



REDENBACH LEE

Law Update - State Debt Recovery Bill 2017 (NSW) soon to become law

Participants at the NSW Revenue Professionals Conference will be interested to know about a significant piece of legislation which, after Assent, will soon become law and directly impact options for local councils collecting "difficult" debts.

In short, the State Debt Recovery Bill 2017 (NSW) (SDRB) introduces a way of local councils in NSW "opting in" to the NSW State Government's Revenue NSW system of debt recoveries. The SDRB permits a local council to enter into an agreement with the Chief Commissioner of State Revenue for the recovery of that local council's debts. The SDRB could mean an enhanced method of debt recovery for local councils, beyond merely the option of court proceedings.

At the second reading speech of the Bill on 21 November 2017, the Minister for Finance, Services and Property, The Honourable Mr Victor Dominello MP, explained SDRB's essential purpose, as follows:

"...The bill permits an agency, including a local council, to enter into an agreement with the Chief Commissioner of State Revenue for the recovery of that agency's debts. Once an agency has referred a debt to the chief commissioner, he or she is authorised to recover such a debt by using the same incentives and sanctions that are currently available for the collection of debts, taxes, fines, victims' restitution orders and Ambulance Service of NSW fees. Those incentives and sanctions include payment plans as well as measures such as garnisheeing of wages, property seizure and placing a charge on land. As with the debts I have just mentioned, the bill authorises the chief commissioner to take recovery action for a civil debt without obtaining a court judgement (sic), but only where debtors have failed to engage with the chief commissioner after attempts to encourage them to enter into a payment solution...."

The Honourable Don Harwin MP said on 14 March 2018 said that debts of local councils may be:

"...brought under the new Act to allow them to be recovered as part of consolidated State debt, using the same powers for all civil debts...[including] council rates, charges and fees under the Local Government Act 1993. The latter will only apply where the individual council has entered into a debt recovery agreement with the Chief Commissioner."

Please let us know if you would like to discuss the implications of the new legislation for your Council. Redenbach Lee Lawyers specialise in local government law - our website can be found at www.redenbachlee.com or please call us on (02) 8002 1799.

1. Second Reading Speech:
<https://www.parliament.nsw.gov.au/Hansard/Pages/HansardResult.aspx#/docid/'HANSARD-1323879322-99923>
2. Honourable Don Harwin MP Comment:
<https://www.parliament.nsw.gov.au/Hansard/Pages/HansardResult.aspx#/docid/'HANSARD-1820781676-75676>



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