



7 MAY 2019

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**NOTICE OF MEETING**

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You are advised of the following meeting:

**TUESDAY 14 MAY 2019.**

**Finance and Governance Committee Meeting No. 4/19**

**Council Chambers, Level 1A, 1 Pope Street, Ryde - 6.45pm**

## English

If you do not understand this letter, please come to the 1 Pope Street, Ryde (within Top Ryde Shopping Centre), Ryde, to discuss it with Council Staff who will arrange an interpreter service. Or you may ring the Translating & Interpreting Service on 131 450 to ask an interpreter to contact you. Council's phone number is 9952 8222. Council office hours are 8:30am to 5:00pm, Monday to Friday.

## Arabic

إذا لم تفهم محتوى هذه الرسالة، يرجى الحضور إلى Ryde، 1 Pope Street (في Top Ryde Shopping Centre)، Ryde، لمناقشتها مع موظفي المجلس الذين سوف يرتبون للاستعانة بمترجم شفهي. أو قد يمكنك الاتصال بخدمة الترجمة التحريرية والشفهية على الرقم 131 450 لتتطلب من المترجم الاتصال بك. رقم هاتف المجلس هو 9952 8222. ساعات عمل المجلس هي 8:30 صباحاً حتى 5:00 مساءً، من الاثنين إلى الجمعة.

## Armenian

Եթե դուք չեք հասկանում սույն նամակի բովանդակությունը, խնդրում ենք այցելել 1 Pope Street, Ryde (որը գտնվում է Top Ryde Shopping Centre-ի մեջ), Ryde, քննարկելու այն Քաղաքային Խորհրդի անձնակազմի հետ, ովքեր ձեզ համար կապահովեն թարգմանչական ծառայություն: Կամ կարող եք զանգահարել Թարգմանչական Ծառայություն 131 450 հեռախոսահամարով և խնդրել, որ թարգմանիչը ձեզ զանգահարի: Խորհրդի հեռախոսահամարն է 9952 8222: Խորհրդի աշխատանքային ժամերն են առավոտյան ժամը 8:30-ից մինչև երեկոյան ժամը 5:00, երկուշաբթիից մինչև ուրբաթ:

## Chinese

如果你不明白这封信的内容，敬请前往1 Pope Street, Ryde（位于Top Ryde Shopping Centre内），向市政府工作人员咨询，他们会为您安排口译服务。此外，您也可以拨打131 450联络翻译和口译服务，要求口译员与您联系。市政府电话号码为9952 8222。市政府办公时间为周一至周五上午8:30至下午5:00。

## Farsi

لطفاً اگر نمی توانید مندرجات این نامه را درک کنید، به نشانی 1 Pope Street، Ryde (در Top Ryde Shopping Centre) مراجعه کنید تا با استفاده از یک مترجم در این باره با یکی از کارکنان شورای شهر گفتگو کنید. یا آنکه می توانید با خدمات ترجمه کتبی و شفاهی به شماره 131 450 تماس گرفته و بخواهید که به یک مترجم ارتباط داده شوید. شماره تماس شورای شهر 9952 8222 و ساعات کاری آن از 8:30 صبح تا 5:00 بعد از ظهر روزهای دوشنبه تا جمعه است.

## Italian

Se avete difficoltà a comprendere questa lettera, venite in 1 Pope Street, Ryde (dentro al Top Ryde Shopping Centre), Ryde, per discutere con il personale del Comune che organizzerà un servizio di interpretariato. Potete anche contattare il Servizio di Traduzione e Interpretariato al 131 450 per chiedere a un interprete di contattarvi. Il numero di telefono del Comune è il 9952 8222. Gli orari di ufficio del Comune sono dalle 8.30 alle 17 dal lunedì al venerdì.

## Korean

이 서신을 이해할 수 없을 경우, 1 Pope Street, Ryde (Top Ryde Shopping Centre 내)에 오셔서 통역사 서비스를 주선할 시의회 직원과 논의하십시오. 혹은 통번역서비스에 131 450으로 전화하셔서 통역사가 여러분에게 연락하도록 요청하십시오. 시의회의 전화번호는 9952 8222입니다. 시의회 사무실 업무시간은 월요일에서 금요일, 오전 8시 30분에서 오후 5시까지입니다.

**Meeting Date:** Tuesday 14 May 2019  
**Location:** Council Chambers, Level 1A, 1 Pope Street, Ryde  
**Time:** 6.45pm

**NOTICE OF BUSINESS**

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**1 CONFIRMATION OF MINUTES - Finance and Governance Committee Meeting held on 9 April 2019**

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**Report prepared by:** Civic Services Manager  
**File No.:** CLM/19/1/5/2 - BP19/443

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**REPORT SUMMARY**

In accordance with Council's Code of Meeting Practice, a motion or discussion with respect to such minutes shall not be in order except with regard to their accuracy as a true record of the proceedings.

**RECOMMENDATION:**

That the Minutes of the Finance and Governance Committee 3/19, held on 9 April 2019, be confirmed.

**ATTACHMENTS**

- 1 MINUTES - Finance and Governance Committee Meeting - 9 April 2019

**ITEM 1 (continued)**

**ATTACHMENT 1**

**Finance and Governance Committee  
MINUTES OF MEETING NO. 3/19**

**Meeting Date:** Tuesday 9 April 2019  
**Location:** Council Chambers, Level 1A, 1 Pope Street, Ryde  
**Time:** 7.13pm

**Councillors Present:** Councillors Clifton (Chairperson), Gordon, Kim, Pedersen and Purcell.

**Apologies:** Nil.

**Absent:** Councillors Moujalli and Zhou.

**Staff Present:** General Manager, Director – Customer and Community Services, Director – Corporate Services, Director – City Planning and Environment, Director – City Works, Executive Manager – Strategy and Innovation, General Counsel, Manager – Communications and Engagement, Manager – RALC, Manager – Parks, Senior Coordinator – Community Engagement, Civic Services Manager and Civic Support Officer.

**DISCLOSURES OF INTEREST**

There were no disclosures of interest.

**1 CONFIRMATION OF MINUTES - Finance and Governance Committee  
Meeting held on 12 March 2019**

**RECOMMENDATION:** (Moved by Councillors Kim and Purcell)

That the Minutes of the Finance and Governance Committee 2/19, held on 12 March 2019, be confirmed.

**Record of Voting:**

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **30 APRIL 2019** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

**ITEM 1 (continued)**

**ATTACHMENT 1**

**2 ITEMS PUT WITHOUT DEBATE**

**RESOLUTION:** (Moved by Councillors Purcell and Pedersen)

That the Committee adopt Item 3 on the Agenda as per the recommendation in the report.

**Record of Voting:**

For the Motion: Unanimous

**3 REQUEST FOR TENDER - COR-RFT 08/18 - SUPPLY OF SWIMWEAR AND ACCESSORIES FOR SALE AT THE RYDE AQUATIC LEISURE CENTRE**

**RECOMMENDATION:** (Moved by Councillors Purcell and Pedersen)

- (a) That Council accept the tender from Zoggs Australia Pty Ltd for COR-RFT-22/18 as recommended in the Tender Evaluation Report.
- (b) That Council delegate to the General Manager the authority to enter into a contract with Zoggs Australia Pty Ltd on the terms contained within the tender and for minor amendments to be made to the contract documents that are not of a material nature.
- (c) That Council advise all the respondents of Council's decision.

**Record of Voting:**

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **30 APRIL 2019** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

**CLOSED SESSION**

**ITEM 4 - ADVICE ON COURT ACTIONS**

**Confidential**

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (g) advice concerning litigation, or advice as comprises a discussion of this matter, that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

**ITEM 1 (continued)**

**ATTACHMENT 1**

**RESOLUTION:** (Moved by Councillors Purcell and Pedersen)

That the Committee resolve into Closed Session to consider the above matter.

**Record of Voting:**

For the Motion: Unanimous

Note: The Committee closed the meeting at 7.17pm. The public and media left the chamber.

**3 REQUEST FOR TENDER - COR-RFT 08/18 - SUPPLY OF SWIMWEAR AND ACCESSORIES FOR SALE AT THE RYDE AQUATIC LEISURE CENTRE**

Note: This Item was considered earlier in the meeting as detailed in these Minutes.

**4 ADVICE ON COURT ACTIONS**

**RECOMMENDATION:** (Moved by Councillors Pedersen and Purcell)

That the report of the General Counsel be received.

**Record of Voting:**

For the Motion: Unanimous

Note: This matter will be dealt with at the Council Meeting to be held on **30 APRIL 2019** in accordance with the Finance and Governance Committee Terms of Reference in Council's Code of Meeting Practice.

**OPEN SESSION**

**RESOLUTION:** (Moved by Councillors Gordon and Pedersen)

That the Committee resolve itself into open Council.

**Record of Voting:**

For the Motion: Unanimous

Note: Open Council resumed at 7.26pm.

**ITEM 1 (continued)**

**ATTACHMENT 1**

The meeting closed at 7.26pm.

CONFIRMED THIS 14TH DAY OF MAY 2019.

Chairperson



**2 ITEMS PUT WITHOUT DEBATE**

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**Report prepared by:** Civic Services Manager**File No.:** CLM/19/1/5/2 - BP19/444

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**REPORT SUMMARY**

In accordance with Council's Code of Meeting Practice, the Committee can determine those matters on the Agenda that can be adopted without the need for any discussion.

**RECOMMENDATION:**

That the Committee determine the Items on the Agenda that will be adopted without any debate.

OR

That the Committee determine all Items on the Agenda.

### **3 DEBT RECOVERY POLICY AND PAYMENT OPTIONS**

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**Report prepared by:** Chief Financial Officer

**File No.:** GRP/09/5/14 - BP19/283

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#### **REPORT SUMMARY**

The purpose of this report is for the Finance and Governance Committee to endorse the revised Rates and Non-Rates Debt Recovery policies to be submitted to Council for endorsement and retire the existing Debt Administration Policy.

The purpose of the revised Debt Recovery Policies is to provide clear guidelines on how Council manages its ratepayers and debtors to ensure there is consistency in how Council will attempt debt recovery proceedings for overdue amounts. The revised policies have an emphasis on not actively pursuing pensioners with outstanding rate debts unless they are greater than five years old.

The revised policies are aligned with the anticipated introduction of new payment options such as BPAY for Non Rates Debtors and Direct Debits for Rates to ensure that debtors and rate payers have a wider range of payment options. Further payment options and automations will be investigated once these options have been implemented.

#### **RECOMMENDATION:**

That Council endorses the Rates Debt Recovery Policy and Non Rates Debtors Debt Recovery Policy.

#### **ATTACHMENTS**

- 1 Debt Administration Policy
- 2 Debt Administration Procedures
- 3 Rates Debt Recovery Policy
- 4 Draft Non Rates Debt Recovery Policy

Report Prepared By:

**Pav Kuzmanovski**  
**Chief Financial Officer**

Report Approved By:

**Steven Kludass**  
**Director - Corporate Services**

**ITEM 3 (continued)****Discussion**

A review of Council's existing Debt Administration Policy (**ATTACHMENT 1**) and associated Procedures (**ATTACHMENT 2**) has been conducted and found that the policy is in need of review. The existing Policy combines both rates and non-rates debt recovery and focuses on the operational outputs rather than the objective of managing debt effectively. The proposed new policies split the existing policy into two: a Rates Debt Recovery Policy and Non-Rates Debt Recovery Policy, enabling debts to be managed within specified parameters and in a consistent and equitable manner.

