/19	5 yr	RaboDirect	A+	2,000,000	6,879	4.05	20,860	4.05
15/03/17	18/03/20	3 yr	BOQ	BBB+	1,000,000	1,052	3.20	1,052	3.20
08/06/17	03/06/20	3 yr	Westpac	AA-	3,000,000	5,919	2.77	5,919	2.77
06/12/17	09/12/20	3 yr	Westpac	AA-	3,000,000	5,959	2.90	5,959	2.90
02/02/17	03/02/21	4 yr	BOQ	BBB+	3,000,000	9,173	3.60	16,866	3.60
08/03/17	03/03/21	4 yr	BOQ	BBB+	4,000,000	10,258	3.60	10,258	3.60
07/03/16	03/03/21	5 yr	Newcastle Permanent	BBB	1,000,000	2,433	3.70	2,433	3.70
25/10/17	25/10/22	5 yr	Westpac	AA-	2,000,000	5,028	2.96	10,542	2.96
06/12/17	07/12/22	5 yr	Westpac	AA-	3,000,000	5,938	2.89	5,938	2.89
Sub Total					68,250,000	155,272		512,246	
Interest Paid on Investments									
Total						40,057		2,039,654	
Grand Total					165,238,249	265,314	1.88	3,778,273	3.24

Table 1 – Notes

Notes	
1	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+130
2	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+110
3	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+130
4	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+146
5	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+160
6	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+127
7	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+117
8	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+93
9	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+88
11	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+90
12	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+105
13	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+110
14	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+135
15	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+115
16	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+110
17	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+105
18	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+125
19	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+115
20	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+150
21	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+195
22	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+148
23	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+117
24	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+145
25	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+135
26	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+117
27	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+140
28	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+110
29	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+111
30	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+145
31	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+108
32	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+105
33	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+140
34	Floating Rate Note (FRN) - subject to a 90 day floating rate. Coupon 90 Day BBSW+123

Table 2 – Individual institution or counterparty limits

Table 2	
Long Term Credit Rating	Maximum Limit
AAA Category	40%
AA Category	30%
A Category*	15%
BBB Category*	10%
Unrated Category	5%

* Investments with counterparties below AA Category are to be restricted to licensed banks, building societies and credit unions.

Table 3 – Investment percentage split

Table 3		
Managed Funds		
NSW Treasury Corporation	NA	7.59%
Henderson	AA	7.19%
Direct Investments		
AMP Bank	A	5.19%
ANZ	AA-	0.20%
Auswide Bank	BBB-	3.03%
Bendigo-Adelaide Bank	BBB+	5.15%
BOQ	BBB+	10.29%
CBA	AA-	7.02%
Credit Suisse	A	1.21%
CUA	BBB	1.21%
Defence Bank	BBB	1.21%
Greater Bank	BBB	1.82%
Heritage Bank	BBB+	1.82%
Macquarie	A	0.61%
ME Bank	BBB	5.60%
NAB	AA-	21.99%
Newcastle Permanent	BBB	3.78%
Police CU SA	NR	1.21%
RaboBank	A+	1.21%
RaboDirect	A+	2.42%
Suncorp Metway	A+	1.21%
Teachers Mutual Bank	BBB	0.91%
Westpac	AA-	8.14%
		100.00%

