



EMP-FIN-006 | Debt Collection, Write-Off & Fee Waiver

Strategic Context

Strategic Link	Policy Objective
☑ United ☑ Safe & Healthy ☑ Beautiful & Respected ☑ Prosperous & Equitable	The objective of this policy is to establish a clear and consistent governance framework for the recovery of outstanding debts, the write-off of irrecoverable amounts, and the waiver or reduction of fees and charges, ensuring fairness, legislative compliance, and the responsible stewardship of public funds.

Introduction

1. The Shire of Halls Creek (the Shire) is committed to responsible financial management, equitable treatment of ratepayers and customers, and the prudent stewardship of public funds. Revenue collected through rates, fees, charges, and other income sources supports essential services, infrastructure, and community outcomes.
2. Effective debt collection processes are necessary to maintain financial sustainability and ensure fairness to those who meet their financial obligations. At the same time, Council recognises that there may be circumstances where debts become unrecoverable or where fee waivers are justified due to hardship, error, or broader community benefit considerations.
3. This policy establishes the governance framework for the recovery of outstanding debts, the write-off of irrecoverable amounts, and the waiver or reduction of fees and charges. It clarifies Council's oversight role in setting policy parameters and ensuring legislative compliance, while operational administration remains the responsibility of the Chief Executive Officer under delegated authority.
4. Through this policy, Council affirms its commitment to transparency, consistency, fairness, and accountability in managing public revenue and financial obligations.

Purpose

5. The purpose of this policy is to establish a clear and consistent governance framework for the recovery of outstanding debts, the write-off of irrecoverable amounts, and the waiver or reduction of fees and charges owed to the Shire of Halls Creek.
6. This policy ensures that debt collection processes are undertaken in a lawful, fair, and proportionate manner while protecting the Shire's financial sustainability and upholding principles of equity and accountability.
7. The Policy defines the parameters within which debts may be pursued, written off, or fees waived, ensuring that decisions are transparent, appropriately authorised, and aligned with legislative requirements and Council's broader financial management objectives.
8. Through this framework, Council maintains oversight of revenue management practices while enabling the Chief Executive Officer to administer operational processes under delegated authority in a consistent and responsible manner.

Policy Scope

9. This policy applies to all debts owed to the Shire, including but not limited to rates, service charges, fees and charges, infringement penalties, leases, and other revenue.
10. The Policy governs the strategic framework for:
 - a) The recovery of outstanding debts;
 - b) The write-off of irrecoverable debts;
 - c) The waiver, reduction, or refund of fees and charges;
 - d) Hardship considerations and discretionary financial relief; and
 - e) Reporting and approval requirements.
11. This policy applies to Elected Members in their governance role and to the Chief Executive Officer in the operational administration of debt recovery, write-offs, and fee waivers under delegated authority.
12. The Policy does not replace legislative provisions relating to the recovery of rates or other statutory charges and must be read in conjunction with the *Local Government Act 1995*, associated regulations, and any other relevant legislation.
13. Operational procedures, recovery processes, and payment arrangements are administered by the Chief Executive Officer in accordance with approved delegations and internal financial management controls.
14. Where inconsistencies arise between this policy and applicable legislation, the legislation prevails.

Policy Statement

15. The is committed to responsible revenue management, financial sustainability, and equitable treatment of ratepayers and customers. Council recognises that the timely collection of rates, fees, and charges, infringement penalties, leases and other revenue is essential to maintaining service delivery, infrastructure investment, and community outcomes.
16. Debt recovery processes must be undertaken in a fair, consistent, and proportionate manner, ensuring compliance with legislative requirements while respecting individual circumstances. Council affirms that reasonable efforts will be made to recover outstanding debts in accordance with approved procedures and statutory obligations.
17. Where debts are assessed as unrecoverable, Council may approve the write-off of such debts in accordance with legislative requirements and delegated authority. The write-off of a debt does not extinguish the legal right to recover the amount unless specifically resolved.
18. Council further recognises that there may be circumstances in which the waiver or reduction of fees and charges is appropriate, including cases of demonstrated hardship, administrative error, community benefit, or other exceptional circumstances. Any such decision must be supported by appropriate justification and authorised in accordance with legislative and policy requirements.
19. Council establishes the governance framework for debt collection, write-off, and fee waiver decisions. The Chief Executive Officer is responsible for administering these processes under delegated authority, ensuring transparency, consistency, and compliance with applicable legislation.