Policy Summary

A summary of the two proposed policies follows:

**Rates Debt Recovery Policy**

- Ensures that there is appropriate regard for the ratepayer's financial wellbeing, emphasising the important roles that payment arrangements and ongoing dialogue with Council plays.
- Emphasis is on the ratepayer to ensure that debt is paid in a timely manner.
- Establishment of parameters for thresholds for debt recovery action. The proposed threshold for rates debt recovery initiation is when accumulated debt accrues to being 6 months overdue (2 instalments) and debt value of greater than \$1,000. At this stage, the ratepayer would have received 2 rates notices, 2 reminder notices, SMS reminders (where applicable) and a legal demand letter before any legal action is initiated.
- The financial threshold is determined to ensure that debt does not become unmanageable.
- No debt recovery action against pensioners unless the debt is greater than 5 years old.
- The policy stipulates the process that Council will take if the debt is not paid or a reasonable payment arrangement has not been entered into.
- References 'Hardship Provisions' with appropriate hardship procedures to be followed.

**ITEM 3 (continued)**

In determining the financial threshold of \$1,000, consideration of average rates and legal costs were important factors. The threshold ensures that debt does not become unmanageable from a ratepayers perspective and that recovery timeframes for payment arrangements do not become lengthy.

<b><u>Rating Category</u></b>	<b><u>Average Annual Rate</u></b>	<b><u>Average Instalment Amount</u></b>	<b><u>Average Instalments before Debt Recovery Proceedings</u></b>
Residential (including DWM)	\$1,376	\$344	3
Business General (excluding Macquarie Park & Top Ryde)	\$9,240	\$2,310	2

<b>Legal Fees Schedule</b>	
<b>Statement of Liquidated Claim Debt</b>	<b>Legal Fees Total</b>
\$0.01 - \$300	\$ 243.00
\$300.01 - \$1000	\$ 495.00
\$1,000.01 - \$5,000	\$ 621.00
\$5,000.01 - \$20,000	\$ 747.00
\$20,000.01- \$100,000	\$ 1,169.00
\$100,000.01 - \$150,000	\$ 2,225.00
<b>Judgement Debt</b>	<b>Legal Fees Total</b>
\$0.01-\$1,000	\$ 112.80
\$1,000.01-\$5,000	\$ 169.20
\$5,000.01-\$20,000	\$ 225.60
\$20,000.01-\$150,000	\$ 282.00
<b>Writ charges</b>	<b>Legal Fees Total</b>
Writ of Execution Solicitor Costs	\$ 339.00
<b>Exam Summons charges</b>	<b>Legal Fees Total</b>
Exam Summons Filing Fee	\$ 176.00

**ITEM 3 (continued)**

The above legal fees schedule applies to both Rates and Non Rates debtors and are valid for the 2018/19 financial year. These fees are prescribed by various legislative bodies and the equivalent value is on charged (with no mark-up) to Council by its external debt recovery agency. These costs are charged to the debtor account as they are filed with the relevant court and are fully recoverable by Council.

**Non-Rates Debtors**

- Ensures that there is appropriate regard for the non-rate debtor's financial wellbeing, emphasising the important roles that payment arrangements and ongoing dialogue with Council plays.
- Emphasis is on the debtor to ensure that debt is paid in a timely manner.
- Excludes Penalty Infringement Notices (PINs) that are managed by the State Debt Recovery Office (SDRO).
- Debt is managed on a case by case basis, dependant on the type of the debt, risk and associated payment terms.
- Restriction of services may occur if the debt is not satisfied within agreed payment terms.
- The policy outlines the process that Council will take if debt is not paid or a reasonable payment arrangement is not entered into.

Non Rates debt will be managed on a case by case basis and is dependent on the risk of the debt. In considering if debt should be pursued, the economic viability (value for money) will be a key factor in the decision as to whether debt recovery proceedings commence.

**ITEM 3 (continued)**
Payment Options Review

To ensure that both rates and non rates debtors have sufficient payment channel options, a review of payment options was instigated. The following payment options are currently available:

<b>Methods of Payment</b>		
<b>Payment Type</b>	<b>Rates</b>	<b>Non Rates Debtors</b>
Bpay	Savings and Credit Card	Not available
Bpay View	Savings and Credit Card	Not available
Credit card over the phone	Credit Card	Not available
Online - Council's web site	Credit Card	Credit Card
Through the mail by cheque or cash	Cheque	Cheque
At any Westpac branch	Cash, Cheque, Savings and Credit Card	Not available
In person at the Customer Service Centre	Cash, Cheque, Savings and Credit Card	Cash, Cheque, Savings and Credit Card
At any Ryde libraries	Cash, Cheque, Savings and Credit Card	Not available
At Australia Post	Cash, Cheque, Savings and Credit Card	Not available

After reviewing the above payment options the following proposals are suggested:

- Introduction of BPAY for Non Rates debtors
- Direct Debit payments for Rates (quarterly based on instalment amount, including any arrears)
- Discontinuing payments of Westpac Branch payments

The purpose of discontinuing payments at Westpac Branches is to streamline the administrative processes associated with payment options for rates payments. This payment channel sees approximately 1.5% of Council's rates payments each year. The impact on rate payers should be minimal as there are currently a number of Australia Post outlets within 500m radius of the current Westpac Branches (Eastwood, Macquarie Park and Top Ryde).

Ongoing reviews of payment options for both rates and non-rates debtors will be conducted once these new payment options have been implemented.

### ITEM 3 (continued)

#### Analysis

The table below highlights the trend of outstanding rates debt as at the end of each financial year as a proportion to the total rates revenue levied for the year.

	2015/16	2016/17	2017/18
Outstanding Rates	3.59%	3.62%	3.89%

The trend of overdue rates is gradually increasing and the forecast trend is for this to continue as at 30 June 2019. The benchmark for this financial indicator (determined by the Office of Local Government) is to have this indicator not exceed 5.00%.

To provide further context, the table below highlights the value of debt owed to Council as at 30 June each financial year.

	2015/16	2016/17	2017/18
Rates (\$,000)	\$2,674	\$2,917	\$3,378
Non Rates (\$,000)	\$2,841	\$2,926	\$3,120
<b>Total (\$,000)</b>	<b>\$5,515</b>	<b>\$5,843</b>	<b>\$6,498</b>

#### Next Steps

It is proposed that both policies be ratified at the Council meeting of 28 May 2019 and the existing Debt Administration Policy be retired.

Once adopted by Council, the focus will be on rates debtors that are greater than 5 years with a view to having the Rates Debt Recovery Policy fully operational in September 2019 (after the first 2019/20 rates installment becoming due).

A review of non-rates debtors has taken place over the past six months, with a number of debts to be written off, primarily due to the age and low value of the debt. This review will continue with a view to proceeding to debt recovery in the coming months for those debts that are economically recoverable.

#### **Financial Implications**

Adoption of the recommendation will see Council's cash flow increase and an overall reduction in outstanding debt.

**ITEM 3 (continued)**

**ATTACHMENT 1**

**DEBT ADMINISTRATION POLICY**



**Scope**

This policy is relates to the management and recovery of debts owed to Council, including rates, annual charges and other fees and charges and including hardship and pensioner rebates.

**Purpose**

This policy is to ensure effective control, management and recovery of debts owed to Council, including rates, annual charges and other fees and charges. It also includes the policy in relation to recovery of debts from pensioners.

**Guidelines / Procedures**

Council will undertake debt management and debt recovery proceedings in relation to all debts owed to Council, in accordance with this policy, Section 712 of the Local Government Act 1993 as amended ("the Act") and the procedures developed for implementation of this policy.

**Glossary of Terms**

**Debt Management** Debt management is the process by which debts are followed up by Council prior to the commencement of any legal action.

It includes the issuance of Statements, Reminder Notices, Final Notices and Letters of Demand. It also includes the making of arrangements to pay the debt off, over a period of time.

**Debt Recovery** Debt recovery is the process by which debts are recovered, through legal action, where debt management has failed in getting the debt paid and is commenced before the expiration of the statute of limitations for recovery of debts.

It includes the issuance of a Statement of Liquidated Claim, Examination Summons, Writ of Execution and any other legal process permitted in the recovery of debts.

Title of Policy		
Owner: Finance	Accountability:	Policy Number: CSF001
Trim Reference: D13/59406	Review date: October 2015	Endorsed: 22 October 2013 Council



**ITEM 3 (continued)**

**ATTACHMENT 1**

**DEBT ADMINISTRATION POLICY**



**References - Legislation**

Details of relevant legislation, including any requirements for consultation or public exhibition

**Review Process and Endorsement**

This policy will be reviewed and evaluated every two years from date of adoption, or when legislation is changed that affects this policy.

Title of Policy		
Owner: Finance	Accountability:	Policy Number: CSF001
Trim Reference: D13/59406	Review date: October 2015	Endorsed: 22 October 2013 Council

**ITEM 3 (continued)**

**ATTACHMENT 2**

**DEBT ADMINISTRATION PROCEDURE**



**Related Policy**

These procedures are for the implementation of the Debt Administration Policy and provide procedures to be followed by staff engaged in Debt Management and Debt Recovery and their managers.

The recovery of overdue debts, including rates, annual charges and other fees and charges, in accordance with these procedures, may only be taken if authorised by Council's Debt Administration Policy.

**Compliance**

Council will, at all times, comply with all relevant legislation, Court rules and legal procedures that are in affect at the time of undertaking either Debt Management or Debt Recovery.

**Debt Management and Debt Recovery**

Council undertakes both Debt Management and Debt Recovery for the following areas of its business:

- Rates and Annual Charges
- Accounts Receivable
- Ryde Aquatic Leisure Centre
- Library Services
- Regulatory Services, including health notices

**Debt Management**

Debt management is the process by which debts are followed up by Council prior to the commencement of any legal action.

It includes the issuance of Statements, Reminder Notices, Final Notices and Letters of Demand. It also includes the making of arrangements to pay the debt off, over a period of time

The Debt Management process is controlled by the Business Area that raises the debt and may be undertaken by the business area or outsourced to a mercantile agent, depending upon the capabilities of the business area's computer system.

**Rates and Annual Charges**

Debt management for rates and annual charges consists of the following steps:

- Arrangements to pay, including
  - Arrangement confirmation
  - Monitoring; and

Name of Procedure		
Owner: Service Unit	Accountability: Rates and Revenue	Issue: 22 October 2013
Trim Reference: D13/59406	Policy: Debt Administration Policy	Page 1 of 12

ITEM 3 (continued)

ATTACHMENT 2

DEBT ADMINISTRATION PROCEDURE



- Default follow-up
- Instalment Reminder Notice
- Missed Instalment Notice
- Final Notice

Arrangements to pay – Section 564 Local Government Act, 1993

In certain cases, some Ratepayers may genuinely be experiencing a period of financial hardship and as a result may have difficulty in meeting the cost of each rates instalment as and when it falls due. In such cases, Council will consider an arrangement for periodical payment of Rates and Charges.