Table 4 – Market value of tradeable investments

Table 4			
As at Date	Borrower	Purchase Price \$	Market Price \$
31/03/18	AMP Bank ²	750,000	755,190
31/03/18	AMP Bank ¹²	2,000,000	2,014,940
31/03/18	Bendigo-Adelaide Bank ⁴	1,000,000	1,015,690
31/03/18	Bendigo-Adelaide Bank ⁶	1,000,000	1,004,940
31/03/18	Bendigo-Adelaide Bank ⁸	1,000,000	1,003,380
31/03/18	Bendigo-Adelaide Bank ¹⁶	2,000,000	2,012,360
31/03/18	Bendigo-Adelaide Bank ²⁸	2,000,000	2,011,320
31/03/18	Bendigo-Adelaide Bank ³²	1,500,000	1,490,790
31/03/18	BOQ ²²	2,000,000	2,030,120
31/03/18	BOQ ²⁶	2,000,000	2,014,680
31/03/18	CBA ¹⁹	2,000,000	2,025,800
31/03/18	CBA ²⁹	2,000,000	2,022,220
31/03/18	CBA ⁹	2,000,000	2,001,660
31/03/18	Credit Suisse ¹⁷	1,000,000	1,002,260
31/03/18	Credit Suisse ²¹	1,000,000	1,032,150
31/03/18	CUA ¹	2,000,000	2,009,400
31/03/18	Greater Bank ⁵	2,000,000	2,005,440
31/03/18	Greater Bank ³⁰	1,000,000	999,830
31/03/18	Heritage Bank ¹⁵	1,000,000	1,000,420
31/03/18	Heritage Bank ³⁴	2,000,000	1,997,800
31/03/18	Macquarie ¹³	1,000,000	1,008,200
31/03/18	ME Bank ³	1,000,000	1,000,350
31/03/18	ME Bank ²⁴	3,000,000	3,017,100
31/03/18	NAB ⁷	5,000,000	5,063,000
31/03/18	NAB ¹¹	5,000,000	5,004,000
31/03/18	Newcastle Permanent ¹⁴	1,000,000	1,004,680
31/03/18	Newcastle Permanent ²⁵	2,000,000	2,009,360
31/03/18	Newcastle Permanent ³³	1,250,000	1,246,775
31/03/18	Rabobank ²⁰	1,000,000	1,022,960
31/03/18	Rabobank ³¹	1,000,000	1,011,210
31/03/18	Suncorp Metway ¹⁸	2,000,000	2,028,500
31/03/18	Teachers Mutual Bank ²⁷	1,500,000	1,502,280
31/03/18	Westpac ²³	2,000,000	2,026,260
		58,000,000	58,395,065

Table 5 – Budgeted interest allocation by entity

Table 5				
Entity	Original Budget	Quarter 1 Budget	Quarter 2 Budget	Qtr1 to Qtr 2 Movement
General	2,326,352	2,433,352	2,912,994	479,642
Developer Contributions - General	56,000	56,000	56,000	0
Water	296,735	296,735	296,735	0
Sewer	1,374,914	1,374,914	1,374,914	0
Domestic Waste Management	105,000	105,000	105,000	0
Business Waste Management	16,000	16,000	16,000	0
Stormwater Management	25,000	25,000	25,000	0
Total	4,200,001	4,307,001	4,786,643	479,642

QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

26 APRIL 2018

ITEM 12.12 DRAFT FINANCIAL HARDSHIP ASSISTANCE POLICY AND
DRAFT DEBT RECOVERY POLICY

ATTACHMENT 1 NEW QPRC FINANCIAL HARDSHIP AND ASSISTANCE POLICY

Financial Hardship Assistance Policy – Rates and Charges

Date policy was adopted:	
Resolution number:	
Next Policy review date:	
Reference number:	

1. OUTCOMES:

To provide financial assistance to ratepayers experiencing genuine financial hardship and to establish guidelines for assessment of hardship applications by applying the principles of integrity, fairness, respect and compliance to the relevant statutory requirements.

2. POLICY:

Council acknowledges that ratepayers may experience genuine financial hardship with the payment of excessive water usage accounts and Rates and Charges from time to time and as a result, may need assistance to meet their rates and charges payment responsibilities. This policy establishes the circumstances in which financial assistance will be provided and the various types of voluntary financial assistance Council will provide to ratepayers, pursuant to provisions within the LGA.

3. DEFINITIONS

LGA – refers to NSW Local Government Act 1993

Pensioner – an eligible pensioner as defined in Clause 134 of the Local Government (General) Regulations 2005

Application form – Council's financial hardship application form for the purpose of applying for assistance under this policy.