Principles Underpinning the Policy

Principle Name	Principle Definition
Financial Stewardship	Council has a responsibility to safeguard public funds and ensure the timely collection of revenue necessary to support service delivery and community outcomes.
Equity and Fairness	Debt recovery and fee waiver decisions must be applied consistently and equitably, ensuring that individuals are treated fairly while protecting the interests of the broader community.
Legislative Compliance	All debt recovery, write-off, and fee waiver decisions must comply with the <i>Local Government Act 1995</i> , associated regulations, and other relevant legislation.
Proportionality	Recovery actions must be proportionate to the amount owed and the circumstances of the debtor, balancing enforcement with reasonableness.
Transparency and Accountability	Decisions relating to debt write-offs and fee waivers must be clearly documented, justified, and authorised in accordance with approved delegations to ensure public accountability.
Hardship Consideration	Genuine cases of financial hardship may be considered in accordance with established criteria, ensuring compassionate and responsible decision-making.
Consistency of Process	Standardised procedures and internal controls must be applied to ensure consistent administration of debt collection and waiver processes.
Risk Management	Debt management practices must consider financial, reputational, and legal risks within the Shire's broader risk management framework.
Governance and Role Clarity	Council establishes the Policy framework and oversight parameters, while the Chief Executive Officer administers operational processes under delegated authority.

Definitions

Term	Meaning
Chief Executive Officer (CEO)	The person appointed by Council under section 5.36 of the <i>Local Government Act 1995</i> , responsible for the day-to-day administration and financial management of the Shire.
Council	The Council of the Shire of Halls Creek.
Debt	Any outstanding amount owed to the Shire, including but not limited to rates, service charges, fees and charges, lease payments, infringement penalties, and other revenue.
Debt Collection	The process undertaken by the Shire to recover outstanding monies owed, including internal follow-up, payment arrangements, and, where necessary, external recovery actions in accordance with legislation.

Elected Member	A Councillor or the Shire President elected or appointed to the Council of the Shire of Halls Creek.
Fee Waiver	The reduction, remission, or cancellation of a fee or charge that has been imposed by the Shire, whether partially or in full, in accordance with legislative authority and approved delegations.
Financial Hardship	A situation in which a person is unable to meet their financial obligations due to genuine and demonstrable circumstances that significantly limit their capacity to pay.
Write-Off	The formal accounting process of removing a debt from the Shire's financial records where it is assessed as unrecoverable. A write-off does not necessarily extinguish the legal right to pursue recovery unless otherwise resolved.

Policy Details

20. Rates

- 20.1 In those circumstances where collection is unlikely Shire employees should ensure:
- That rates debt raised in error is corrected prior to calculating what is to be written off.
 - Corrections of raised in error adjustments must be countersigned by the Director Financial Services or Director Governance and Sustainability.
 - A written record of the authorisation and explanation is maintained for each debt.
 - Rates debt that becomes unrecoverable may be written off, with approval by the Chief Executive Officer up to an amount of \$1,000 per assessment.
 - Rates penalty interest may be written off up to a value of \$1,000, as a Negotiation tool to recover the full amount of the outstanding debt.
 - The write off will not be applied until full payment of the balance of the outstanding debt has been paid.
 - If debt is written off in any month, details of the ratepayer and amounts will be reported in the Council report 'Statement of Financial Activity' for that month.
- 20.2 Any rates debt raised that is raised and legitimately chargeable during a financial year, will only become unrecoverable after analysis has been undertaken in terms of the legal position for collection and whether all attempts to recover have been made.