- An arrangement may be entered into at any time during the debt management or debt recovery process, except when Council has resolved to sell a property under the Sale of Land provisions outlined in the Local Government Act.
- The amount to be paid by a payment arrangement should be overdue, but Council may accept and record an offer by a ratepayer to make payments in advance.
- If an arrangement is required for an amount not yet due a new arrangement may be entered into after the amount becomes overdue.

The following guidelines should be met before any arrangement is accepted:

- The arrangement should be negotiated on the basis that the overdue amount be finalised within a mutually agreed timeframe.
- Arrangements may be made on a weekly, fortnightly, monthly or bi-monthly basis but should align with how the ratepayer gets paid.
- An extension of time, extending beyond 31 days, without a regular payment being agreed to, **will not** be accepted.
- However, extenuating circumstances can be taken into consideration if any of the above conditions cannot be met, but must be referred to Team Manager Rates & Revenue for approval.

Instalment Reminder Notice

Instalment Reminder Notices are issued quarterly in accordance with Section 562 of the Local Government Act, 1993.

Name of Procedure		
Owner: Service Unit	Accountability: Rates and Revenue	Issue: 22 October 2013
Trim Reference: D13/59406	Policy: Debt Administration Policy	Page 2 of 12

**ITEM 3 (continued)**

**ATTACHMENT 2**

**DEBT ADMINISTRATION PROCEDURE**



Missed Instalment Notice

A "Missed Instalment Notice" will be issued within 10 working days of the due date of the instalment giving a further 7 days from the date of the Notice to pay or make a satisfactory arrangement. This notice **will not** be sent to ratepayers who:

- have made a satisfactory arrangement for payment with Council, or
- have legal action in progress for the overdue amount or
- the balance overdue is less than \$10.00.

Final Notice

A Final Notice will be issued within 5 days of the due date of the Missed Instalment Notice giving 7 days to pay or make an arrangement and informing the ratepayer that failure to comply with the Final Notice will result in commencement of legal action.

A Final Notice **will not** be issued unless:

- Rates overdue are greater than \$300.00 in total.
- An existing payment arrangement for the overdue amount is in default and a Final Arrangement Default Letter has not been complied with,
- The overdue amount is not the subject of current legal action.

However, a Final Notice may be issued at any time as determined by the Chief Financial Officer.

**Accounts Receivable**

Debt management for Accounts Receivable consists of the following steps:

- Arrangements to pay, including
  - Arrangement confirmation
  - Monitoring; and
  - Default follow-up
- Monthly Statement
- Reminder Notice
- Final Notice

Arrangements to Pay

In certain cases, some Debtors may genuinely be experiencing a period of financial hardship and as a result may have difficulty in paying the sundry debt

Name of Procedure		
Owner: Service Unit	Accountability: Rates and Revenue	Issue: 22 October 2013
Trim Reference: D13/59406	Policy: Debt Administration Policy	Page 3 of 12

ITEM 3 (continued)

ATTACHMENT 2

DEBT ADMINISTRATION PROCEDURE



as and when it falls due. In such cases, Council will consider an arrangement for periodical payment.

- An arrangement may be entered into at any time during the debt management or debt recovery process,

The following guidelines should be met before any arrangement is accepted:

- The arrangement should be negotiated on the basis that the overdue amount be finalised within 6 months.
- Arrangements may be made on a weekly, fortnightly, monthly or bi-monthly basis but should align with how the debtor gets paid.
- An extension of time, extending beyond 31 days, without a regular payment being agreed to, **will not** be accepted.
- However, extenuating circumstances can be taken into consideration if any of the above conditions cannot be met, but must be referred to Team Manager Rates & Revenue for approval.

Monthly Statement

A Statement will be issued within 5 days of the last working day of the month showing all outstanding invoices and the balance due on each invoice.

Reminder Letter

- A reminder notice will be issued for any invoice which is overdue greater than 30 days.
- The Notice will request that payment or an arrangement be made with 7 days of the date of the letter.
- A reminder notice **will not** be issued where a suitable arrangement to pay for the overdue amount is being kept.

Final Notice

- A final notice will be issued for any invoice which is overdue greater than 60 days.
- The notice will request payment or an arrangement to pay be made within 7 days of the date of the letter,
- The final notice will include a statement that failure to pay or make a suitable arrangement may result in legal action being taken.

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**DEBT ADMINISTRATION PROCEDURE**



- A final notice **will not** be issued where an arrangement to pay for the overdue amount is being kept or recovery action is in progress for the overdue invoice/s.

**Ryde Aquatic Leisure Centre**

Debt management for the Ryde Aquatic Leisure Centre consists of the following:

- Courtesy Reminder
- Follow-up telephone call
- Debtors Reminder Letter 1
- Final Notice (Debtors Reminder Letter 2)

Courtesy Reminder

A Courtesy Reminder will be issued within 5 days of the last working day of the month showing all outstanding invoices and the balance due on each invoice.

Follow-up telephone call

The Courtesy Reminder will be followed-up with a telephone call after the due date for payment shown on the Courtesy Reminder.

Debtors Reminder Letter 1

- A reminder notice will be issued for any invoice which is overdue greater than 30 days.
- The Notice will request that payment or an arrangement be made with 7 days of the date of the letter.
- A reminder notice **will not** be issued where a suitable arrangement to pay for the overdue amount is being kept.

Final Notice (Debtors Reminder Letter 2)

- A final notice will be issued for any invoice which is overdue greater than 60 days.
- The notice will request payment or an arrangement to pay be made within 7 days of the date of the letter,
- The final notice will include a statement that failure to pay or make a suitable arrangement may result in the matter being referred for recovery action.

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**DEBT ADMINISTRATION PROCEDURE**



- A final notice **will not** be issued where an arrangement to pay for the overdue amount is being kept or recovery action is in progress for the overdue invoice/s.

**City of Ryde Library**

Debt Management for the City of Ryde Library will be undertaken in accordance with the City of Ryde Library Debt Management procedures to be advised.

**Regulatory Services**

Debt management of amounts due for Regulatory Services is unique to each type of service rendered. The different methods are being developed and will be incorporated when finalised.

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**Debt Recovery**

Debts from all of the areas of business listed above will be referred from Debt Management to Debt Recovery if the following criteria are satisfied:

1. The debt for all business areas other than rates and charges has been overdue for less than three years.
2. The debt, in the case of rates and charges, has been overdue for less than 20 years.
3. A Final Notice warning of possible recovery action has been issued for the overdue amount.
4. The amount to be referred to Debt Recovery does not exceed the amount shown on the Final Notice plus interest in the case of overdue rates and charges.
5. Amounts referred are greater than \$300.00 in total (excluding legal costs).
6. An existing payment arrangement for the overdue amount is in default and a request for the payment arrangement to be brought up to date has not been complied with.
7. The overdue amount is not the subject of current legal action.

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**DEBT ADMINISTRATION PROCEDURE**



The debt recovery process for all business areas of council consists of the following steps:

- Notice of Intention to Take Legal Action
- Statement of Liquidated Claim
- Judgment at Court
- Examination Summons
- Garnishee Order
- Writ of Execution

In the case of rates and charges the following additional two debt recovery processes are available:

- Rent Orders
- Sale of Land for Unpaid Rates

Debt recovery may be taken, either in-house using Council staff or systems or, it may be outsourced to a mercantile agent.

The relevant action/process to be applied in each case will be determined by the Team Manager Rates & Revenue or the Chief Financial Officer. In determining the relevant action consideration will take into account the debtors/ratepayer's history of payments, the amount outstanding and the likelihood of the action being successful.

The aim is to get the debtor either to satisfy the debt in full or to enter into arrangements to pay that they can meet, so as to avoid further legal action.

Notice of Intention to Take Legal Action

- A Notice of Intention to Take Legal Action will be issued as the first step in the Debt Recovery process for all business areas of Council.
- A Notice of Intent **will not** be sent to people who are the holder of a pensioner concession card except, in the case of rates and charges, a Notice of Intent will be served for debts which have been overdue for less than 20 years.
- The Notice of Intent will demand the payment of the overdue amount or the making of a satisfactory payment arrangement by a due date stipulated in the Notice.

Statement of Liquidated Claim

If the debt remains unpaid after the due date stipulated in the Letter of Intention to Take Legal Action, or an appropriate payment arrangement, which satisfies the "Arrangement Guidelines" has not been made, then a "Statement of Liquidated Claim" (i.e. Summons) will be issued by the Court.

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**DEBT ADMINISTRATION PROCEDURE**



Judgement at Court

Once service is made of the summons, and it remains unpaid after 28 days, an application will be made to the Court for judgement, including costs and interest.

Examination Summons

Once judgement is made and if deemed necessary, an application will be made for an examination summons, so that the financial affairs of the debtor can be determined to see what further action can be taken to recover the outstanding amounts.

Garnishee Order

Once the Examination Summons is complete and the debtor is not making payments or has not fully satisfied the debt, then an application will be made to the Court for a Garnishee against the debtor's income source.

Writ of Execution

Should a Garnishee fail, then a Writ of Execution will be sought from the Court, so that assets of the debtor can be seized to satisfy the debt.

Sale of Land

Should all avenues of recovery action be unsuccessful, Council is able, under Section 713 of the Act, to sell land for overdue rates and charges where the rates and charges remain unpaid for a period of more than five years.

A report will presented to Council each year in relation to those properties that fall within Section 713 of the Act.

**Hardship generally – rates and charges**

Waiver of Interest in Certain Circumstances

Interest on overdue/accrued Rates and Charges is to be applied in accordance with Section 566 of the Act.

In accordance with Section 564 of the Local Government Act, 1993, Council may write off or reduce interest if the person complies with the arrangement and in accordance with Council's delegations.

Accrued interest on Rates and Charges may be written off in accordance with Section 567 of the Act, due to financial hardship upon written application, in accordance with the administrative guidelines.

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**DEBT ADMINISTRATION PROCEDURE**



Costs and Interest

Unless the imposition of legal costs and/or interest is deemed to be in error, the waiving of legal costs and/or interest **will not** be considered except in exceptional circumstances. When assessing the writing off of interest, in accordance with Section 567 of the Act, the following circumstances are considered:

- The ratepayer is experiencing genuine hardship. In such cases, Council may, request some evidence or substantiation of the hardship before waiving interest.
- The ratepayer has not incurred interest for late payment in the last two years, and there are mitigating circumstances.
- They are a new owner, and their solicitor has notified Council of an incorrect address for service of notices.
- Prolonged or serious illness has prevented the Ratepayer meeting their expenses.
- The amount of interest is less than \$5.00
- In the case of Legal Costs:
  - Legal action was taken in error,
  - It is considered that, under the circumstances, legal action should not have been taken,
  - The waiving of legal costs are part of an arrangement to pay where the waiver of legal costs has been used as an incentive to maintain the arrangement. In this case legal costs agreed to be waived will only be waived if the arrangement is kept and when the arrangement has been completed.
- The write-off is done in accordance with Council's delegation at the time.