Undetectable Leak – where water has leaked from pipeline breaks or connections in the ground, under slabs or within walls and the leak is not clearly visible by the owner. It does not include leakage from an appliance, water pump, hot water system, irrigation system or rainwater tank.

4. LEGISLATIVE OBLIGATIONS AND/OR RELEVANT STANDARDS

Sections 564,567 & 601 LGA.

5. CONTENT:

1. Criteria for Financial Assistance due to Undetectable Water Leaks

Notwithstanding the property owners responsibility for all water infrastructure and water usage at their property, Council may assist by applying a rebate to ratepayers where a undetectable leak has resulted in a significant increase in water use, subject to the following conditions:-

- 5.1.1 Upon application and in accordance with this policy, the General Manager or his/her delegate may waive water usage charges up to a limit of \$1000.00
- 5.1.2 The application must be in writing and/or emailed to rates@qprc.nsw.gov.au
- 5.1.3 The applicant must be the person liable for the water usage charges for the property, or the authorised agent of the premises for which the application applies.

- 5.1.4 The property to which the application applies must be land categorised as Residential for rating purposes in accordance with Section 516 of the Act and must be separately metered.
- 5.1.5 The application must be received by Council within 30 days of the owner/agent becoming aware of the leak, or within 30 days of the date of a letter issued by Council to the owner advising of higher than normal water usage, or the issue of the Water Usage Account, whichever comes first.
- 5.1.6 The application must provide evidence confirming that immediate and effective action was taken to rectify the water leak as soon as was reasonably possible.
- 5.1.7 The application must be accompanied with an invoice or account from a licenced plumber stating the location of the leak, the repairs that were necessary and a statement that the internal plumbing system has been tested at a minimum test pressure of 800KPa.
- 5.1.8 The leak must have been significant. A leak is determined to be significant if the water usage for the period is greater than 50kl and is at least 1.5 times greater than the average water usage at the property calculated over the previous 3 years, provided the applicant has owned the property for all of that time.
- 5.1.9 In the event that no suitable historical water usage data is available, the estimation table contained in Appendix A may be used to determine an average water usage.
- 5.1.10 The rebate will be calculated by multiplying the numbers of days in the water billing period that the leak was evident, by the average daily usage as calculated in 5.1.8 of this policy. The rebate will be applied as a credit on the water usage account.
- 5.1.11 The maximum rebate shall be equivalent to 1,000 kilolitres of water.
- 5.1.12 A rebate shall not be granted where assistance of this kind has been granted in the previous five (5) years.
- 5.1.13 Water usage that is a result of negligence or misuse is not eligible for assistance.
- 5.1.14 The applicant will be advised in writing of the outcome of the application.

2. Financial Hardship Assistance – Rates and Charges

Council recognises there are cases of genuine financial hardship requiring respect and compassion in special circumstances. This policy establishes guidelines for assessment of hardship applications applying the principles of fairness, integrity, appropriate confidentiality, and compliance with relevant statutory requirements. It applies to all applications for alternative payment arrangements, or writing off of rates, fees, annual charges and interest accrued on such debts.

Assessment of financial hardship to be made internally following a set of guidelines and the completion of Council's 'Financial Hardship Relief Application Form'. Criteria for income and asset values shall be determined in accordance with the Centrelink 'Pensions - Income and Assets Test' as reviewed annually in September.

- 5.2.1 Council may enter into a formal agreement with a ratepayer requesting an extension to pay outstanding amounts by periodical payments. Council or the ratepayer may initiate a proposal for a periodical payment agreement under section 564(1) of the LGA and in accordance with Council's Debt Recovery Policy. Council will provide information on the amounts due and payable in writing following the approval of the arrangement.
- 5.2.2 Council may write off or reduce the accrued interest on rates and charges if the person complies with the periodical agreement in accordance with section 564(2) of the LGA. When assessing the writing off of interest in accordance with section 564(2) the following circumstances should be considered:-
- (a) The ratepayer is experiencing genuine hardship and has completed Council's Financial Hardship Application detailing their income, assets and expenses.
 - (b) The ratepayer has previously had a good payment record.
 - (c) The ratepayer is a first time owner in Queanbeyan-Palerang Regional Council, and circumstances beyond the ratepayers control resulted in an incorrect address for the service of notices.
 - (d) Prolonged or serious illness of the ratepayer, or the immediate family of the ratepayer, the loss of employment, natural disasters or other extraordinary circumstances have led to the Rates and Charges becoming overdue.

