

Policy	Debt Management Policy		
Commencement Date	6 March 2025	Owner	Director of Corporate Services
Review Date	6 March 2027	Status	Current Version

Related documents

This Policy should be read in conjunction with:

- Sensitive Expenditure Policy and Guidelines
- Credit/Charge Card Guidelines
- Delegations Policy
- Code of Conduct

The following external materials provide further information on this topic:

- *Controlling Sensitive Expenditure: Guidelines for Public Entities*. Office of the Auditor General 2007.

The following tools assist in implementing this policy:

Purpose

1. This policy will help ensure that the SWRB is running both effectively and efficiently while operating in a financially responsible manner. It will also ensure that the organisation is managing the collection of revenue in a legally compliant manner. This policy was developed to outline the approach to debt recovery.

Context

2. The SWRB's income primarily comes from fees, Tribunal decisions, and limited government funding.
3. Fees are collected in full or in part before any processing activity to limit potential debt.
4. Future debt will be minimised as legal advice (2024) states that SWRB can withhold practising certificates if the applicant has previous debt.
5. No applications will be processed without payment.
6. Changes to business rules will minimize future debt by requiring payment before any processing.
7. Under the Authorised Employers scheme, employers who pay invoices on behalf of social workers receive a monthly consolidated invoice with a period of credit. This can lead to debt if the employee leaves the employer before the invoice is paid or if there is a dispute about employment status as of 1 July.
8. In other cases, SWRB allows social workers to make partial payments, which can sometimes result in outstanding debt if the social worker's circumstances change unfavourably
9. Tribunal decisions may incur debt as social workers may be charged fines and ordered to pay a percentage of Tribunal and PCC costs⁶.
10. This policy applies to all SWRB employees and the Board⁷.

Principles

11. The principles applying to the debt policy are:
 - All income is required to enable the SWRB to meet its legislative responsibilities as a regulator, these monies are required to meet the costs of providing services.
 - SWRB should limit the possibility of debt be incurred with clear communications and business rules.
 - Any debt is collected promptly, efficiently, and consistently.
 - SWRB is committed to providing an equitable and transparent approach when debt is owed.
 - Any social worker incurring debt is treated with compassion and empathy.
 - Debt management is underpinned by the SWRB values that respect individuals' personal circumstances.
 - Debt recovery must be administratively efficient and should not be collected if collection costs outweigh the debt.
12. SWRB corporate services will provide regular monthly updates to SLT and updates to the meetings of the FAR committee.

Policy Details

13. The SWRB will provide invoices and recovery notices which clearly demonstrate what to pay, when to pay and how to pay.

14. The SWRB will commence action to recover unpaid amounts promptly to avoid the build-up of arrears.
15. The SWRB will ensure that all debt recovery documents are clear and inform of the recovery procedures, consequences of not paying and the options available to the debtor.
16. Tribunal debt can be of larger amounts and creates a GST obligation on SWRB to pay GST when the invoice is raised. If a person owing Tribunal debt does not pay or contact SWRB to make a payment arrangement within 60 days of the hearing the debt will be forwarded to a debt collection agency for collection.
17. The SWRB will recover the full cost of enforcement action from the debtor but avoid imposing unnecessary or excessive charges.
18. Requests to write off debt will be referred to the Finance, Audit and Risk Committee (FAR) who will recommend a decision to the Board.
19. Non-renewal of Practicing Certificates is not considered a debt.
20. No goods or services will be purchased from any unresolved bad debtors.

Debt Collection

21. Attempts to collect debt include:
 - Outstanding invoices will be sent to the debtor each month, for three months.
 - At least three attempts will be made in writing to collect the debt, with the last letter coming from the legal team.
22. Finance administrator / Registration officers to attempt to contact the person directly by phone at least twice.
23. Director of Corporate Services to attempt to contact the person directly by phone at least twice.
24. If they are successful in contacting options for payment of the debt will be provided to the debtor including monthly payments.
25. Debt upwards of \$2,000 may be considered by the Director of Corporate Services for referral to debt collection.
26. A provision for the doubtful debt will be made in SWRB's financial system. (when any invoice is 90 days overdue)
27. If debt for a social worker has previously been written off SWRB shall only supply products or services to the debtor on a cash basis for the following two years.