Resulting from new valuations

- Section 601 of the Local Government Act, 1993 refers to hardship arising from land valuation changes and allows Council at its discretion to waive, reduce or defer the payment of the whole or part of the increase in the amount of the rate payable as a result of using new land valuations for the basis of calculating rates.
- The ratepayer would be required to complete an application detailing their financial position that would then be assessed by Council Officers.
- If Council is satisfied it falls within a category of hardship, it has the discretion to waive, reduce or defer the payment.

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**DEBT ADMINISTRATION PROCEDURE**



- The General Manager has delegated authority to determine these applications.
- Hardship applications are generally available only for exceptional circumstances.

**Pensioners**

Recovery of amounts owed by Pensioners

Council encourages eligible pensioners to meet their rate commitments as they fall due. Where an eligible pensioner is in financial difficulty, Council officers shall take into account the limited income of eligible pensioners and may enter into an agreement with them for the payment of rates by arrangement.

As a general principle, Council does not take legal action against pensioners; however each case will be assessed individually on its merits.

Eligible pensioners who are suffering extreme financial hardship are able to apply to have their rates reduced or deferred, in accordance with Section 582 of the Act.

Voluntary Council Rebate

Council provides a voluntary Council rebate of \$80 per annum which is only available to ratepayers who are "eligible pensioners" and were already in receipt of this rebate from Council prior to 31 December 1992 who had to be on a full pension and lived in the area for 10 years.

This rebate is no-longer granted and is being phased out through attrition. This rebate is now only applicable where an existing recipient moves from one place to another within the City of Ryde. This rebate is fully funded by Council.

Hardship

In the exercise of Section 577 of the Act, the income/assets level for hardship applications to be considered is that which applies to the granting of the CentreLink Age Pension at the time.

In accordance with Section 577(2), Council will grant a rebate in the following circumstances:

- While not the owner, the spouse of a pensioner will be deemed to be the owner in cases where the owner is in a nursing home. The spouse must be a pensioner, reside at the property and be responsible for all outgoings.

Every approved hardship application must be re-assessed every 12 months.

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**DEBT ADMINISTRATION PROCEDURE**



**Mercantile Agent Delegation Process**

The process of debt management and debt recovery of overdue rates, charges and other fees and charges may require a certain level of expertise, which may at times, at the discretion of the Chief Financial Officer, be best managed by a professional Mercantile Agent.

Where utilised, any Mercantile Agent instructed to assist Council with its debt management or debt recovery process will need to comply with Council's policy and procedures for Debt Management and Debt Recovery.

**GLOSSARY OF TERMS**

**Debt Management** Debt management is the process by which debts are followed up by Council prior to the commencement of any legal action. It includes the issuance of Statements, Reminder Notices, Final Notices and Letters of Demand. It also includes the making of arrangements to pay the debt off, over a period of time.

**Debt Recovery** Debt recovery is the process by which debts are recovered, through legal action, where debt management has failed in getting the debt paid and is commenced before the expiration of the statute of limitations for recovery of debts. It includes the issuance of a Statement of Liquidated Claim, Examination Summons, Writ of Execution and any other legal process permitted in the recovery of debts.

**Debt Administration** Debt administration is the combined processes of debt management and debt recovery.

**Referral for legal action** A referral for legal action may be a referral to Council's Team Manager Rates & Revenue or a referral to an external agency at the discretion of the Chief Financial Officer.

**Summons** The Summons, identified as a "Statement of Liquidated Claim", is a legal document which outlines to the debtor: that a claim has been made to the Court for the recovery of monies;

- who has initiated the claim;
- who the claim is against;
- the monetary value of the claim; and
- time period available to relinquish the debt.

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<b>Judgment</b>	In cases where the debtor does not respond to a Summons issued to them, the Court may make a default judgment whereby it will award a decision without having the matter heard
<b>Writ</b>	Document served by a Court Sheriff on a debtor. This document allows a court to seize goods owned by a debtor and be sold. The proceeds are then distributed to the Council as part or full payment of the debt.
<b>Legal Costs</b>	Amounts incurred by Council in recovering overdue debts (e.g. Court, Professional Costs), which can be legally recovered from the debtor.
<b>Sale of Land</b>	In accordance with Section 713 of the Local Government Act, Council has the authority to sell land which has any unpaid rates or charges for more than 5 years.
<b>Rent for Rates</b>	Section 569 of the Local Government Act allows Councils to order tenants of properties with overdue Rates to pay rent to Councils in lieu of unpaid Rates, under specific circumstances.

**Review Process and Endorsement**

This Policy should be reviewed whenever relevant legislation is amended and after any request of the Executive Team. Whenever this procedure is to be amended it must be submitted to the Executive Team for approval prior to those changes being implemented.

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## Rates Debt Recovery Policy

### Scope

This policy has been developed as guidance to management, staff and the community to ensure consistency in the way that rates related debt is collected while also ensuring rates debt is collected in a transparent and equitable manner in accordance with relevant legislation. This policy outlines the parameters that will be applied when recovering debt to minimise financial risks to Council whilst maintaining transparent engagement with Council's ratepayers.

For the purpose of this policy, a rates debtor is any debtor that has been levied as a Rate or Annual Charge under the Local Government Act.

### Purpose

The purpose of the policy is to provide guidance to management, staff and the community so as to ensure that rates debt is collected in a consistent, transparent and equitable manner in accordance with relevant legislation. This policy shall be applied when Council recovers rates debt based on each parcel of rateable land.

The objective of this policy is to ensure that Council treats its ratepayers in a respectful manner whilst collecting overdue rates and charges. This will be done by ensuring the application of this policy is done so in a transparent and equitable manner, giving ratepayers every opportunity to pay their rates and charges prior to debt recovery proceedings commencing. The policy takes into account the parameters Council officers will apply whilst collecting overdue rates debt.

### Policy Statement

#### Rates Debtors

A rates debtor exists when a rate or charge is levied and a subsequent debt is incurred by Council in accordance with Council's revenue policy. Council will commence debt recover proceedings for overdue rates and charges against the owner of the property (according to Council's Rates Book) and, in the case of land leased from the Crown, (excluding provisions under the *Housing Act 1912* or *Aboriginal Housing Act 1998*), the owner is the lessee of the

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respective rateable parcel of land. (Section 560 and 561 of the Local Government Act 1993).

Debt recovery proceedings will not commence against current eligible pensioners who are in receipt of a current pensioner rebate for the applicable property unless the debt is greater than 5 years.

However, pensioners in receipt of a pensioner rebate will receive a reminder notice but will not be sent a letter of demand for the applicable property.

**Annual and Instalment due dates**

The annual Rates and Charges notices are issued prior to 31 July each year and can be paid in an annual lump sum (by the 31 August of that year) or four instalments due on 31 August, 30 November, 28 February and 31 May of that financial year. Instalment reminder notices will be issued at least one month prior to the instalment due date, in accordance with Section 562 of the Local Government Act 1993.

**Reminder Notice**

Reminder Notices are issued within ten (10) business days after an instalment falls due (subject to operational thresholds).

The Reminder Notice will advise:

- the amount of any overdue rates and charges and the due date;
- that interest charges are applying to the overdue amount (included as a part of the overdue amount); and
- That they should contact the Rates Department prior to the date on the notice to make a payment arrangement if they are not in the position to pay all of the overdue rates and charges.
- Subject to the criteria set in this policy, debt recovery proceedings may be taken if a reasonable payment arrangement has not been entered into.

At this stage, no formal legal action has commenced and no legal costs have been incurred by the ratepayer by receiving a reminder notice.

**Legal Letter of Demand**

Where the amount shown as due on the reminder notice has not been paid or an acceptable payment arrangement has not been entered into by the due date on the reminder notice, a legal letter of demand will be issued by Council's nominated appointed legal representatives. The following criteria will be used in determining if a ratepayer will receive a legal letter of demand:

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- The amount of the overdue debt is greater than \$1,000.00
- The amount of the overdue debt is equal to two (2) or more instalments.
- None of the property owners are eligible pensioners who are in receipt of a current pensioner rebate.

A letter of demand will give the ratepayer seven (7) days to respond and enter into a reasonable payment arrangement. The intent of the legal letter of demand is to advise the ratepayer(s) that if the amount is not paid in full or a reasonable payment arrangement is not entered into, legal proceedings in the form of a Statement of Claim will commence and legal costs will accumulate against the ratepayers account.

At this stage, no legal costs have been incurred by the ratepayer by receiving a legal letter of demand.

**Statement of Claim**

Following the expiration of the nominated date on the legal letter of demand, a Statement of Claim will be issued by Council via its nominated appointed legal representatives if payment of the overdue amount has not been made or a reasonable payment arrangement has not been entered into or adhered to.

Council will formally instruct the appointed legal representatives to have a Statement of Claim filed with the relevant court in respect of the overdue rates and charges including any legal charges incurred and added to the ratepayer(s) account. The registered Statement of Claim will then be served on the ratepayer for formal notification for payment of the debt. These legal costs are payable at the timing of filing with the court.

The legal costs and professional fees incurred by Council from the recovery of the overdue rate levy will be charged to the rate account upon notification of the costs. Any reasonable expenses of tracing the person or persons will also be added to the rates account.

The ratepayer can pay the amount of the debt filed with the court, enter into a reasonable payment arrangement with Council or lodge a defence with the court.

Liability of Occupier for Overdue Rates

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If the property is being leased or rented, Council may serve the occupier with a rental order to pay the overdue rates (Section 569 of the Local Government Act 1993).

**Default Judgement Debt**

Following the expiration of the nominated date on Statement of Claim, Council will seek to obtain a default judgement ruling against the ratepayer(s) if payment of the full amount of the statement of claim has not been paid or a reasonable payment arrangement has not been entered into or adhered to.

Prior to registering a default judgement debt with the courts, Council will instruct its appointed legal representatives to issue a letter before filing for judgement debt advising the ratepayer(s) and giving them seven (7) days to respond. If no response is received within the time frames, an instruction to Council's appointed legal representatives to file for default judgment will be issued and associated costs incurred and charged against the ratepayer(s) account.

Upon registering a default judgement, the judgement debt will be registered with credit agencies that may have an impact on the ratepayer(s) capacity to obtain financing in the future.

**Other Legal Proceedings**

After obtaining the default judgement Council may take action as recommended by Council's legal representative to recover the debt including, but not limited to:

- Writ of Execution
- Rent for Rate (if the property is being rented or leased if not already sought)
- Examination Summons
- A garnishee against the ratepayer(s) salary or bank account
- Caveat

All recovery proceedings will be undertaken in conjunction with advice from Council's legal representative and will be authorised by an officer of Council with the appropriate delegation.

**Sale of Land for Unpaid Rates**

If the rates or charges on a rateable property are overdue for more than five (5) years or one (1) year in the case of vacant land, a resolution of Council

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must be made to commence proceedings to sell the property for unpaid rates. The process outlined below has been referenced by Chapter 17, Part 2, Division 5 of the Local Government Act 1993 and Section 133 of the Local Government Regulations 2005.