If the ratepayer fails to make the periodical payment in accordance with the agreement, the payment plan may be cancelled. Full payment of the amount outstanding will be due immediately, and the recovery of the debt will commence or continue as per Council's Debt Recovery Policy.

- 5.2.3 Council may write off accrued interest on rates or charges payable by a person under Section 567 of "the Act" and the Local Government (General) Regulation 2005 where:
- (1) the person was unable to pay the rates or charges when they became due for reasons beyond the person's control, or*
 - (2) the person is unable to pay accrued interest for reasons beyond the person's control, or*
 - (3) payment of the accrued interest would cause the person hardship.*

Applications must be made on the appropriate form, Council's Financial Hardship Application form. Each individual case will be considered by the Council and on its particular merits and circumstances.

Upon application and in accordance with this policy, the General Manager or his/her delegate may waive water usage charges up to a limit of \$200.00.

- 5.2.4 Under section 577 of the LGA, in order to avoid hardship, Council may extend the pensioner concession to ratepayers who jointly occupy a dwelling and are jointly liable for the rates and charges as an eligible pensioner, if it considers it proper to do so.

PERFORMANCE INDICATOR

Outstanding Rates and Charges and Sundry Debtors accounts are managed and the indebtedness to Council is kept to a level that is acceptable to Council and the Office of Local Government.

Note (delete from template): Confusion always exists regarding what constitutes policy and what constitutes a directive. In preparing a policy it is always useful to remember that the elected body of Council determines policy and any changes would have to be resolved by it and it would not want to be considering policy changes on a very regular basis. Directives are determined at staff level and can be amended more regularly.

POLICY:-	
Policy No:	
Policy Title:	
Date Policy was adopted by Council:	
Resolution Number:	
Previous Policy Review Date:	
Next Policy Review Date:	
PROCEDURES/GUIDELINES:-	
Date Procedure/Guideline (if any) was developed:	
RECORDS:-	
Container Reference in TRIM: Policy	
Container Reference in TRIM: Procedure	
Other locations of Policy:	Intranet (linked to TRIM Container)
Other locations of Procedures/Guidelines:	Intranet (linked to TRIM Container)
DELEGATION (if any):-	
RESPONSIBILITY:-	
Draft Policy developed by:	
Committees (if any) consulted in the development of the Draft Policy:	
Responsibility for Implementation:	
Responsibility for Review of Policy:	

INTEGRATED PLANNING FRAMEWORK:	
Community Strategic Plan:	Theme No.
Delivery Program Title:	
Operational Plan:	

Senior Authorising Officer	Position General Manager	Signature/Date (Signed and dated)
-----------------------------------	------------------------------------	---

ACTION	COUNCIL MEETING DATE	RESOLUTION NUMBER	REPORT ITEM NUMBER
NEW/RECONFIRMED/ AMENDED			

DATE REVIEWED	REVIEWER POSITION	REVIEWER NAME

QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

26 APRIL 2018

ITEM 12.12 DRAFT FINANCIAL HARDSHIP ASSISTANCE POLICY AND
DRAFT DEBT RECOVERY POLICY

ATTACHMENT 2 NEW QPRC DEBT RECOVERY POLICY

Debt Recovery Policy – **Rates and Charges**

Date policy was adopted:	
Resolution number:	
Next Policy review date:	
Reference number:	

1. OUTCOMES:

To ensure the efficient and effective recovery of Rates and Charges and other Sundry Accounts owed to Council by applying the principles of integrity, consistency, confidentiality and compliance to the relevant statutory requirements in all proceedings for both the Council and the debtor. To recover monies owed to Council in a timely, efficient and effective manner in order to ensure effective cash flow management.

2. POLICY:

Council acknowledges that ratepayers may experience genuine financial hardship from time to time and as a result, may need assistance to meet their rates and charges payment responsibilities. This policy establishes the circumstances in which financial assistance will be provided and the various types of voluntary financial assistance Council will provide to ratepayers, pursuant to provisions within the LGA.

3. DEFINITIONS

LGA – refers to NSW Local Government Act 1993

Pensioner – an eligible pensioner as defined in Clause 134 of the Local Government (General) Regulations 2005

Application form – Council's financial hardship application form for the purpose of applying for assistance under this policy.

4. LEGISLATIVE OBLIGATIONS AND/OR RELEVANT STANDARDS

Local Government Act 1993

Local Government (General) Regulations 2005 (NSW)

Civil Procedures Act 2005

5. Debt Recovery Processes for Rates and Charges

5.1. The Rates Reminder Notice

A Rates Final Reminder Notice shall be issued for amounts over \$100.00 within 10 days after the due date of an instalment to those ratepayers who have not made previous satisfactory payment arrangements.

- (a) Mutually suitable arrangements may be entered into with ratepayers requesting extensions to pay outstanding amounts under section 564 of the LGA. It is Council's intention to have a maximum period of 24 months for which debts may be paid under a suitable arrangement, including current levies during the period of arrangement.
- (b) Interest will continue to accrue on any arrears during the period of arrangement.
- (c) All requests for extensions or payment arrangements are to be made in writing or by completing Council's Application for Payment Arrangement form. Payments can be made either weekly, fortnightly, monthly or by other suitable arrangements.

- (d) If the arrangement is in arrears for a period greater than 14 days, without prior notification, contact the debtor in writing advising that legal action may commence as a result of the default arrangement.

5.2 Proceeding with Legal Action

- (a) If Council receives no response from the debtor after the due date of the Final Reminder Notice or as a result of a defaulted payment arrangement notification Council may commence legal action.
- (b) Legal Action will commence for amounts greater than \$500.00. A 'Letter of Demand' will be issued to the ratepayer from Council's external debt recovery agent giving the ratepayer 14 days to respond.
- (c) If payment in full or an arrangement for payment has not been received by the due date stated on the 'Letter of Demand' then Council's external debt recovery agent may issue and serve a 'Statement of Claim. The debtor may, within 28 days of the service of the Statement of Claim lodge a defence to the claim made by Council.
- (d) If the debtor does not respond to the Statement of Claim within 28 days, Council's external debt recovery agent may apply for 'Default Judgment'. The Default Judgment will be recorded against the debtors credit file by a credit reporting agency and may affect their capacity to obtain credit or to refinance in the future. The Judgment is valid for 12 months.
- (e) After obtaining Default Judgment Council may recover the debt via a 'Writ of Execution', a garnishee against the debtor's salary or bank account, or issue an Examination Summons.
- (f) Any legal expenses incurred by Council from the recovery of outstanding rates and charges can be charged against the debtor under the Local Courts Act 1970.

5.3. Proceeding with Legal Action (Local Government Act)

- (a) Pursuant to Section 712 of the Local Government Act, proceedings for the recovery of a rate or charge may be commenced at any time within 20 years from the date when the rate or charge became due and payable.
- (b) All rates and charges payable by the same person, whether in respect of the same or of different land, may be recovered in a single action.
- (c) Section 605 of the Local Government Act 1993, allows Council to add to the amount of a rate or charge any reasonable out-of-pocket expenses incurred in tracing the person liable to pay the rate or charge.
- (d) The Local Government Act 1993 allows further options for Council to recover outstanding debts.
- (e) Section 569 allows Council the option to garnishee rent if the rateable property is let by the debtor to a tenant. A Notice must be served on the tenant under this Section before the garnishee can be attempted.
- (f) Where rates have remained unpaid for more than 5 years, Council may under Section 713(1) sell the property for unpaid rates.

