

Crown land debt management

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AUTHORISED BY:	Executive Director Crown Lands	AUTHORISED DATE:	29/06/2018
ISSUED BY:	Department of Planning, Industry and Environment – Crown Lands	EFFECTIVE DATE:	01/07/2018
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Policy statement

This policy defines the principles by which the NSW Department of Planning, Industry and Environment–Crown Lands (the department) provides an effective and equitable approach to debt management. The policy establishes a framework to ensure the consistent, respectful and compassionate treatment of all Crown land account holders.

Scope

This policy relates to Division 12.3 of the *Crown Land Management Act 2016* (the Act) and applies to departmental staff and account holders in relation to the management of Crown Land accounts that remain unpaid past the specified due date.

Refer to the Crown Land Financial Concessions Policy IND-O-254 and Crown Land Financial Concessions Guideline for details on financial concessions available, eligibility and the application process.

Requirements

The department has four phases of debt management for circumstances where an account is unpaid by the due date.

1. Recovery action

Recovery action refers to the initial activities undertaken by the department (or other persons authorised to act on behalf of the minister) to negotiate and facilitate payment of debt due to the Crown. Activities include:

- a. issuing arrears and final notices to account holders
- b. contacting the account holder or their nominated representative to negotiate payment, and/or to facilitate a financial hardship application
- c. charging interest for late payments
- d. referring debts to a debt collection agency

2. Compliance Action

If recovery action is unsuccessful, the department may take compliance action to:

- a. terminate or forfeit a Crown land tenure or Crown road purchase
- b. withdraw an offer to convert Crown land—including Crown roads.

Compliance action may also be taken into account when determining future tenure applications.

3. Enforcement Action

Where recovery and/or compliance action is unsuccessful, the department may undertake civil enforcement action through Court processes. This may result in additional account charges, enforcement or costs orders and/or a default listing with a credit bureau.

4. Debt Extinguishment

An account debt may be extinguished if the account has been terminated and related debt is determined to be irrecoverable. Consideration will be given to the following when assessing the recoverability of debt:

- a. whether the debtor can be located
- b. whether it is economical to pursue recovery
- c. whether medical, financial or domestic circumstances warrant recovery action
- d. the likelihood of successfully recovering debts through legal proceedings.

Guidelines

A separate document—Guideline – Crown Land Debt Management provides further information to assist departmental staff and account holders understand these phases.

Roles and responsibilities

- *The department:* negotiate payment, facilitate financial hardship concessions and communicate outcomes. Undertake recovery action, compliance action, enforcement action and debt extinguishment as appropriate in accordance with this policy.
- *Account holders:* pay accounts in full by the due date and provide accurate, complete and timely information to the department.

Safety considerations

N/A

Delegations

This policy does not change, remove or add delegation for any officer. Staff must comply with all relevant delegations, such as those established under the Act.

Definitions

- Account adjustment – an adjustment made to correct a previously recorded transaction on an account in circumstances where an incorrect amount has been calculated as the amount owing. An example includes a system error, data integrity error, processing delays or staff input error.
- Account holder – means the current or former holder of an account.
- Arrears notice – A statement issued 14 days after the due date of the tax invoice, if an amount remains unpaid. This notice confirms outstanding amounts and advises the account holder that interest will accrue on their account and legal action may be pursued, with the department's costs being added to their account. The account holder is also advised to contact the department if non-payment of debt is due to financial hardship.
- Debt – any monies owed to department.
- Debt extinguishment – this process extinguishes the whole or part of any debt owing to the Crown on an account that is considered irrecoverable. Also known as a 'write-off'.
- Final notice – a statement issued 28 days after the due date of the tax invoice. This notice seeks payment within 21 days of the notice and repeats the information provided within the arrears notice and provides additional information regarding legal action that may be taken.
- Financial hardship – where an account holder is experiencing circumstances which adversely impact on their ability to pay their account on time.
- Financial hardship application – an application for the grant of financial hardship concessions via submission of a financial hardship application form with supporting evidence.
- Financial hardship concessions – a financial concession approved by a successful financial hardship application. This may include an interest waiver, postponement of debt, instalment plan, billing frequency change, or other waivers.
- The Act – means the *Crown Land Management Act 2016*.
- Waiver – a permanent reduction of an amount payable to the department in whole or part.

Legislation

- *Crown Land Management Act 2016*
- *Crown Land Management Regulation 2018*
- *Public Finance and Audit Act 1983*

Related policies

- Crown Land Financial Concessions Policy IND-O-254
- Compliance and Enforcement Policy IND-O-248
- Delegations of Authority for Crown Lands (Final) Policy IND-O-179

Other related documents

- Guideline – Crown Land Debt Management
- Guideline – Crown Land Financial Concessions
- *Crown Land Management (Minister) Instrument of Delegation 2018 No. 1*
- *Public Finance and Audit (Special Delegations) Instrument of Delegation 2016 under the Public Finance and Audit Act 1983*

Revision history

Version	Date issued	Notes	By
1.0	01/07/2018	Developed to support the <i>Crown Land Management Act 2016</i>	Alison Pepper, Director Tenure & Business Programs
2.0	22/02/2020	Policy updated to reflect machinery of government changes	Policy Team

Contact

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