Once a resolution of Council has been obtained to proceed with the sale of land for unpaid rates, a certificate (formatted in accordance with Section 713 of the Local Government Act 1993) must be signed by the General Manager or Public Officer. Council will then proceed with advertising of the sale of land for unpaid rates as required by Section 715 of the Local Government Act and Section 133 of the Local Government Regulations 2005.

Sale proceedings will cease when all rates and charges payable (including overdue rates and charges) are paid to Council or an arrangement satisfactory to Council for payment of all such rates and charges is entered into by the ratepayer.

Any sale of land for unpaid rates must be by way of public auction. Land that fails to sell at public auction may be sold by private treaty. Land may be sold to Council, a councillor, a relative of a councillor, a member of staff of Council or any relative of a member of staff of Council in the case of sale by public auction, but may not be sold in the case of sale by private treaty.

If the funds received by way of sale are less than the total value of the rates, the balance of rates will be written off. If the funds received by way of sale are greater than the rates, the funds will be held in trust and distributed to the parties entitled to funds as deemed by Council.

**Payment Arrangements**

Where ratepayers are experiencing financial difficulties in meeting the payment of rates and charges, they are requested to contact Council with a view to making a suitable payment arrangement.

Council has authority to accept payment arrangements of rates and charges due and payable in accordance with an agreement made with the ratepayer (Section 564 of the Local Government Act 1993). It is Council's intention to have outstanding balances paid within three (3) months of an arrangement being made. However, Council is sympathetic to ratepayers with special circumstances and payment of outstanding amounts with the intention to be settled within twelve months from the date the arrangement is made (including current and future instalments that fall due within that period).

All payment arrangements will be reviewed on an ongoing basis. Where a payment arrangement has expired and an overdue balance still exists, debt recovery proceedings, will recommence at the stage where it was ceased.

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The onus is on the ratepayer to ensure that their rates are paid in a timely manner in accordance with due dates.

**Pensioners**

Recovery of amounts owed by Pensioners

Council encourages eligible pensioners to meet their rate commitments as they fall due. Where an eligible pensioner is in financial difficulty, Council officers shall take into account the limited income of eligible pensioners and may enter into an agreement with them for the payment of rates by arrangement. As a general principle, Council does not take legal action against pensioners unless the debt is greater than five (5) years overdue.

Statutory Pensioner Rebates

Council officers validate pensioner rebates annually in line with the annual rating instalment. The maximum amount of rebate is determined by section 575 of the Local Government Act 1993. Pensioners that apply for a pensioner rebate will have their rebate applied in accordance with their entitlement and backdated to a maximum of two years (if eligible).

Any application for a eligible pensioner rebate of rates for a period greater than the current rates year plus the previous rating year will only be considered in conjunction with an approval for hardship relief.

Voluntary Pensioner Rebate

Council provides a Voluntary Pensioner rebate of \$80 per annum (applied against general rates) which is only available to ratepayers who are “eligible pensioners”. The rebate is only available to ratepayers who were eligible pensioners who had to be on a full pension and lived in the area for 10 years prior to 31 December 1992.

This rebate is grandfathered to existing recipients only.

**Hardship Provision**

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Hardship

An application for hardship can be made and considered by the appropriate officer of Council. Council officers will assess the application with the intention to enter into a reasonable payment arrangement with the ratepayer(s). A review will be conducted within 6 months to review the financial situation of the ratepayer(s) to ensure the debt is being managed transparently. Council will not reduce the rates and charges for those who apply for hardship under these provisions within this policy.

In the exercise of Section 577 of the Local Government Act 1993, the income/assets level for hardship applications to be considered is that which applies to the granting of the Centrelink Age Pension at the time. In accordance with Section 577(1) & 577(2), Council will consider every application on its merits. Every application for a rebate under Section 577 must be approved under delegation and be re-assessed every 12 months.

**References - Legislation**

The Local Government Act, 1993 (NSW)  
Local Government Act (General) Regulations 2005  
Government Information (Public Access) Act 2009  
Local Courts Act, 1970  
Local Courts (Civil Claims) Rules 1988  
Legal Profession Act, 2004  
Legal Profession Regulations, 2005.

**Review Process and Endorsement**

This Policy should be reviewed by Council every 2-3 years or if there is a change in legislation.

**Attachments**

<i>Title</i>	<i>Trim Reference</i>
Form	

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**ATTACHMENT 4**

## Non Rates Debt Recovery Policy

**Scope**

This policy has been developed as guidance to management, staff and the community to ensure consistency in the way that non rates debt is collected while also ensuring non rates debt is collected in a transparent and equitable manner in accordance with relevant legislation. This policy outlines the parameters that will be applied when recovering debt to minimise financial risks to Council whilst maintaining transparent engagement with Council's debtors.

For the purpose of this policy, a non rates debtor is a debt that has not been levied as a Rate or Annual Charge under the Local Government Act but excludes debts referable to Revenue NSW.

**Purpose**

The purpose of the policy is to provide guidance to staff so as to ensure that non rates debt is collected consistently while also ensuring non rates debt is collected in a transparent and equitable manner in accordance with relevant legislation. This policy shall be applied during the process of recovering non rates debt.

The objective of this policy is to ensure that Council treats its Non Rates Debtors in a respectful manner whilst collecting non rates debts. This will be done by ensuring the application of this policy is done so in a transparent and equitable manner, giving non rates debtors every opportunity to pay their debts prior to debt recovery proceedings commencing. The policy takes into account the parameters Council officers will apply whilst collecting overdue non rates debt.

**Guidelines / Procedures**

**Non Rates Debtors**

A non rates debtor exists when a fee or charge is invoiced and subsequent a debt is incurred. For the purpose of this policy Non Rates exclude debts issued as a Penalty Infringement Notice (PIN). Council has various trading terms (time taken to pay and invoice), depending on the type of fee or charge with an expectation that the debtor will repay the debt within the nominated payment terms. A debtor will be issued an invoice outlining the fees and charges and the financial obligations to Council.

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**Please note that not all of Council's Fees and Charges will incur a debt. Some fees and charges are required to be paid at the time of the fee/charge being incurred.**

Timeframes around the issuance of above will depend on the type of debt and risk associated with the debt. Timeframes and deadlines will be issued on the appropriate debt recovery documentation.

**If a debtor enters into a reasonable payment arrangement, debt recovery proceedings will be placed on hold until the debt is paid in full (including Legal Costs) or the payment arrangement lapses. If a payment arrangement lapses, debt recovery proceedings will recommence.**

Any costs associated with debt recovery proceedings will be added to the debtor account once incurred and will accumulate as a part of the debt balance owing.

**Payments and arrangements**

Once a debt exists, a debtor must pay within the payment terms. If the payment terms are not stipulated on the invoice or associated documentation issued by Council, the payment terms will default to 14 days from the date of invoice.

If a debtor is experiencing financial difficulties, a debtor may request a payment arrangement to finalise the account outside of the nominated trading terms. The onus is on the debtor to ensure payment is made in a timely manner or enter into a reasonable payment arrangement if they cannot meet the original payment terms. The debtor is responsible for maintaining their payment arrangement and if the payment arrangement is broken, Council will (re)commence debt recovery proceedings.

Depending on the nature of debt, other actions such as restriction of services may occur at this stage.

**Debt Recovery Proceedings for Overdue Debt**

Where an overdue non rates debt occurs, the debt will be referred for debt recovery proceedings. Debt Recovery proceedings will consist of the following steps:

**Reminder Notice**

Reminder Notices will be issued after a non rates debt becomes overdue. The reminder will inform the non rates debtor that they have a debt overdue with

Name - <Council> <Organisational> Policy		
Owner: Service Unit	Accountability:	Policy Number: # <i>Provided by Governance</i>
Trim Reference: D10/	Review date:	Endorsed: Date and Authority

**ITEM 3 (continued)**

**ATTACHMENT 4**



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Council and that if payment is not made with 14 business days, Council may refer the debt to its legal representative for debt recovery action.

At the stage, no formal legal action has commenced and no legal costs have been incurred by the non rates debtor by receiving a reminder notice.

**Legal Letter of Demand**

Where the amount shown as due on the reminder notice has not been paid or an reasonable payment arrangement has not been entered into by the due date on the reminder notice, a legal letter of demand will be issued by Council's nominated appointed legal representatives.

A letter of demand will give the debtor seven (7) days to respond and enter into a reasonable payment arrangement. The intent of the legal letter of demand is to advise the non rates debtor that if the amount is not paid in full or a reasonable payment arrangement is not entered into, legal proceedings in the form a Statement of Claim will commence and legal costs will accumulate against the non rates debtors account.

At the stage, no legal costs have been incurred by the non rates debtor by receiving a legal letter of demand.

**Statement of Claim**

Following the expiration of the nominated date on the legal letter of demand, a Statement of Claim will be issued by Council via its nominated appointed legal representatives if payment of the overdue amount has not been made or a reasonable payment arrangement has not been entered into or adhered to.

Council will formally instruct the appointed legal representatives to have a Statement of Claim filed with the relevant court in respect of the overdue non rates debt including any legal charges incurred and added to the account. The registered Statement of Claim will then be served on the debtor for payment of the debt. These legal costs are payable at the time of filing with the court.

The legal costs and professional fees incurred by Council from the recovery of the overdue debt will be charged to the debtor account.

The debtor can pay the amount of the registered debt with the court, enter into a reasonable payment arrangement with Council or lodge a defence with the court.

Name - <Council> <Organisational> Policy		
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**Default Judgement**

Following the expiration of the nominated date on the Statement of Claim, Council will seek to obtain a default judgement ruling against the debtor if payment of the full amount of the Statement of Claim has not been paid or a reasonable payment arrangement has not been entered into or adhered to.

Prior to registering a default judgement debt with the relevant court, Council will instruct its appointed legal representatives to issue a letter before filing for judgement debt advising the debtor and giving them seven (7) days to respond. If no response is received within the time frames, an instruction to Council's appointed legal representatives to file for default judgment will be issued and associated costs incurred and charged against the debtors account.

Upon registering a default judgement, the judgement debt will be registered with credit agencies that may have an impact on the non rates debtor's capacity to obtain a financing in the future.

**Other Legal Proceedings**

After obtaining the default judgement Council may take action as recommended by Council's legal representative to recover the debt including, but not limited to:

- Writ of Execution
- Examination Summons
- A garnishee against the ratepayer(s) salary or bank account

All recovery proceedings will be undertaken in conjunction with advice from Council's legal representative and will be authorised by an officer of Council with the appropriate delegation.

**Provision for Doubtful Debts**

Aged debts greater than sixty (60) days shall be reviewed and provided for as a doubtful debt, following advice from the initiating section, according to an assessment which has regard for:

- the size and nature of the debt; and
- the debtor in question.
- The likelihood of recovering the debt

Name - <Council> <Organisational> Policy		
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Any provisions made will be captured in accordance with AASB Accounting standards to ensure compliance with financial reporting requirements.

**Payment Arrangements**

Where Non Rates Debtors are experiencing financial difficulties in meeting the payment of an overdue debt, they are requested to contact Council with a view to making a suitable payment arrangement.

