

Debtors Analysis

As at 31 December 2019	Council		
	Dec-19 \$'000	Dec-18 \$'000	Variance \$'000
<u>From non-exchange transactions</u>			
Trade receivables			
Infringement receivables	1,850	1,605	245 *1
Rates receivables	2,318	1,973	345 *2
New Zealand Transport Agency	5,306	5,261	45
Other	539	673	(134)
Allowance for doubtful debts	135	127	8
	(1,854)	(1,691)	(163) *2
	8,294	7,948	346
<u>From exchange transactions</u>			
Trade receivables			
Other	5,592	4,649	943 *3
Allowance for doubtful debts	4,540	3,014	1,526 *4
	(381)	(327)	(54)
	9,751	7,336	2,415
	18,045	15,284	2,761
<u>Age analysis</u>			
Trade and other receivables (excluding rates)			
Current (0-30 days)	9,417	7,464	1,953
31-60 days *	832	950	(118)
61-90 days *	559	288	271
90 days + *	4,166	3,339	827 *2, *3
	14,974	12,041	2,933
Rates receivables			
Current year rates (overdue) *	2,504	2,188	316 *5
Previous years rates *	2,802	3,073	(271) *5
	5,306	5,261	45
Allowance for doubtful debts		(2,235)	(2,018)
			(217)
Total receivables	18,045	15,284	2,761

* Amounts are considered past due.

Commentary

*1 Increase in Development Contributions in FY20 \$1.8m vs FY19 \$1.5m

*2 Infringement receivables continues to increase with \$1.9m (Dec FY19 \$1.7m) in over 90 days relating to infringements. The allowance for doubtful debts includes \$1.8m (Dec FY19 \$1.6m) for infringements.

*3 The increase in trade receivables from exchange transactions relates mostly to the increase in volume and value of consents since Dec18. The balance in over 90 days includes 37 accounts over \$10k totalling \$1.1m (Dec FY18 28 and \$0.5m) and 496 accounts under \$10k totalling \$0.6m (Dec FY18 1,760 and \$1m). Of the \$4.2m in the 90 days +, \$2.0m relates to infringements and the remaining for other sundry debtors.

*4 The increase in Other Receivables is due mainly to an increase in the amount due from IRD by \$1m and an increase in accrued revenue of \$0.5m

*5 The net increase in rates receivable includes an increase in 2019/20 rates and rateable properties which is set off against a decrease in prior years outstanding rates. The net movement is \$45k. The Local Government (Rating) Act has mechanisms available to recover overdue rates via a charge on the mortgage for mortgaged properties or via sale of the property for rates balances less than 6 years old. This methodology is being used effectively to increase the collection of prior year outstanding rates.