5.4 Hardship Considerations

- (a) Applications for Hardship Rate Relief must be submitted to the General Manager on the appropriate form under the provisions of Council's Financial Hardship Assistance Policy. Each application will be considered on its merits.

6. Debt Recovery Procedures for Sundry Debtors

- 6.1 Recovery action may commence when accounts are outstanding 60 days and over.

- (a) All debtor accounts are strictly 30 days from the date of invoice.
- (b) Payment arrangements may be made for the payment of sundry debtor accounts if requested. These debts will be paid under a suitable arrangement for a maximum period of 6 months.
- (c) Monthly statements are to be forwarded to debtors. Outstanding amounts of more than 30 days are to be regarded as overdue.
- (d) Where amounts are outstanding for more than 60 days, credit will cease.
- (e) If Council does not receive payment within 14 days after the issue of the monthly statement and the account is more than \$500.00 Council will send a 'Letter of Demand' to the debtor.
- (f) If Council does not receive payment within the 14 day period as stated on the 'Letter of Demand' legal action will be commenced. Legal action against Sundry Debtors will follow the same procedures as stated in this document under Proceeding with Legal Action for rates.
- (g) This policy will not apply to amounts due from Government Departments and such amounts shall be recovered by prompt action with the Government Department direct.

6.2. The Writing Off of Sundry Debtors

Section 610E provides for circumstances where a Council may waive payment of, or reduce an approved fee other than rates and charges
A written record is to be kept of all bad debts write offs.

6.3. Special Circumstances

- (a) Where special circumstances exist, the matter is to be referred to the General Manager for determination.

7. Debt Recovery Processes for Water Usage Charges

7.1 Water usage accounts are issued on completion of the quarterly water meter readings and are due 30 days after the date of issue.

7.2 A Final Reminder notice will be issued 10 days after the due date of the water usage account.

- (a) If Council receives no response from the ratepayer after the due date of the Final Reminder Notice or as a result of a defaulted payment arrangement notification Council may commence legal action.
- (b) Any legal expenses incurred by Council from the recovery of outstanding rates and charges can be charged against the debtor under the Local Courts Act 1970.
- (c) All rates and charges (including water usage charges) payable by the same person, whether in respect of the same or of different land, may be recovered in a single action

7.3 The General Manager is delegated with the authority to approve the restriction and/ or disconnection of the water supply to premises that have ignored the notice of intent, or have not entered into and adhered to a suitable arrangement.

8. PERFORMANCE INDICATOR

This policy may be reviewed and updated as necessary if:

- a) Legislation requires it;
- b) Council's functions, structure or activities change

POLICY:-	
Policy No:	
Policy Title:	
Date Policy was adopted by Council:	
Resolution Number:	
Previous Policy Review Date:	
Next Policy Review Date:	
PROCEDURES/GUIDELINES:-	
Date Procedure/Guideline (if any) was developed:	
RECORDS:-	
Container Reference in TRIM: Policy	
Container Reference in TRIM: Procedure	
Other locations of Policy:	Intranet (linked to TRIM Container)
Other locations of Procedures/Guidelines:	Intranet (linked to TRIM Container)
DELEGATION (if any):-	
RESPONSIBILITY:-	
Draft Policy developed by:	
Committees (if any) consulted in the development of the Draft Policy:	
Responsibility for Implementation:	
Responsibility for Review of Policy:	

INTEGRATED PLANNING FRAMEWORK:	
Community Strategic Plan:	Theme No.
Delivery Program Title:	
Operational Plan:	

Senior Authorising Officer	Position General Manager	Signature/Date (Signed and dated)
-----------------------------------	------------------------------------	---

ACTION	COUNCIL MEETING DATE	RESOLUTION NUMBER	REPORT ITEM NUMBER
NEW/RECONFIRMED/ AMENDED			

DATE REVIEWED	REVIEWER POSITION	REVIEWER NAME