It is Council's intention to have outstanding balances paid within three (3) months of an arrangement being made. However, Council is sympathetic to non rates debtors with special circumstances and payment of outstanding amounts with the intention to be settled within six months from the date the arrangement is made.

All payment arrangements will be reviewed on an ongoing basis. Where a payment arrangement has expired and an overdue balance still exists, debt recovery proceedings, as outlined above, will commence.

The onus is on the ratepayer to ensure that their rates are paid in a timely manner in accordance with due dates.

**Approvals**

Council shall approve any changes to this policy by form of a Council resolution.

**References - Legislation**

- The Local Government Act, 1993 (NSW)
- Local Government Act (General) Regulations 2005
- Government Information (Public Access) Act 2009
- The Local Government Accounting Practice and Financial Reporting (NSW)
- Australian Tax Office Standards
- Legal Profession Uniform Law Application Regulation 2015

**Review Process and Endorsement**

This Policy should be reviewed every 2-3 years or as legislation amends and endorsed by Council

Name - <Council> <Organisational> Policy		
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**ITEM 3 (continued)**

**ATTACHMENT 4**



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**Attachments**

<i>Title</i>	<i>Trim Reference</i>
Form	

<b>Name - &lt;Council&gt; &lt;Organisational&gt; Policy</b>		
Owner: Service Unit	Accountability:	Policy Number: # <i>Provided by Governance</i>
Trim Reference: D10/	Review date:	Endorsed: Date and Authority

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#### **4 LOCAL GOVERNMENT REMUNERATION TRIBUNAL DETERMINATION - Councillors and Mayoral fees for 2019/2020**

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**Report prepared by:** Civic Services Manager  
**File No.:** CLR/07/8/24 - BP19/114

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#### **REPORT SUMMARY**

This report is presented to Council to advise of the recent determination made by the Local Government Remuneration Tribunal with respect to Councillor and Mayoral fees.

In determining the Councillor and Mayoral fee increase, the Tribunal did not undertake a broad review of the categorisation of Councils and considered only those requests where an individual submission was made. The Tribunal found that the current allocation of Councils into the current categories was appropriate. Therefore the Tribunal has determined that the City of Ryde remain in the “Metropolitan Medium” category.

This report recommends that Council endorse the maximum Councillor and Mayoral fees and confirms that there are sufficient funds in the 2019-2020 Budget for this increase.

#### **RECOMMENDATION:**

That Council adopt the following increases to Councillor and Mayoral fees effective from 1 July 2019:

- (a) 2.5% increase to Councillor fees from \$25,160 to \$25,790 per annum.
- (b) 2.5% increase to Mayoral fees from \$66,860 to \$68,530 per annum; in addition to the Councillor fees.

#### **ATTACHMENTS**

- 1 2019 Annual Report and Determination of the Local Government Tribunal

Report Prepared By:

**Amanda Janvrin**  
**Civic Services Manager**

Report Approved By:

**Joe So**  
**Executive Manager - Strategy and Innovation**

## ITEM 4 (continued)

### Context

Section 239 of the Local Government Act 1993 (the Act) provides for the Local Government Remuneration Tribunal to determine the categories of Councils and to place each Council into one of those categories. The categories are to be determined at least once every three (3) years.

Section 241 of the Local Government Act 1993 (the Act) provides for the Local Government Remuneration Tribunal to determine, not later than 1 May in each year, for each of the categories determined under Section 239, the maximum and minimum amount of fees to be paid to Councillors and Mayors.

At its meeting on 26 June 2018, Council resolved to adopt the maximum fees payable to Councillors for the period of 2018/2019.

### Discussion

#### *Categorisation of Councils*

The “*Annual Report and Determination of the Local Government Remuneration Tribunal*” dated 15 April 2019 is provided for in **ATTACHMENT 1**.

The Tribunal did not undertake a broad review of the categorisation of Councils and considered only those requests where an individual submission was made. The Tribunal found that the current allocation of Councils into the current categories was appropriate. Therefore, the Tribunal has determined that the City of Ryde will remain in the “Metropolitan Medium” category.

#### *Review of Mayoral and Councillors Fees*

The Tribunal is required to have regard to the Government’s wages policy when determining the increase to apply to the maximum and minimum fees that apply to the Councillors and Mayors. The public sector wages policy currently provides a cap on increases of 2.5%.

Having reviewed the key economic indicators, including the Consumer Price Index and Wage Price Index, and having regard to budgetary limitations imposed by the Government’s policy of rate pegging, the Tribunal has determined that the full increase of 2.5% is warranted. The 2.5% increase will apply to the minimum and the maximum of the ranges for all existing categories.

#### **ITEM 4 (continued)**

The table below provides a summary of the minimum and maximum fees determined by the Tribunal.

#### Tribunal Fee Range for 2019/20

	<b>Minimum Fee Determined by the Tribunal</b>	<b>Maximum Fee Determined by the Tribunal</b>	<b>CoR 2018/19 Current Annual Fee</b>
Councillor fee (per annum)	\$13,820	\$25,790	\$25,160
Mayoral additional fee (per annum)	\$29,360	\$68,530	\$66,860

The Mayor receives a Mayoral fee in addition to the Councillor fee.

In previous years, Council has resolved to endorse the maximum fees payable to Councillors and the Mayor.

Based on the table above, the total annual cost of paying the maximum Councillor and Mayoral fees will be \$378,010. There is provision for this amount in the 2019/20 Budget.

#### **Critical Dates**

The new fees are payable as from 1 July 2019.

#### **Financial Impact**

There is provision in the 2019/20 Budget to fund the recommended fees and therefore endorsing the recommendation will have no impact on Council's budget.

#### **Policy Implications**

Under Sections 239 and 241 of the Local Government Act 1993, the Local Government Remuneration Tribunal determines the category of each Council and the fee range for Councillors and the Mayor. Within that range, Council then determines the fee which will be paid.

**ITEM 4 (continued)****Other Options**

The following options are available:

1. That Council adopt a no fee increase to the Councillors fees and Mayoral fee.
2. That Council adopt a partial fee increase to the Councillors fees and Mayoral fee.
3. That Council adopt a fee reduction to the Councillors and Mayoral fees.
4. That Council adopt the full fee increase to the Councillors fees and Mayoral fee.

Based on Council's previous resolution on this matter, this report recommends that Council endorse the maximum Councillor and Mayoral fees, noting that there are sufficient funds in the 2019/20 Budget.

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local  
Government  
Remuneration  
Tribunal**

Annual Report  
and  
Determination

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*Annual report and determination under sections 239 and  
241 of the Local Government Act 1993*

**15 April  
2019**

[NSW Remuneration Tribunals website](#)

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

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**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

## Executive Summary

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The Local Government Remuneration Tribunal (the Tribunal) is required to report to the Minister for Planning and Public Spaces by 1 May each year as to its determination of categories of councils and the maximum and minimum amounts of fees to be paid to mayors, councillors, and chairpersons and members of county councils.

### **Categories**

The Tribunal did not undertake a broad review of the categorisation of councils and considered only those requests where an individual submission was made. The Tribunal found that the current allocation of councils into the current categories is appropriate.

The Tribunal will next consider the model, the criteria applicable to each group and the allocation of councils in detail in 2020. The criteria applicable to each of the categories are published in Appendix 1 of the determination and are unchanged from 2018.

### **Fees**

The Tribunal has determined that the minimum and maximum fees applicable to each category will be increased by 2.5 per cent which is consistent with the government's policy on wages.

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

## Section 1 Introduction

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1. The role of Assessor assisting the Local Government Remuneration Tribunal (the Tribunal), pursuant to section 236 (1) (b) of the *Local Government Act 1993* (the LG Act) was undertaken by Mr Ian Reynolds from 1 July 2015 until the expiration of his appointment on 27 November 2018. The Tribunal thanks Mr Reynolds for his contributions over those years.
2. On 28 November 2018, Dr Robert Lang was re-appointed as the Tribunal and Mr Brian Bell PSM was appointed to the role of Assessor assisting the Tribunal pursuant to section 236 (1) (b) of the LG Act. The role of Assessor assisting the Tribunal pursuant to 236 (1) (a) continues to be undertaken by Mr Tim Hurst, CEO, Office of Local Government, Department of Planning and Environment.

## Section 2 Background

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3. Section 239 of the LG Act provides for the Tribunal to determine the categories of councils and mayoral offices and to place each council and mayoral office into one of those categories. The categories are to be determined at least once every 3 years.
4. Section 241 of the LG Act provides for the Tribunal to determine, not later than 1 May in each year, for each of the categories determined under section 239, the maximum and minimum amount of fees to be paid to mayors and councillors of councils, as well as chairpersons and members of county councils.
5. In determining the maximum and minimum fees payable in each of the categories, the Tribunal is required, pursuant to section 242A (1) of the LG Act, to give effect to the same policies on increases in remuneration as those of the Industrial Relations Commission. The current policy on wages is that public sector wages cannot increase by more than 2.5 per cent, and this includes the maximum and minimum fees payable to councillors and mayors and chairpersons and members of county councils.
6. The Tribunal is however able to determine that a council can be placed in another existing or a new category with a higher range of fees without breaching the government's wage policy pursuant to section 242A (3) of the LG Act.

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

7. The Tribunal's determinations take effect from 1 July in each year.

## **Section 2 2018 Determination**

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1. The Tribunal considered ten requests for re-categorisation having regard to the case put forward and the criteria for each category. A multi variable approach was adopted in assessing each council against all the criteria (not only population) for the requested category and the relativities within the categories.
2. The Tribunal noted that at the time of making the determination only the population data as of 2016 was available.
3. The Tribunal found that the current categorisation for the ten councils was appropriate and noted that some of those councils seeking to be moved are likely to meet the criteria for re-categorisation in future determinations in the medium term.
4. The Tribunal's 2018 Determination was made on 17 April 2018 and provided a general increase of 2.5 per cent which was consistent with the Government's policy on wages.

## **Section 3 2019 Review**

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5. The Tribunal wrote to all mayors in December 2018 advising of the commencement of the 2019 Annual Review. In doing so the Tribunal noted that it is only required to review the categories every three years and will next consider the model, the criteria applicable to each group and the allocation of councils in detail in 2020.
6. The Tribunal also stated that it does not intend to alter the groups that apply to individual councils unless there is a very strong case to do so. Any requests for a review should be supported by evidence which would indicate that the council is more appropriately allocated in another category based on the criteria.
7. The Tribunal also wrote to the President of Local Government NSW (LGNSW) in similar terms, and subsequently met with the President and Chief Executive of LGNSW. The Tribunal thanks the President and Chief Executive for making the time to meet with the Tribunal.
8. In response to this review the Tribunal received 20 submissions from individual councils and a submission from LGNSW. Those submissions addressed the allocation of councils into

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

those categories and fees. The Tribunal also received a submission from a joint organisation requesting that the Tribunal determine the fees for members of the boards of joint organisations. A summary of the matters raised, and the Tribunal's consideration of those matters is outlined below.

