

9.6 Write-off of Debts - Period 26/5/2021 to 27/5/2022

REPORT BY THE REVENUE COORDINATOR

TO 15 JUNE 2022 ORDINARY MEETING

GOV400098, GOV400088, GOV400087, GOV400067, A0140197

RECOMMENDATION

That Council:

1. **receive the report by the Revenue Coordinator on the Write-off of Debts - Period 26/5/2021 to 27/5/2022;**
2. **note the write-offs totalling \$2,381.42 made under delegated authority as stipulated in Attachment 1 to this Report for the period 26/5/2021 to 27/5/2022; and**
3. **authorise the write-off of those debts greater than \$2,500 and totalling \$82,387.88 as stipulated in Attachment 1 to this Report for the period 26/5/2021 to 27/5/2022.**

Executive summary

This report provides a summary of debts less than \$2,500 owed to Council that have been written off since 26 May 2021 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 26 May 2021 to 27 May 2022 under delegation was \$2,381.42. Details of the individual debts are shown in the confidential Attachment 1 to this report.

The total amount of debts greater than \$2,500 requiring a Council resolution to write off is \$82,387.88. These debts stem from impounding fees levied on the debtor in 2019 and 2020, and legal fees awarded by the courts against the debtor following protracted court action. These amounts are now unrecoverable following the bankruptcy of the debtor concerned. Details surrounding this matter are outlined in the confidential Attachment 2 to this report.

Consultation has been undertaken with Council's debt collection agent and/or solicitors throughout the debt recovery processes in relation to these debts. Action to continue to pursue the debts is available to Council, however this was not considered appropriate for the reasons stated in the confidential Attachment 1.

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.

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. Provisions for doubtful debts exist within Councils accounts. The impact on operating performance ratio will depend on the assessment of other debts at financial year end.

Council's 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 COORDINATOR

NEIL BUNGATE
ACTING CHIEF FINANCIAL OFFICER

27 May 2022

- Attachments:*
1. Write-off of debts - Period 26/5/2021 to 27/5/2022. (Confidential - separately attached)
 2. Additional Debt detail - Write-off of debts - Period 26/5/2021 to 27/5/2022. (Confidential - separately attached)

APPROVED FOR SUBMISSION:

SIMON JONES
ACTING GENERAL MANAGER