



WRITE OFF OF BAD DEBTS

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*This Policy has been reclassified under GTC 12 – Policy Governance. A cover sheet with the new title and classification is provided.

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1. Introduction

This Policy describes the circumstances and procedure for writing off bad debts and is a requirement of s.22(2)(b) of the Local Government Act 1993 to enable this power to be delegated to the General Manager to improve administrative efficiency.

2. Type of Policy

Statutory

Statutory policies are those policies that are adopted by Council due to a legislative requirement.

3. Link to Strategic Plan

George Town Council Strategic Plan 2020 – 2030
Future Direction 4
Leadership and Accountable Governance

4. Legislative Requirements

Local Government Act 1993 section 22(2)(ba)

5. Definitions

Debt: Council has two types of debts, those that are charged against a property and those that are not charged against a property, termed “sundry debts”.

6. Policy

1. A debt may be written off by the General Manager where:
 - (a) The debt is equal to or less than \$5,000; and
 - (b) A reasonable effort has been made to recover the debt; and
 - (i) The cost of attempting to recover the debt would exceed the debt owed to Council and there is little likelihood of recovering the debt because:
 - (c) The debtor is not in a financial position to be able to garnishee their income; or
 - (ii) the debtor cannot be located; or
 - (iii) the debtor has no assets that may be recovered in lieu of the debt.

6. Policy (cont.)

2. A report for the information of Council shall be provided by the General Manager detailing each write off of a bad debt under delegation including:
 - (a) The value of the debt;
 - (b) The type of debt;
 - (c) How long it has been outstanding;
 - (d) The actions that have been taken to attempt to recover the debt;
 - (e) The reasons for writing off the debt.

3. Debts of over \$5,000 will be referred to Council for decision and shall include a report indicating:
 - (a) The value of the debt;
 - (b) The type of debt;
 - (c) How long it has been outstanding;
 - (d) The actions that have been taken to attempt to recover the debt; and
 - (e) Why further attempts to recover the debt should not be pursued.

7. Implementation of Policy

Responsibility

Responsibility for the administration of this Policy rests with the General Manager.

Date of Approval:	
Source of Approval:	Council Resolution:
Commencement Date:	

Related Council Documents:

GTC - P12 Policy Development, Approval and Review Policy

GTC –P33 Risk Management Policy

Next Review Date:	July 2023
Publication of Policy:	This Policy will be made publicly available via Council's website.