**Categorisation**

9. Ten submissions received from councils requested re-categorisation now and two submissions requested re-categorisation when the Tribunal considers the categories in detail in 2020. Each of the ten requests for re-categorisation now were considered having regard to the case put forward and the criteria for each category.
10. At the time of making the determination the Tribunal had available to it the 30 June 2018 population data released by the Australian Bureau of Statistics (ABS) on 27 March 2019. In reviewing the submissions received the Tribunal also applied a multi variable approach assessing each council against all the criteria (not only population) for the requested category and the relativities within the categories.
11. The Tribunal finds that the allocation of councils into the current categories is appropriate but again notes that some of those councils seeking to be moved are likely to meet the criteria for re-categorisation in future determinations.
12. A few submissions have suggested alternative categorisation models. The Tribunal will consider this in detail in the 2020 review. The Tribunal intends to commence the 2020 annual review earlier than usual to ensure there is time to review the existing model and to examine alternatives. The Tribunal is of the preliminary view that a case may exist to revise the number of categories, and their applicable criteria, particularly for regional and rural councils.
13. A summary of the Tribunal's findings for each of the 2019 applications for re-categorisation is outlined in the following paragraphs.

**Metropolitan Large**

14. Canterbury-Bankstown and Penrith have sought re-categorisation to new categories noting that no changes to the categories of councils are planned until 2020. Canterbury-Bankstown has proposed a new categorisation model for consideration in the 2020 review. The proposed model would provide different categories for metropolitan councils. Penrith

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

has again sought to be re-categorised to a new category - 'Metropolitan Large – Growth Centre'.

15. Both councils may wish to provide further details for consideration in the 2020 annual review.

**Metropolitan Medium Councils**

16. Inner West has again sought to be re-categorised to Metropolitan Large. The Tribunal outlined in the 2018 determination that Inner West did not demonstrate enough additional criteria to warrant re-categorisation at that time, but with population growth the council would likely be more comparable with other Metropolitan Large councils in the short to medium term.
17. The Tribunal has again considered in detail the features of Inner West having regard to the other criteria for Metropolitan Large councils. The Tribunal finds that Inner West does not provide the same degree of regional servicing or have an equivalent sphere of economic influence as other Metropolitan Large councils. This is supported by development and planning information published by the Greater Sydney Commission.
18. Inner West's June 2018 population of 198,024 is below the indicative population of other Metropolitan Large councils. Based on existing growth predictions it is likely Inner West will meet the minimum population threshold for inclusion in Metropolitan Large in 2020.

**Metropolitan Small Council**

19. Willoughby and Camden have sought to be re-categorised to Metropolitan Medium.
20. Willoughby's June 2018 population of 80,339 is below the indicative population of Metropolitan Medium Councils. The Tribunal outlined in the 2018 determination that Willoughby sought recognition of its scale of operations and businesses and regional significance of its centres and high percentage of non-resident visitors and workers. The Tribunal found the characteristics of the council were more appropriately aligned with those of other Metropolitan Small councils and found no case for it to be re-categorised at that time.
21. Willoughby's 2019 submission argues there is an over emphasis on resident population and no recognition of the complexity or burden on high volumes of non-resident populations.
22. As previously stated, the Tribunal considers a range of factors (not only population) in determining categories as required under section 240 of the LG Act. The Tribunal has again considered in detail the features of Willoughby having regard to the other criteria for other

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

Metropolitan Medium councils and finds that Willoughby has not demonstrated the criteria to warrant inclusion in the Metropolitan Medium group at this time.

23. Camden's 2018 population of 94,159 is below the indicative population of Metropolitan Medium councils. The Tribunal has considered the features of Camden having regard to the other criteria for Metropolitan Medium councils. The Tribunal finds that Camden does not provide the same degree of regional servicing or have an equivalent sphere of economic influence as Metropolitan Medium councils. The Tribunal notes however that the ABS identifies that Camden has the largest and fastest population growth in NSW. Based on existing growth predictions it is likely Camden will meet the minimum population threshold for inclusion in Metropolitan Medium in 2020.

**Regional Strategic Area Councils**

24. Central Coast has sought to be re-categorised to Regional City. The council submits that its characteristics are more like Newcastle and Wollongong (Regional City) and substantially different to Lake Macquarie (Regional Strategic Area). The Tribunal finds that Central Coast has not demonstrated the additional criteria to warrant inclusion in the Regional City group.

**Regional Rural Councils**

25. Shellharbour and Port Macquarie have sought re-categorisation to Regional Strategic Area.
26. Shellharbour's June 2018 population of 72,240 is significantly below the indicative population of Regional Strategic Area councils. In addition, the submission was not supported by evidence which would indicate that the council is more appropriately allocated in another category based on the criteria.
27. Port Macquarie's June 2018 population of 83,131 is significantly below the indicative population of Regional Strategic Area councils. The Tribunal finds that Port Macquarie has not demonstrated the additional criteria to warrant inclusion in the Regional Strategic Area group.
28. Port Macquarie (as an alternative) and Mid-Coast sought to be re-categorised to a new category between Regional Strategic Area and Regional Rural. Both councils may wish to provide further details for consideration in the 2020 annual review.

**Rural Councils**

29. Muswellbrook and Federation have sought to be re-categorised to Regional Rural.

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

30. Muswellbrook's June 2018 population of 16,383 and Federation's June 2018 population of 12,462 are well below the indicative population of Regional Rural councils. Both councils have not demonstrated the additional criteria to warrant inclusion in the Regional Rural group.

31. The Tribunal also undertook a review of Hilltops having regard to its 2018 submission and the Tribunal's findings that re-categorisation at that time was not warranted:

*"41. Hilltops Council has sought to be re-categorised from Rural to Regional Rural. The new Hilltops Council is an amalgamation of three former councils in the Rural category (Young, Boorowa and Harden). The submission states that the new council has increased complexity of business and should be recognised as Regional Rural.*

*42. The Tribunal notes that Hilltops has a population of 19,150 (2016) which is just below the indicative population range of Regional Rural councils. The category of Regional Rural currently includes one council – Broken Hill – which has a population similar to that of Hilltops. Broken Hill warrants categorisation as Regional Rural in recognition of the degree of regional servicing it provides to far western NSW. It is not considered that Hilltops provides the same degree of regional services and on that basis re-categorisation is not warranted at this time."*

32. Hilltops' June 2018 population of 18,782 is below the indicative population range of Regional Rural councils. The Tribunal has reviewed the additional criteria and finds no reason to alter its findings as outlined in the 2018 determination.

**Fees**

33. The LGNSW submission requested that the Tribunal increase fees by the allowable maximum of 2.5 per cent. The submission also repeated its view that the current arrangement for setting fees is inadequate and does not compensate elected members for the significant workload and range of responsibilities which are expanding. Comparative information was presented in respect to board fees, fees paid to mayors and councillors of councils in Queensland, and salaries for members of Parliament. A report detailing the findings of an independent review conducted on current remuneration paid to councillors and mayors was also provided. The LGNSW submission

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

also requested that the Tribunal make a recommendation in support of the payment of superannuation.

34. Several submissions sought an increase to the allowable maximum of 2.5 per cent and raised similar issues to LGNSW in respect to the current fees not being adequate compensation for increased responsibilities and workload required to carry out mayoral and councillor duties and non-payment of superannuation. Several submissions also sought an increase significantly higher than the allowable 2.5 per cent or that fees be increased by benchmarking them to Principal CBD fees or population per councillor or using the base salary and allowances for Members of Parliament in the relevant region.
35. Two submissions also raised the matter of fees for deputy mayors. The Tribunal addressed this matter in the 2018 determination and will make no further comment.
36. The Tribunal has considered the submissions received. The Tribunal is mindful that the roles and responsibilities of councillors and mayors in NSW are outlined in the LG Act and notes that they are not necessarily comparable to the roles and responsibilities of councillors and mayors in other states, members of Parliament or members of boards and committees.
37. The Tribunal again notes that some of the other matters raised by submissions are more appropriately dealt with in the context of the current Local Government reform agenda and are outside the Tribunal's powers.
38. The Tribunal is required to have regard to the Government's wages policy when determining the increase to apply to the maximum and minimum fees that apply to councillors and mayors. The public sector wages policy currently provides for a cap on increases of 2.5 per cent.
39. The Tribunal has reviewed the key economic indicators, including the Consumer Price Index and Wage Price Index, and had regard to budgetary limitations imposed by the Government's policy of rate pegging, and finds that the full increase of 2.5 per cent is warranted. The 2.5 per cent increase will apply to the minimum and the maximum of the ranges for all existing categories.



**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

**Other matters**

40. The submission from LGNSW and several councils have again raised the matter of the non-payment of superannuation. The Tribunal addressed this matter in the 2018 determination as outline below and will make no further comment:

*“54. The matter of the non-payment of superannuation has been previously raised in submissions to the Tribunal and is not a matter for the Tribunal to determine. Section 251 of the LG Act confirms that councillors are not employees of the council and the fee paid does not constitute a salary under the Act. The Tribunal notes that the Australian Tax Office has made a definitive ruling (ATO ID 2007/205) that allows councillors to redirect their annual fees into superannuation on a pre-tax basis and is a matter for councils (Ref: Councillor Handbook, Oct 2017, Office of Local Government p.69).”*

41. The Tribunal also received a submission from the Canberra Region Joint Organisation (CRJO) although no invitation to do so was issued by the Tribunal. The CRJO has requested that the Tribunal set chair and member fees for joint organisations in the 2019 annual determination.
42. The Tribunal is constituted under Chapter 9, Part 2, Division 4 of the LG Act. The Tribunal’s determinations apply to Councils, Mayors and Councillors within the meaning of Chapter 9 of the LG Act.
43. Joint organisations, including the Board of a joint organisation, are constituted under Chapter 12, Part 7 of the LG Act. The Tribunal’s jurisdiction does not apply to joint organisations, as provided for in section 400ZH(3)(e) of the LG Act.
44. On that basis the Tribunal has no power to consider the CRJO submission and it is a matter that the CRJO may wish to raise with the Minister for Planning and Public Spaces who is the Minister responsible for the LG Act. The Tribunal has written to the CRJO in the above terms.

**Conclusion**

45. The Tribunal’s determinations have been made with the assistance of the two Assessors - Mr Brian Bell and Mr Tim Hurst. The allocation of councils into each of the categories,

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

pursuant to section 239 of the LG Act, is outlined in Determination No. 1. The maximum and minimum fees paid to councillors and mayors and members and chairpersons of county councils, pursuant to section 241 of the LG Act, are outlined in Determination No. 2.