Write off¹

28. Debts will only be considered for write off if they are more than 6 months overdue.
29. Requests for write off are referred to the Finance, Audit and Risk Board subcommittee when:
 - Options for payment of the debt has been provided to the debtor.
 - Debt upwards of \$2000 may be considered for referral to debt collection.
 - A provision for the doubtful debt will be made in SWRB's financial system.
30. SWRB shall only supply products or services to the debtor on a cash basis.
31. When all steps have been followed the Director of Corporate Services will prepare a recommendation for the Chief Executive to be presented to FAR. FAR will then provide advice to

¹ Refer FAR TOR for Delegations from the Board to FAR

the Board for a final decision. This may include a recommendation that any unpaid balances are written off.

32. FAR are delegated to write off debt of up to \$2000.

- FAR will inform the Board of any decision to write off debt of up to \$2000
- Once approval has been provided by the Board debts will be written off in the financial systems.

Payment options

33. Debtors can pay in full prior to their application or purchase being processed, or for some fees over \$500, SWRB offer standard payment plans as outlined below.

34. Debtors in hardship can request a custom payment plan, this is to be offered at the Director of Corporate Services discretion.

35. Any default in the payment plan will result in the payment plan being cancelled and referral to debt collection will be considered.

Responsibility of debtors

36. If Social workers owe SWRB money, we expect this amount to be promptly paid. In some cases, this may take time. Where necessary SWRB will work with social workers to produce a payment plan where social workers can pay a regular amount they can afford, over a specified period of time. The most important thing is not to ignore that they do not ignore their debt. If they are having trouble paying they need to talk to SWRB about their situation.

37. The SWRB's commitments to a fair debt recovery process are set out in this Policy and it is expected that those owing sums to the SWRB will contribute to this process by abiding by the following principles:

- Pay amounts due promptly to ensure receipt by the SWRB on or before the date that payment is due
- Follow instructions provided to ensure payments are credited correctly against the amount due
- Inform the SWRB promptly of any changes in circumstances that may affect the amount to be paid or ability to pay. If you need help, you may be able to get support from your local budget advice service.
- Notify the SWRB promptly if your address or contact details change
- Contact the SWRB promptly if the debtor believes that the amount charged is not correct, where the amount charged is too much or too little.
- Contact the SWRB promptly if they are unable to pay an amount that is due
- Be respectful of the SWRB, its employees and its agents and communicate with them courteously
- Be frank and honest when providing information in connection with the billing, collection, or recovery of sums due to the SWRB.

What can Social Workers do if they are unable to pay a debt?

38. If a Social Worker is unable not pay their debt and do not come to an arrangement with SWRB, we may employ a debt collection agency to recover the debt. SWRB may also elect to pass on or sell the debt to a debt collection agency, who then legally becomes the “creditor” for the debt. Alternatively, SWRB can take you to court to recover the debt and then use the different enforcement methods available through the courts
39. SWRB may also report an outstanding debt to a Credit Reporting agency, which could affect your ability to obtain credit in future.
40. The debtor will be responsible for the full cost of any lawful costs incurred in recovering outstanding debts.

Responsibilities

Board	Supports the policy and makes the decision on the “write off” of debt based on a recommendation from the FAR committee.
Chief Executive	Implements this policy and ensures that the SWRB treats debtors follows with compassion and empathy.
Managers	Alert the CE to any potential or actual debt issues.
Director of Corporate Services	Owens the policy and works with the debtor to develop a payment plan.
All staff	Be aware of the debt policy and treat all debtors with compassion and respect.