

## Commencement of Legal Proceedings for Recovering Debts

**Where debt recovery procedures do not result in settlement of a debt, or where write off action is not commenced, officers of an authority and accounting officers<sup>1</sup> must seek appropriate legal representation to commence legal proceedings in relation to recovery of debts. The debt does not need to be referred to the Crown Solicitor unless it is appropriate to do so, or otherwise required.**

### Summary:

This circular is a Treasurer's Direction issued under of s 9 of the *Public Finance and Audit Act 1983*. It amends Treasurer's Direction (TD) 450.03 to read:

"If debt recovery procedures do not result in settlement of a debt, then relevant officers must seek appropriate legal advice and representation regarding commencing legal proceedings unless special circumstances exist or one of the conditions of Direction 450.05 applies, in which case write off action may commence immediately."

This clarifies that legal proceedings for recovering debts do not need to be referred to the Crown Solicitor unless it is appropriate or preferable to do so, or where otherwise required, for example, legal work required to be referred to the Crown Solicitor under Premier's Memorandum No. 95-39 '*Arrangements for Seeking Legal Advice from the Crown Solicitor's Office*' (or any successor Government policy).

This clarification is effective from the date this Circular is published.

### Background:

This Circular amends TD 450.03 in advance of the Financial Management Transformation (FMT) project to review and update the Treasurer's Directions. This amendment addresses an ambiguity identified in the course of the tender for the NSW Government Legal Services Panel.

### **Review and repeal or redraft of Treasurer's Directions**

As part of the FMT project, NSW Treasury is reviewing and updating the Treasurer's Directions.

The TDs were developed under the *Public Finance and Audit Act 1983*. It is intended the TDs will be fully archived or replaced to ensure they align with other reforms being pursued as part of FMT. During the transition period the TDs will remain on NSW Treasury's website as a reference point for matters which are still relevant.

### **Tender for NSW Government Legal Services Panel**

Transport for NSW is coordinating a tender for a NSW Government Legal Services Panel which includes debt recovery services. For more information, please refer to the [NSW eTendering website](#).

Karen Sanderson  
Executive Director, Fiscal Estimates and Financial Reporting

**Further Information:** **Jeanne Vandenbroek, Financial Management Transformation**  
[FMTPolicy@treasury.nsw.gov.au](mailto:FMTPolicy@treasury.nsw.gov.au)

**NSW Treasury website:** [www.treasury.nsw.gov.au](http://www.treasury.nsw.gov.au)

<sup>1</sup> As defined in s4 of the *Public Finance and Audit Act 1983*