**The Local Government Remuneration Tribunal**

*(Signed)*

**Dr Robert Lang**

**Dated: 15 April 2019**

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

## Section 4 Determinations

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**Determination No. 1- Determination Pursuant to Section 239 of  
Categories of Councils and County Councils Effective From 1 July 2019**

**Table 1: General Purpose Councils - Metropolitan**

Principal CBD (1)	Major CBD (1)
Sydney	Parramatta

  

Metropolitan Large (8)	Metropolitan Medium (9)
Blacktown	Bayside
Canterbury-Bankstown	Campbelltown
Cumberland	Georges River
Fairfield	Hornsby
Liverpool	Ku-ring-gai
Northern Beaches	Inner West
Penrith	Randwick
Sutherland	Ryde
	The Hills

  

Metropolitan Small (11)
Burwood
Camden
Canada Bay
Hunters Hill
Lane Cove
Mosman
North Sydney
Strathfield
Waverley
Willoughby
Woollahra

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

**Table 2: General Purpose Councils – Non-Metropolitan**

Regional City (2)	Regional Strategic Area (2)	
Newcastle	Central Coast	
Wollongong	Lake Macquarie	

  

Regional Rural (37)	Rural (57)	
Albury	Balranald	Kyogle
Armidale	Bellingen	Lachlan
Ballina	Berrigan	Leeton
Bathurst	Bland	Liverpool Plains
Bega	Blayney	Lockhart
Blue Mountains	Bogan	Moree Plains
Broken Hill	Bourke	Murray River
Byron	Brewarrina	Murrumbidgee
Cessnock	Cabonne	Muswellbrook
Clarence Valley	Carrathool	Nambucca
Coffs Harbour	Central Darling	Narrabri
Dubbo	Cobar	Narrandera
Eurobodalla	Coolamon	Narromine
Goulburn Mulwaree	Coonamble	Oberon
Griffith	Cootamundra-Gundagai	Parkes
Hawkesbury	Cowra	Snowy Valleys
Kempsey	Dungog	Temora
Kiama	Edward River	Tenterfield
Lismore	Federation	Upper Hunter
Lithgow	Forbes	Upper Lachlan
Maitland	Gilgandra	Uralla
Mid-Coast	Glen Innes Severn	Walcha
Mid-Western	Greater Hume	Walgett
Orange	Gunnedah	Warren
Port Macquarie-Hastings	Gwydir	Warrumbungle
Port Stephens	Hay	Weddin
Queanbeyan-Palerang	Hilltops	Wentworth
Richmond Valley	Inverell	Yass
Shellharbour	Junee	
Shoalhaven		
Singleton		
Snowy Monaro		
Tamworth		
Tweed		
Wagga Wagga		
Wingecarribee		
Wollondilly		

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

**Table 3: County Councils**

Water (4)	Other (6)
Central Tablelands	Castlereagh-Macquarie
Goldenfields Water	Central Murray
Riverina Water	Hawkesbury River
Rous	New England Tablelands
	Upper Hunter
	Upper Macquarie

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

**Determination No. 2- Determination Pursuant to Section 241 of Fees for Councillors and Mayors**

Pursuant to s.241 of the *Local Government Act 1993*, the annual fees to be paid in each of the categories to Councillors, Mayors, Members and Chairpersons of County Councils effective on and from 1 July 2019 are determined as follows:

**Table 4: Fees for General Purpose and County Councils**

Category		Councillor/Member Annual Fee		Mayor/Chairperson Additional Fee*	
		Minimum	Maximum	Minimum	Maximum
General Purpose Councils - Metropolitan	Principal CBD	27,640	40,530	169,100	222,510
	Major CBD	18,430	34,140	39,160	110,310
	Metropolitan Large	18,430	30,410	39,160	88,600
	Metropolitan Medium	13,820	25,790	29,360	68,530
	Metropolitan Small	9,190	20,280	19,580	44,230
General Purpose Councils - Non-metropolitan	Regional City	18,430	32,040	39,160	99,800
	Regional Strategic Area	18,430	30,410	39,160	88,600
	Regional Rural	9,190	20,280	19,580	44,250
	Rural	9,190	12,160	9,780	26,530
County Councils	Water	1,820	10,140	3,920	16,660
	Other	1,820	6,060	3,920	11,060

\*This fee must be paid in addition to the fee paid to the Mayor/Chairperson as a Councillor/Member (s.249(2)).

**The Local Government Remuneration Tribunal**

**(Signed)**

**Dr Robert Lang**

**Dated: 15 April 2019**

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

## Appendices

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### Appendix 1 Criteria that apply to categories

#### Principal CBD

The Council of the City of Sydney (the City of Sydney) is the principal central business district (CBD) in the Sydney Metropolitan area. The City of Sydney is home to Sydney's primary commercial office district with the largest concentration of businesses and retailers in Sydney. The City of Sydney's sphere of economic influence is the greatest of any local government area in Australia.

The CBD is also host to some of the city's most significant transport infrastructure including Central Station, Circular Quay and International Overseas Passenger Terminal. Sydney is recognised globally with its iconic harbour setting and the City of Sydney is host to the city's historical, cultural and ceremonial precincts. The City of Sydney attracts significant visitor numbers and is home to 60 per cent of metropolitan Sydney's hotels.

The role of Lord Mayor of the City of Sydney has significant prominence reflecting the CBD's importance as home to the country's major business centres and public facilities of state and national importance. The Lord Mayor's responsibilities in developing and maintaining relationships with stakeholders, including other councils, state and federal governments, community and business groups, and the media are considered greater than other mayoral roles in NSW.

#### Major CBD

The Council of the City of Parramatta (City of Parramatta) is the economic capital of Greater Western Sydney and the geographic and demographic centre of Greater Sydney. Parramatta is the second largest economy in NSW (after Sydney CBD) and the sixth largest in Australia.

As a secondary CBD to metropolitan Sydney the Parramatta local government area is a major provider of business and government services with a significant number of organisations relocating their head offices to Parramatta. Public administration and safety has been a growth sector for Parramatta as the State Government has promoted a policy of moving government agencies westward to support economic development beyond the Sydney CBD.

The City of Parramatta provides a broad range of regional services across the Sydney Metropolitan area with a significant transport hub and hospital and educational facilities. The City of Parramatta is home to the Westmead Health and Medical Research precinct which represents the largest concentration of hospital and health services in Australia, servicing Western Sydney and providing other specialised services for the rest of NSW.

The City of Parramatta is also home to a significant number of cultural and sporting facilities (including Sydney Olympic Park) which draw significant domestic and international visitors to the region.

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

**Metropolitan Large**

Councils categorised as Metropolitan Large will typically have a minimum population of 200,000.

Other features may include:

- total operating revenue exceeding \$200M per annum
- the provision of significant regional services to greater Sydney including, but not limited to, major education, health, retail, sports, other recreation and cultural facilities
- significant industrial, commercial and residential centres and development corridors
- high population growth.

Councils categorised as Metropolitan Large will have a sphere of economic influence and provide regional services considered to be greater than those of other metropolitan councils.

**Metropolitan Medium**

Councils categorised as Metropolitan Medium will typically have a minimum population of 100,000.

Other features may include:

- total operating revenue exceeding \$100M per annum
- services to greater Sydney including, but not limited to, major education, health, retail, sports, other recreation and cultural facilities
- industrial, commercial and residential centres and development corridors
- high population growth.

The sphere of economic influence, the scale of council operations and the extent of regional servicing would be below that of Metropolitan Large councils.

**Metropolitan Small**

Councils categorised as Metropolitan Small will typically have a population less than 100,000.

Other features which distinguish them from other metropolitan councils include:

- total operating revenue less than \$150M per annum.

While these councils may include some of the facilities and characteristics of both Metropolitan Large and Metropolitan Medium councils the overall sphere of economic influence, the scale of council operations and the extent of regional servicing would be below that of Metropolitan Medium councils.



**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

**Regional City**

Councils categorised as Regional City will typically have a population above 150,000. These councils are metropolitan in nature with major residential, commercial and industrial areas. These Councils typically host government departments, major tertiary education and health facilities and incorporate high density commercial and residential development.

These councils provide a full range of higher order services and activities along with arts, culture, recreation and entertainment facilities to service the wider community and broader region. These councils typically also contain ventures which have a broader State and national focus which impact upon the operations of the council.

Newcastle City Council and Wollongong City Councils are categorised as Regional City.

**Regional Strategic Area**

Councils categorised as Regional Strategic Area are differentiated from councils in the Regional Rural category on the basis of their significant population. Councils categorised as Regional Strategic Area will typically have a population above 200,000. These councils contain a mix of urban and rural settlements. They provide a range of services and activities including business, office and retail uses, along with arts, culture, recreation and entertainment facilities to service the wider community. These councils host tertiary education campuses and health facilities.

While councils categorised as Regional Strategic Area may have populations which exceed those of Regional City, they would not typically provide the same range of regional services or have an equivalent sphere of economic influence.

Central Coast Council and Lake Macquarie Council are categorised as Regional Strategic Area.

**Regional Rural**

Councils categorised as Regional Rural will typically have a minimum population of 20,000.

Other features which distinguish them from other non-metropolitan councils include:

- a major town or towns with the largest commercial component of any location in the surrounding area
- a significant urban population existing alongside a traditional farming sector, and are surrounded by smaller towns and villages or may be located on or close to the coast with high levels of population and tourist facilities
- provide a full range of higher-order services including business, office and retail uses with arts, culture, recreation and entertainment centres
- regional services to the wider community through principal referral hospitals, tertiary education services and major regional airports
- these councils may also attract large visitor numbers to established tourism ventures.

**ITEM 4 (continued)**

**ATTACHMENT 1**

**Local Government Remuneration Tribunal**

**Rural**

Councils categorised as Rural will typically have a population below 20,000.

Other features which distinguish them from other non-metropolitan councils include:

- one or two significant townships combined with a considerable dispersed population spread over a large area and a long distance from a major regional centre
- a limited range of services, facilities and employment opportunities compared to Regional Rural councils
- local economies based on agricultural/resource industries.

**County Councils - Water**

County councils that provide water and/or sewerage functions with a joint approach in planning and installing large water reticulation and sewerage systems.

**County Councils - Other**

County councils that administer, control and eradicate declared noxious weeds as a specified Local Control Authority under the *Noxious Weeds Act 1993*.

(n2019-1018)

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## **CONFIDENTIAL ITEMS**

### **5 REQUEST FOR TENDER - COR-RFP-01/19 - HERITAGE SERVICES TO CITY OF RYDE**

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**Report prepared by:** Senior Coordinator - Strategic Planning

**Report approved by:** Manager - Urban Strategy; Director - City Planning and Environment

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#### **Confidential**

This item is classified CONFIDENTIAL under Section 10A(2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (c) information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business; AND (d) (i) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it; AND (d) (ii) information that would, if disclosed, confer a commercial advantage on a competitor of the council.

**Report prepared by:** Senior Coordinator – Strategic Planning

**File Number:** GRP/09/6/13 - BP19/328

**Page Number:** 65

### **6 ADVICE ON COURT ACTIONS**

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#### **Confidential**

This item is classified CONFIDENTIAL under Section 10A (2) of the Local Government Act, 1993, which permits the meeting to be closed to the public for business relating to the following: (g) advice concerning litigation, or advice as comprises a discussion of this matter, that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege.

This matter is classified confidential because it contains advice concerning legal matters that are:-

- (a) substantial issues relating to a matter to which the Council is involved.
- (b) clearly identified in the advice, and
- (c) fully discussed in that advice.

It is not in the public interest to reveal all details of this matter as it would prejudice Council's position in any court proceedings.

**Report prepared by:** Solicitor

**File No.:** GRP/09/5/8 - BP19/484

**Page Number:** 80