

6.2.7 Write Off of Debts 1 July 2013 to 20 February 2014

REPORT BY THE REVENUE & PROPERTY MANAGER TO 5 MARCH 2014 COUNCIL MEETING

Write Off of Debts 1-7-2013 to 20-2-2014

GOV400038, A0140197 A0340005

RECOMMENDATION

That:

1. the report by the Revenue & Property Manager on the Write Off of Debts 1 July 2013 to 20 February 2014 be received;
2. Council note the write offs totalling \$1,467.06 (being \$885.54 of unable to collect funds and \$581.52 of hardship grants) made under delegated authority for the period 1 July 2013 to 20 February 2014 and;
3. Council authorise the write off of those debts greater than \$2,500 as follows:

Cardinal Project Services Pty Ltd	\$3,141.94
Gulfoyle Wreckers (NSW) Pty Ltd	\$3,806.57
CCA Projects Receiver & Managers Appointed	\$5,582.48
TOTAL:	\$12,531.00

Executive summary

This report provides a summary of debts less than \$2,500 owed to Council that have been written off since 1 July 2013 under delegated authority and seeks Council's resolution to write off the debts that are greater than \$2,500 that are owed to Council as stipulated in the attached summary.

Detailed report

Sections 213 and 131 of the Local Government (General) Regulation 2005 specify restrictions on writing off debts owed to a council. Council has previously resolved that the General Manager be delegated to write off amounts up to \$2,500. Debts owed to Council that are greater than \$2,500 must have a Council resolution directing that the stipulated amounts be written off.

Regulation 213(5) states that a debt can only be written off if it satisfies one of the following criteria:

- a) if the debt is not lawfully recoverable, or
- b) as a result of a decision of a court, or
- c) if the council or the general manager believes on reasonable grounds that an attempt to recover the debt would not be cost effective.

Regulation 131(6) states that the general manager must advise the council of rates and charges written off by written order of the general manager.

Financial and Operational Plan implications

The total amount written off for the period 1 July 2013 to 20 February 2014 under delegation was \$1,467.06. The total amount of debts greater than \$2,500 and requiring a Council resolution to write off is \$12,531.00.

The attached summaries support the delegated write offs and outline the debts greater than \$2,500 that require Council's resolution to write off.

Consultation has been undertaken with Council's debt collection agent throughout the entire debt recovery process. The alternative option was to continue to pursue the debts, however this was not considered economical.

It is important to note that a debt that has been written off does not prevent Council taking legal proceedings to recover the debt. Any amount written off will be adjusted if part or all of the debt is subsequently recovered.

Community Plan implications

The Credit Policy ensures that Council does not consume valuable resources collecting and writing off overdue and bad debts.

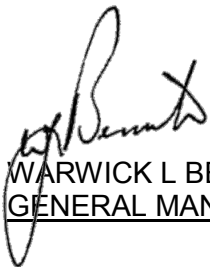
DIANE SAWYERS
REVENUE & PROPERTY MANAGER

21 February 2014

Attachments:

1. Write Off of Debts to 20-2-2014
2. Write Off of Debts Confidential to 20-2-2014 (included in the confidential section of the business paper)

APPROVED FOR SUBMISSION:



WARWICK L BENNETT
GENERAL MANAGER

ATTACHMENT 1

Debts Written Off Under Delegation - Personal Debts - Period 1/7/2013 to 20/2/2014					
Account No	Debtor Name	Amount	Date of Debt	Background	Criteria
9702376	Pizza Hut Mudgee Receiver & Managers Appointed	207.00	4/04/2012	Recycling Collection Fees	Unable to collect - Business liquidated and no funds available to satisfy debt
9701615	Graham Kenneth Hedrick	243.50	29/01/2010	Community Transport fees	Unable to collect - Legal action unsuccessful
9702261	Focus Electrical Contractors P/L	435.04	2/11/2012	Recycling Collection Fees	Unable to collect - Business liquidated and no funds
		\$ 885.54			
Debts Greater than \$2,500 to be Considered For Write Off By Council - Personal Debts - Period 1/7/2013 to 20/2/2014					
9702248	Cardinal Project Services Pty Ltd	3141.95	28/06/2011	Tipping fees	Unable to collect - Business liquidated and no funds
9702259	Guilfoyle Wreckers (NSW) Pty Ltd	3806.57	2/08/2011	Tipping fees	Unable to collect - Business liquidated and no funds
9702359	CCA Projects Receiver & Managers Appointed	5582.48	30/05/2012	Tipping fees	Unable to collect - Business liquidated and no funds available to satisfy debt
		\$12,531.00			