

Debtors Analysis

As at 31 March 2021	Council		
	Mar-21 \$'000	Mar-20 \$'000	Variance \$'000
From non-exchange transactions			
Trade receivables	982	1,774	(792) *1
Infringement receivables	2,103	2,305	(202) *2
Rates receivables	5,860	4,993	867 *3
New Zealand Transport Agency	4,447	3,424	1,023 *4
Other	280	126	154
Allowance for doubtful debts	(1,862)	(1,576)	(286) *5
	11,810	11,046	764
From exchange transactions			
Trade receivables	6,410	4,345	2,065 *6
Other	3,342	1,968	1,374 *7
Allowance for doubtful debts	(1,075)	(721)	(354) *5
	8,677	5,592	3,085
	20,487	16,638	3,849

Age analysis

Trade and other receivables (excluding rates)	Council		
	Mar-21 \$'000	Mar-20 \$'000	Variance \$'000
Current (0-30 days)	12,695	8,564	4,131 *8
31-60 days *	373	1,066	(693)
61-90 days *	175	242	(67)
90 days + *	4,321	4,070	251 *8
	17,564	13,942	3,622
Rates receivables			
Current year rates (overdue) *	4,200	3,800	400 *3
Previous years rates *	1,660	1,193	467 *3
	5,860	4,993	867
Allowance for doubtful debts	(2,937)	(2,297)	(640) *5
	20,487	16,638	3,849

* Amounts are considered past due.

Commentary

- *1 Decrease in non-exchange debtors relates entirely to a \$0.8m decrease in outstanding development contribution invoices. We are working through getting all our large outstanding DCN's either on payment plans or payment arrangements with our debt collection targeting the larger balances.
- *2 Of this balance, \$1.3m of infringements are >2years outstanding, so although the total balance is large it is a lot of historic unpaid infringements and has decreased compared to the same time last year. To note, we provide for \$1.8m of our \$2.1m infringement balance and after 60days we pass the debt onto the courts who follow up on our behalf.
- *3 Increase in rates receivable is made up of both a \$400k increase in current years outstanding and \$467k increase in prior year rates arrears. To note, there was another \$277k reduction in rates arrears in April which makes a total \$3.6m reduction from July. Mortgagee letters were sent to the bank in February.
- *4 Decrease in NZTA claim due to the difference in value of works being claimed for the month, NZTA receivable is always current with payment received the following month.
- *5 Increase in allowance for doubtful debt for both exchange and non-exchange debtors as we now take a provision for all outstanding debt >6months. The provision for unpaid infringements has increased by \$278k with the remaining increase within consenting and other sundry invoices.
- *6 APL debtors have increased by \$1.4m for 2 large turnover rents invoices outstanding at March 2021 and other consenting and sundry invoices have increased by \$364k. Our follow up processes are now more streamlined with statements able to be emailed out automatically to customers each month which was not able to happen for all debtor types previously. This was implemented in March, so should be reflected in the financials going forward.
- *7 Increase in other non-exchange debtors relates to month end accruals and net GST position.
- *8 Increase in current aging of debtors relates mostly to NZTA and APL as noted above. Our increase in >90days outstanding debtors will be targeted through automatic emailing of statements, payment plan options and use of debt collection if required.