21. Sundry Debts

- 21.1 In those circumstances where collection is unlikely Shire employee's should ensure:
- That sundry debt raised in error is corrected prior to calculating what is to be written off.
 - Corrections of raised in error adjustments must be countersigned by the Director Financial Services or Director Governance and Sustainability.
 - A written record of the authorisation and explanation is maintained for each debt.
 - Sundry debt that becomes unrecoverable may be written off, with approval by the Chief Executive Officer up to an amount of \$1,000 for any single debtor.
 - Sundry debt penalty interest may be written off up to a value of \$1,000, as a negotiation tool to recover the full amount of the outstanding debt.

- f) The write off will not be applied until full payment of the balance of the outstanding debt has been paid.
- g) If debt is written off in any month, details of the debtor and amounts will be reported in the Council report 'Statement of Financial Activity' for that month.

21.2 The Shire will act to wind-up enterprises when legal remedies have been exhausted or the cost of such does not support further action to recover rates. The Chief Executive Officer is authorised to represent the Shire in legal proceedings to wind-up an enterprise for non-payment of rates, this action is qualified on the basis that Council, or the Shire Audit Committee will receive reports indicating collection performance.

22. Delegation

- 22.1 To the Chief Executive Officer to take legal action to wind-up a rates or sundry debtor enterprise if the recoverable debt after legal action remains outstanding.

Accountability

23. Council is accountable for establishing the governance framework that ensures responsible revenue management, equitable treatment of debtors, and protection of public funds. In exercising its stewardship responsibilities, Council must ensure that debt recovery, write-off, and fee waiver decisions align with legislative requirements, financial sustainability principles, and community expectations.
24. Elected Members are responsible for exercising informed oversight when considering reports relating to debt write-offs, material fee waivers, or hardship matters referred for Council determination. Elected Members must confine their role to governance oversight and decision-making within legislative and policy parameters and must not direct or interfere with operational debt recovery processes.
25. The Chief Executive Officer is responsible for the operational administration of debt collection, payment arrangements, hardship assessments, write-offs, and fee waivers under delegated authority. This includes ensuring that recovery actions are lawful, proportionate, documented, and consistent with approved procedures. The Chief Executive Officer must ensure that all write-offs and material waivers are appropriately authorised and reported in accordance with legislative and policy requirements.
26. Relevant officers responsible for financial management are accountable for maintaining accurate records, implementing internal controls, monitoring outstanding debts, and providing appropriate advice and documentation to support informed decision-making.
27. This shared accountability framework ensures that revenue management practices are transparent, consistent, and aligned with the Shire's financial governance obligations while balancing fairness and compassion where appropriate.



Related Documentation / Legislation

Legislation	Shire of Halls Creek Documentation
a. <i>Local Government Act 1995 (WA)</i> (including provisions relating to rates, recovery of debts, and financial management) b. <i>Local Government (Financial Management) Regulations 1996 (WA)</i> c. <i>Local Government (Administration) Regulations 1996 (WA)</i> d. <i>Local Government (Functions and General) Regulations 1996 (WA)</i> e. <i>Civil Judgments Enforcement Act 2004 (WA)</i> (where applicable to recovery proceedings) f. <i>Bankruptcy Act 1966 (Cth)</i> (where applicable to insolvency matters) g. <i>State Records Act 2000 (WA)</i> h. <i>Freedom of Information Act 1992 (WA)</i>	a. Annual Budget b. Long-Term Financial Plan c. Fees and Charges Schedule d. Delegations Register (Council to CEO) e. Risk Management Policy f. Financial Management Procedures Manual g. Procurement and Contract Management Processes (where applicable to contractual debts) h. Audit and Risk Committee Charter

Policy Review

28. This policy will be reviewed every four (4) years from the date of endorsement, or earlier in the event of legislative change, audit findings or a resolution of Council.

Document Control

Relevant Delegations	Nil		
Risk Evaluation	Moderate		
Council Adoption	27/08/2026	Resolution	2026/090
Previous Title	F5 Write Offs – Rates And Sundry Debtors		
Reviewed	21 May 2009 (Resolution no. 2009/096) 17 April 2014 (Resolution no. 2014/014) 17 December 2015 (Resolution no. 2015/117)		
Next Review Due	August 2030		