

9.4 Write-off of Debts - Period 28/5/2022 to 17/5/2023

REPORT BY THE REVENUE COORDINATOR

TO 21 JUNE 2023 ORDINARY MEETING
GOV400103, A0140197

RECOMMENDATION

That Council:

1. **receive the report by the Revenue Coordinator on the Write-off of Debts - Period 28/5/2022 to 17/5/2023;**
2. **note the write-offs totalling \$3,831.78 made under delegated authority as stipulated in the confidential Attachment 1 to this Report for the period 28/5/2022 to 17/5/2023; and**
3. **authorise the write-off of those debts greater than \$2,500 and totalling \$23,537.13 as stipulated in Attachment 1 to this Report for the period 28/5/2022 to 17/5/2023.**

Executive summary

This report provides a summary of debts less than \$2,500 owed to Council that have been written off since 28 May 2022 under delegated authority and seeks Council's resolution to write off specified debts 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 28 May 2022 to 17 May 2023 under delegation was \$3,831.78. 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 \$23,537.13. This is a single debt being the balance of fees for an emergency clean up following a house fire in 2014 which resulted in urgent asbestos issues. The original debt totalled \$32,380.87. The property was not covered by insurance, and was sold by the mortgagor in 2015. At that time, an amount of \$8,843.74 was recovered, leaving the current balance. There appears to be no avenue available to recover the remaining debt.

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 Government
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 2021 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.

Budget Year	Operating Performance Ratio	Own Source Revenue	Building & Infrastructure Renewal
2022/23	✓ ✗ -	✓ ✗ -	✓ ✗ -
Future Years	✓ ✗ -	✓ ✗ -	✓ ✗ -

Associated Risks

Not Applicable

IAN CLAYTON
REVENUE COORDINATOR

LEONIE JOHNSON
CHIEF FINANCIAL OFFICER

17 May 2023

Attachments: 1. Summary of Debts Write-off - Period 28/5/2022 to 17-5-2023. (Confidential - separately attached)

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER