

Item 9: Finance

9.1 Write-off of Debts - Period 20/5/2020 to 25/5/2021

REPORT BY THE REVENUE COORDINAOR
TO 16 JUNE 2021 ORDINARY MEETING
GOV400088, GOV400087, GOV400067, A0140197

RECOMMENDATION

That Council:

1. **receive the report by the Revenue Coordinator on the Write-off of Debts - Period 20/5/2020 to 25/5/2021;**
2. **note the write-offs totalling \$3,636.46 made under delegated authority as stipulated in Attachment 1 to this Report for the period 20/5/2020 to 25/5/2021; and**
3. **authorise the write-off of those debts greater than \$2,500 and totalling \$3,308.00 as stipulated in Attachment 1 to this Report for the period 20/5/2020 to 25/5/2021.**

Executive summary

This report provides a summary of debts less than \$2,500 owed to Council that have been written off since 20th May 2020 under delegated authority and seeks Council's resolution to write off debts that are greater than \$2,500 that are owed to Council.

Disclosure of Interest

Nil.

Detailed report

The Local Government Regulations specify the requirements and restrictions placed on Council to write off debts, as outlined in the Legislation section of this report. The attached summaries document the delegated write offs and outlines the debts greater than \$2,500 that require Council's resolution to write off.

The total amount written off for the period 20 May 2020 to 25 May 2021 under delegation was \$3,636.46, including \$37.66 rates interest write-offs in accordance with Councils' COVID-19 rates assistance provisions. The COVID-19 related write-offs are outlined in the attached confidential list.

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 appropriate for the reasons stated in the attachment.

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

The total amount of debts greater than \$2,500 requiring a Council resolution to write off is \$3,308.00.

Community Plan implications

Theme	Good Governance
Goal	An effective and efficient organisation
Strategy	Prudently manage risks association with all Council activities

Strategic implications

Council Strategies

Not Applicable

Council Policies

Councils Debt Management and Recovery & Credit Policies

Legislation

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 implications

The writing off of the amounts shown in the attachment will reduce the balances of outstanding receivables. The Sundry debtor write-offs are within existing provisions, while the rates and water write-offs exceed existing provisions for doubtful debts. The impact on operating performance ratio will depend on the assessment of other debts at financial year end.

Councils Credit Policy is in place to minimise the expenditure of valuable resources collecting and writing off overdue and bad debts.

There are no budget variations required for this write-off.

Associated Risks

Not Applicable

IAN CLAYTON
REVENUE COORDINAOR

LEONIE JOHNSON
CHIEF FINANCIAL OFFICER

25 May 2021

- Attachments:*
1. Write-off of debts - Period 20-5-20 to 25-5-21.
 2. Write-off of debts - Confidential - Period 20-5-20 to 25-5-21. (Confidential - separately attached)

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER

Debts Written Off Under Delegation - Period 20/5/2020 - 25/5/2021

Account No	Debtor Name	Amount	Date of Debt	Background	Reason for Write-off
10382	The Proprietors Strata Plan 81399	837.26	15/07/2019	Water usage charges - unexplained high usage & meter issue	An attempt to recover the amount would not be cost effective
720039683	Cirrus Aircraft Services Pty Ltd	91.76	24/09/2019	Uncollected landing fees	Amount is under \$100- to recover would not be cost effective
720040571	Mr R E Merridew	56.00	21/02/2020	Uncollected landing fees	Amount is under \$100- to recover would not be cost effective
720035435	Prescott Page Advisory P/L	86.70	20/04/2018	Uncollected landing fees	Amount is under \$100- to recover would not be cost effective
FP0211	Mrs Moritza Levitz	92.90	3/02/2020	Fee for Business Use of Footpath	Permit cancelled and amount is under \$100- to recover would not be cost effective
23374	Mr DE Scrivener	222.69	10/01/2020	Water usage charges	Unpaid water charges on subdivided property - unable to collect
24176	Down The Track Cafe	175.68	24/11/2016	Rates	Rates on cancelled rail license - unable to recover
24176	Down The Track Cafe	348.46	24/11/2016	Water usage charges	Water charges on cancelled rail license - unable to recover
24420	Mr CJ Hawes & Mrs KE Hawes	6.62	1/04/2020	Interest charges on water charges	Unpaid interest on subdivided property - unable to collect
25381	Estate Of Clyde C Donnelly	19.52	13/08/2019	Interest charges on rates	Unpaid interest on cancelled Crown license property - unable to collect
9703610	Mr P Orsini	136.80	4/06/2019	Meals on Wheels	Former client - not economical to collect
9703562	Mrs N Willis	95.00	7/01/2019	Meals on Wheels	Former client - not economical to collect
9703558	Ms S Robbins	556.84	6/02/2019	Showground table Hire fees	Unable to recover
9703700	Workshop 526	120.00	12/02/2020	Food vendor fee for Charity Shield event	Business sold - unable to collect
9703663	Ms N Westrip	15.30	3/12/2019	Meals on Wheels	Former client - not economical to collect
9701224	Pacific National	9.16	2/10/2018	Trade waste collection	Balance of charge - uneconomical to collect
9701096	Ian Colley Earthmoving	427.10	19/10/2017	Private works	Damage to Council infrastructure in 2017. Uneconomical to collect.
9701503	Mudgee Home Improvement Centre	44.00	6/04/2020	Tipping fees	Not economical to collect
FD0075	The Wineglass Bar and Grill	198.00	2/07/2018	Food inspection fees	Company wound up - no funds to pay
8300657	Blue Wren	56.00	13/01/2020	Recycling fees	Company sold - not economical to collect
9701796	Kai Sun	3.01	24/07/2018	Balance of Flavours of Mudgee stalholder fee	Shortpaid Flavours account in 2018. Not economical to collect
		3598.80			

Debts Written Off by Council Resolution - Period 20/5/2020 -

Account No	Debtor Name	Amount	Date of Debt	Background	Reason for Write-off
9702944	Mrs N Craft	3308.00	11/02/2016	Meals on Wheels	Follow-up of debt unsuccessful - unable to collect
		3308.00			

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