

State Water Policy: SW2007-P0136**Sundry Debtor Management Policy**

This policy aims to ensure that:

- State Water effectively controls all outstanding debts owed to it.
- Action is taken to recover outstanding debts as they fall due, with adequate follow-up to promote positive customer relationships.
- State Water's debt ratio remains at or below the industry standard, with a minimal impact on borrowings, investments and interest earnings.
- Risks associated with default or uncollectability of debts are managed.

Policy Principles

The following principles are associated with the collection of water debts in State Water:

- Payment terms are 30 days.
- The role of the Billing Unit is to issue invoices and credit/debit notes.
- The role of the Customer Information Officer is to handle customer enquiries where possible. Where the Customer Information Officer cannot quickly resolve issues they are passed to the Credit Supervisor for resolution
- The role of the Credit Supervisor is to follow up and collect debts.

Procedures

The procedures to be followed for collecting outstanding debts are as follows:

1. Invoice

An invoice is to be issued within 14 days of the debt being realised. Invoices state that payment terms are net 30 days.

2. Final Reminder

In the week after the invoice is due, a Final Reminder will be issued, allowing 14 days to pay from the date of the notice.

3. Involvement of Credit Supervisor

Responsibility for coordinating the collection of outstanding debts rests with the Credit Supervisor, who is the main point of contact for customers with payment enquiries.

The Credit Supervisor will promptly advise the relevant Manager of debtors in default of payment terms.

Managers are responsible for making further contact with debtors who have not settled their accounts, outlining the consequences of continued non-payment.

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Debt Recovery

If the debt is still outstanding 14 days following the Final Reminder, legal action will be initiated to recover the debt.

Payment Options

There are five options available to customers for the payment of water accounts:

1. Cheque - posted to State Water Head Office.
2. Cash - paid over the counter at any State Water office that has facilities to issue a receipt. Officers in the field cannot accept cash from customers.
3. BPay - by bank transfer or credit card.
4. Electronic transfer - direct deposit into State Water's bank account.
5. Payment through any Australia Post Billpay

Policy Administration

The responsibility and authority to implement and enforce this policy rests with the General Manager Finance. This responsibility includes effective communication of the policy and any necessary related procedures to all affected employees. Approval to deviate from this policy can only be given by the General Manager Finance or Chief Executive Officer.

Feedback

Feedback on this policy is welcome. Feedback and enquiries in relation to this policy should be directed to the Financial Services group (02) 6841 2031.

Adopted by: Corporate Services Branch, 21 September 2007

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Issued to: All State Water

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