

Debtors Analysis

As at 30 June 2019	Council		
	Jun-19 \$'000	Jun-18 \$'000	Variance \$'000
From non-exchange transactions			
Trade receivables	1,559	677	882 *1
Infringement receivables	2,257	1,869	388 *2
Rates receivables	3,540	3,327	213 *3
New Zealand Transport Agency	1,651	1,522	129
Other	302	134	168
Allowance for doubtful debts	(1,781)	(1,572)	(209) *2
	7,528	5,957	1,571
From exchange transactions			
Trade receivables	6,226	4,064	2,162 *4
Other	5,873	5,471	402 *5
Allowance for doubtful debts	(311)	(314)	3
	11,788	9,221	2,567
	19,316	15,178	4,138
Age analysis			
Trade and other receivables (excluding rates)			
	Jun-19 \$'000	Jun-18 \$'000	Variance \$'000
Current (0-30 days)	13,835	10,138	3,697 *4
31-60 days *	464	510	(46)
61-90 days *	323	317	6
90 days + *	3,246	2,772	474 *2, *4
	17,868	13,737	4,131
Rates receivables			
Current year rates (overdue) *	2,901	2,223	678 *3
Previous years rates *	639	1,104	(465) *3
	3,540	3,327	213
Allowance for doubtful debts	(2,092)	(1,886)	(206)
	19,316	15,178	4,138

* Amounts are considered past due.

Commentary

- *1 Increase in Non-exchange transactions of \$882k, relates to the increase in DC's due in FY19 vs. FY18 - \$1.4m vs. \$5m in FY18.
- *2 Infringement receivables continues to increase with \$1.8m in over 90 days relating to infringements. The allowance for doubtful debts includes \$1.6m for infringements.
- *3 Increase in rates receivable includes increase in 2018/19 rates and rateable properties, offset by decrease in previous years' rates following recent debt recovery processes for rates. 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. The favourable variance for previous years' rates is due to payment pertaining to the mortgagee letters (\$852k) issued at the end of February for rates balances that were less than 6 years old were received in June 2019.
- *4 Current outstanding balance includes invoices to MBIE \$1.2m and NZTA \$1.6m. The increase in Trade Receivables from exchange transactions relates mostly to the increase in volume and value of consents since June 18. The balance in over 90 days includes 423 accounts under \$10k totally \$454k and 21 accounts over \$10k totalling \$378k. Infringements as pointed out above make up the bulk of the over 90 days balance. The percentage in over 90 days is 18%, and 8.0% excluding infringements and accruals. The KPI for the accounts receivable team for FY19 was to achieve a debt target of 15% by 30 June 2019.
- *5 The increase relates mainly to a higher GST refund due versus the prior year which is consistent with an increase in